

APPROVAL

‘I acknowledge that I had read this research project and in my opinion this research project is sufficient in terms of scope and quality for the award of Bachelor of Technology Management (High Technology Marketing)

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**THE IMPACT OF RELATIONSHIP MANAGEMENT IN ACHIEVING
CUSTOMER SATISFACTION**

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DECLARATION BY OF ORIGINAL WORK

**I hereby declare that the work of this exercise is mine except for the quotation
and summaries that have been duly acknowledge**

Signature :.....

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Date :.....

DEDICATION

This research is dedicated to my lovely family and fellow friends that had accompany me for the past 4 years of my university life. Also thanks to my final year project supervisor, Dr Othman Aman for his guidance. With their support, I was able to complete this research paper.

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My special thanks to my thoughtful friends with whom I exchanged views on this research project. All of them are a great source of inspiration for this research paper.

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ABSTRACT

New forms of competition and structural modifications of exchange processes have led to the emergence of the relationship paradigm for creating long-term relationships among customers and suppliers. It is important to market the product and services with every tool that related to it. One of the important tools to make sure they had engagement between the companies and the audiences is by improving their satisfaction. It has been proven effective in getting customers to recognize and remember your product and services. Hence, related to this paper, it wants to investigate the impact of relationship management in achieving customer satisfaction. Relationship management will create clear joint understanding between partners and ensure the planning is being done to time, cost and quality. Briefly, relationship management elements come with three attributes, strategic planning, people development and relationship building. (Richmond, Rollin and Brown, 2004).

Through this research, it will consist of the entrepreneur in the business in food and beverage sector in Malacca area. By handling the quantitative research, the researcher designed the data collection technique by forming up the questionnaire for the target respondent. It is usually associated with the deductive approach where the focus is on using data to test theory.

Hence, it also examines the relationship between the variables that will make the study in relationship management become easier. The survey based questionnaire method will be taken as the primary and secondary tools to gather the data.

ABSTRAK

Persaingan baru dan pengubahsuaian struktur proses pertukaran telah membawa kepada kemunculan paradigma hubungan untuk mewujudkan hubungan jangka panjang antara pelanggan dan pembekal . Adalah penting untuk memasarkan produk dan perkhidmatan dengan setiap alat yang berkaitan dengannya. Salah satu alat yang penting untuk memastikan mereka mempunyai penglibatan antara syarikat-syarikat dan penonton adalah dengan meningkatkan kepuasan mereka. Ia telah terbukti berkesan dalam mendapatkan pelanggan untuk mengenali dan ingat produk dan perkhidmatan anda. Oleh itu , yang berkaitan dengan kertas ini, ia mahu untuk menyiasat kesan pengurusan hubungan dalam mencapai kepuasan pelanggan. Pengurusan hubungan akan mewujudkan persefahaman bersama yang jelas di antara rakan-rakan dan memastikan perancangan yang dilakukan untuk masa, kos dan kualiti. Secara ringkas, unsur-unsur pengurusan hubungan datang dengan tiga sifat , perancangan strategik, pembangunan sumber manusia dan pembinaan hubungan. (Richmon , Rollin dan Brown , 2004).

Melalui kajian ini, ia akan terdiri daripada usahawan dalam perniagaan dalam sektor makanan dan minuman di kawasan Melaka. Dengan menangani penyelidikan kuantitatif, penyelidik mereka teknik pengumpulan data dengan membentuk soal selidik bagi responden sasaran. Ia biasanya dikaitkan dengan pendekatan deduktif di mana tumpuan adalah pada menggunakan data untuk menguji teori .

Oleh itu, ia juga mengkaji hubungan antara pembolehubah yang akan membuat kajian dalam pengurusan perhubungan menjadi lebih mudah. Kaji selidik berasaskan kaedah soal selidik akan diambil sebagai alat rendah dan menengah untuk mengumpulkan data.

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LIST OF ABBREVIATIONS

B = Beta

% = Percentage

R = Point of Estimate

R^2 = Point of Estimate Square

P = P value

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CHAPTER 1

INTRODUCTION

1.1 Background

Customer satisfaction arguably been the most important assets of any enterprise rather it large or small company. It drives the contribution and raises the company profit which is the most important factor to retain company's survival and facilitate company development. Customer satisfactions is refer as a marketing term that measures how products and services supplied by a company meet or surpass customer's expectation. (Ross Beard, 2014). Customers looks for value in any purchasing decision, so, building customer satisfaction was becoming importantly in this time due of heightened competition and globalization. In achieving this objective, the firm's performance is often considered the ultimate criterion.

