

IDENTIFY THE CRITICAL FACTORS
INFLUENCING MALAYSIA CUSTOMER
LOYALTY IN PURCHASING AUTOMOTIVE

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ABSTRACT

The automotive industry has played an important role in the development of the manufacturing sector in Malaysia. With the successful implementation of the first National Car Project, the industry has to widen its perspective to take on the challenges ahead. Besides gearing up its operation to meet the anticipated growth in the sector, the industry has to strengthen its competitiveness through greater emphasis on product and market development. The industry also has to carve a niche in the export market and foster closer linkage with the target destinations.

In today's highly competitive in Malaysia automotive market, businesses are more challenged to increase, or even maintain market share. With the globalization and continual technology innovations, consumers have greater access and more purchase alternatives, and opportunities to be less store and product loyal. As a result, customer perceived value becomes paramount to being competitive in the marketplace. For marketers to concentrate or compete only on price is not only detrimental to profits, but also shortsighted. Generally, price is the marketing mix element that competitors can react to the easiest, or the quickest to change, and provides the least sustainable competitive advantage. Furthermore, with the curvilinear price relationship quality considerations become marginal at certain low and high price points lower perceived value. "people not only may refrain from purchasing a product when they consider the price too high, but also may be suspicious of the quality of a product if its price is too much below what they consider acceptable" Consumers may perceive that a lower price occurs by reducing product quality to maintain profit margins. Therefore, contrary to efforts by marketers and researchers to focus solely on quality (benefits) and price (monetary sacrifice) as perceived value, other sacrifice considerations are important, e.g., convenience where convenience is the time and effort expended by

the customers .Hence, the mediating influence of perceived value on customer loyalty can be increased with other marketing mix elements, e.g., product, place, promotion , rather than just the price-quality relationship .