In determining firm performance, the entrepreneur's demographic, psychological and behavioural characteristics are often cited as a central role and most influential factors to attain it. In order to tackle this, based on the research from T.W.Y Man et al (2002), suggested that future research should be more attention. It must consist of fully developing theoretical framework to help focusing on the research questions and characteristics that deserve more attention.

In line with arguments suggested by these researchers, this research is attempt to organize this existing theories by emphasizing the environment factors occurs in the companies, which is firm relationship management factors and its impacts to customer satisfaction. Relationship management can be described as a management that allows organization work together using their specialized resources innovatively to achieve aims and objective.

It involves three main key attributes that researcher think as an important factor that should be focus, which is strategic planning, people development and relationship building. All these attributes covered all aspects that company should emphasize which is creation of better quality and service, team management building and network building. For example, meeting the deadlines, give a good services and quality of the product lead to the satisfaction of the customer. The satisfied customers speeded the positive words and get emotionally attached to the product, hence, adding the credibility and image of the organization. All this aspect drives the entrepreneur's skills in order to practice it in their companies.

As a focus of this research, it adopted the relationship management attributes as the factors into theoretical framework and emphasizes the entrepreneur as a role player to achieve customer satisfaction. Hence, the data collected involved the contribution by the entrepreneur in Small Medium Enterprise sector of Food and Beverage industries in Malacca

1.2 Problem Statement

Sometimes a small business fails because owners are not aware of the elements that prevent businesses from expanding successfully. Hence, this occurred when the business were born only from the expertise of its owner, like baking or auto repair expertise. These skills often hinder owners from identifying certain crises that may arise in the business. They are usually just focus on their competencies without emphasizing their marketing strategies, packaging and market competition. If this

management element was not well organized by the owner, how the business could expand? How they can retain their existing and target the new customers in the population? It comes the enquiry about these and they don't notice that the most influential factor to success in a business is achieving customer satisfaction. By achieving customer satisfaction, it builds the success by increasing the profitability of the companies.

By this statement, the researcher thinks significantly to conduct the study in achieving customer satisfaction. The process in achieving customer satisfaction helps the entrepreneurs to coordinate and oversee the work activities of management in effectively and efficiently, hence, increase their leadership skills. The entrepreneur should consider the factor that influence the performance of their companies such as their product development, the employee team, and relationship building occurs around the companies so that their objective can be accomplished. So, in emphasizing the relationship management, it was embraced these factors in one management and increase the entrepreneur's credibility to build better strategies than before.

One of the relationship management attributes is strategic planning and it can be described as the work activities to define and establish strategies, develops the plan and coordinating activities in achieving company's goals (Robbins and Coulter, 2009). In this research, the researcher highlighted the development of performance in the quality of product and services. It gives a right direction to make a value for the product offer, increase the quality of product performance and varies the product creation. The good performance of the product and services builds the customer trust and form a long term engagement with the company and ensure the success.

The employees are important in accomplishing that task and shows the companies rather it success or not. Hence, it comes to entrepreneur's responsibility in arranging and structuring the work while determine what tasks are to be done, who is responsible to do it, and how the tasks to be grouped. So, after the goals and plan are set, the task and the composition are put in place, then, it occur the roles ensuring the

employee understands their task. When the employees know what their organization is trying to accomplish and what they must contribute in order to reach the goals, they can easily coordinate their activities, cooperate with each other, and do what it takes to accomplish the goals.

This research observed the Small and Medium Enterprise companies in food and beverage sectors because this sector is increasing in the industries and seems they have many competitors that offer the same product. Relationship building is one of the important factors to develop business opportunities and establish relationship engagement that contribute to the development of the companies. Hence, it is significant to gain new business contacts with the customer, build a strong network with the existing supplier and develop market opportunities with government organization. It is important to SME companies to build a strong relationship with the government to ensure their product is recognized in the current market. If they had a good relationship, they would be contacted to participate in the exhibition and open the opportunities to market their products. For example, the entrepreneur can meet the potential customer face to face and let them taste the product and ask for their feedback.

The relationship management provides the entrepreneurs to find the best solutions from the existing problems, or plan strategically in the future. It provides a framework to ensure critical areas are given attention before taking any action and can be effective for professionals and new business owners to monitor the growth. By creating a strong management through marketing and strategies, it leads to, satisfy the customers' need and expectation.

1.3 Research Questions

This research takes a study in the following key questions:

1. What is the impact of relationship management in achieving customer satisfaction?
2. What are the attributes of relationship management that drive to customer satisfaction?

1.4 Research Objective.

The objective of study is state as follow:

1. To identify the impact of relationship management in achieving customer satisfaction.
2. To examine the attributes of relationship management that drive to achieve customer satisfaction.

1.5 Scope of the Study

The scope of this research basically wants to cover the attributes of relationship management which is strategic thinking, people development and relationship building in achieving customer satisfaction. It used questionnaire as a data collection technique that the person are asked to respond to the same set of questions in a predetermined order (deVaus 2002)

The respondent that involve in this research was became a sample that represented the entire population. It focused on the entrepreneur in Malacca of food and beverage companies by arrangement an interview and distributes questionnaires for them. The data included are the structured interview, telephoned questionnaire, and the internet-and intranet mediated questionnaires by delivering the questionnaire in conjunction with email.

1.6 Limitation of the Study

By this research, there are some aspects that may affect the adversely that will not under the researcher control. By conducting the questionnaire, it have some difficulties which is the respondent might be argued to be in adequate to understand some form of information such as change of behaviour, emotions and feelings. Hence, it delivered a limited amount of information without explanation and the respondent may be forgetful or not thinking within the full context of situation.

1.7 Significance of the Research

Entrepreneurship has been recognized as being of fundamental importance for the economy (Bruyat and Julien, 2000) due in giving birth to new ideas, creating new enterprises and jobs, and nurturing the economy as a whole (Hisrich and O'Conneide, 1985). It may show that entrepreneur is very important in giving the benefits to their surrounding and the studying about entrepreneur gives a researcher to explore a real world of business and the actual challenge faced by them.

Hence, this project is a practical study that benefits on entrepreneur in food and beverage companies in Malacca or it can be good for the people who want to start-up new business in Malaysia. It allows the ways to increase customer satisfaction which is important to gain the profit. Yet building customer satisfaction and loyalty are becoming increasingly important in this time of heightened competition and globalization especially in food and beverages manufacturers. These manufacturers have a lot on their plates these days and there are hundreds of product categories, and to compete, firms must constantly innovate. So, by implement the attributes of relationship management that consist of the important element of development could drive the success.

This research study was offering the knowledge for future entrepreneurs not only in Malacca but also can be use maybe out of Malacca even the whole Malaysia by this investigation. The successful delivering in this study surely is advantageous for the future generation of entrepreneur that grows up in Malaysia in order to increasing the Malaysian economy.

1.8 Summary

The process of formulating and clarifying the research topic is a key part in building a research project. Hence, the attributes of a good research topic do not vary a great deal and the most important thing is the research topic will meet the requirements of the examining body. In generating and refining business idea makes uses a variety of techniques. It was important in using this variety that involved rational and creative thinking. A clearly defined research questions express what the research about and become the focal point of the research project

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

By the critical review of the literature is necessary to help you to develop a thorough understanding of, insight into previous work that relates to the research questions and objectives. The review sets the research in contact by critically discussing and referencing work that has already been undertaken by drawing out key points

This chapter was discussing the study of this research in explanatory study in relationship management by considering its attributes which is strategic planning, people development and relationship building in achieving customer satisfaction. It contributes to the entrepreneur of food and beverage industries in Malacca. Lastly, theoretical framework is designed based on the independent variables and dependent variables.

2.2 Overview of Relationship Management

Relationship management is an important elements must be employed by the organization to build continues level of engagement in maintaining the relationship between its audience. It considers strategic planning in developing the product,

people development and relationship management in the company (Richmon, Rollin and Brown, 2004). It is the approach implementation by organization which integrated strategy to maintain and adding the purchasing. Consumers who feel that the business responds to their needs are more likely to continue purchasing the products and services that the business offers.

2.3 The Importance of Relationship Management

Relationship management is one of the most important management systems that should be in place and should be clearly documented both in policy and in practice (Humphries and McComie, 2012). Simply speaking, the word management can be described as what managers do and it involves coordinating and overseeing the work activities so that the activities are completed effectively and efficiently. (Robbins and Coulter).

In order to manage joint enterprise to become proactive and accountable, it must be supported by relationship performance that create clear joint understanding between partners and ensure you „get things done“ to time, cost and quality. It aims to create a partnership between organization and its audience that drives to achieve companies“ goal. Organizations that are well managed come with a loyal customer base and repeat business. If the consumers feel that the products and services that business offer are responds to their needs, it drives the continuing of usage of the product.

2.3.1 Company Survival

In today“s challenging climate, the first precedence of a small business entrepreneur is survival. A report at newspapers, economics journals reveals a succession of corporations struggling, and often failing