

**THE RELATIONSHIP BETWEEN PRODUCT QUALITY AND BRAND LOYALTY:
A CASE STUDY OF MOTOSIKAL DAN ENJIN NASIONAL SDN. BHD. (MODENAS)**



**INSTITUT PENGURUSAN PENYELIDIKAN
UNIVERSITI TEKNOLOGI MARA
40450 SHAH ALAM, SELANGOR
MALAYSIA**

BY:

**MOHD RIZAIMY SHAHARUDIN
AZFAHANEZ ZAKARIA
ANITA ABU HASSAN**

DECEMBER 2009

PROJECT TEAM MEMBERS

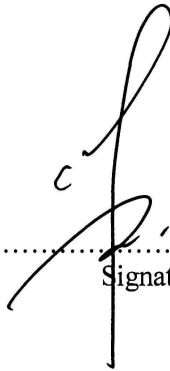
MOHD RIZAIMY BIN SHAHARUDIN
Project Leader



.....
Signature

AZFAHANEE BINTI ZAKARIA

Project Member



.....
Signature

ANITA BINTI ABU HASSAN

Project Member



.....
Signature

TABLE OF CONTENT

<u>Description</u>	<u>Page</u>
Research Offer Letter	i
Report Submission Letter	iv
List of Project Team Members	v
Acknowledgement	vi
Table of Contents	vii
List of Figures	ix
List of Tables	x
List of Appendixes	xii
Abstract	xiii
1. Introduction	
1.0 Introduction	1
1.1 Malaysian Motorcycle Industry	2
1.2 Background of the Company (MODENAS)	3
1.3 Background of Study	6
1.4 Problem Statement	9
1.5 Research Questions	10
1.6 Research Objectives	10
1.7 Hypothesis	11
1.8 Significance of Study	11
1.9 Scope of Study	12
1.10 Definition of Terms	13
2. Literature Review	
2.0 Brand Loyalty	14
2.1 Product Quality	17
2.2 Perceived Quality	18
2.3 Purchase Intention	24
2.4 Relationship Between Product Quality and Brand Loyalty	25
2.5 Theoretical Framework	28
3. Research Methodology	
3.0 Research Design	33
3.1 Population	35
3.2 Sampling	36
3.3 Data Collection Method	37
3.4 Data Analysis and Interpretation	37
4. Data Analysis and Finding	
4.0 Frequency Distribution Analysis	41
4.1 Descriptive Analysis – Mean Score	51
4.2 Factor Analysis	57
4.3 Reliability Analysis	63
4.4 Regression Analysis	68

5. Conclusions and Recommendations	
5.0 Conclusion	75
5.1 Recommendations	77
5.2 Recommendations for Future Research	78
 Bibliography	 79
 Appendix A - Questionnaire	
Appendix B - SPSS Frequencies Analysis Result	
Appendix C - SPSS Descriptive Analysis Result	
Appendix D - SPSS Factor Analysis Result	
Appendix E - SPSS Reliability Analysis Result	
Appendix F - SPSS Regression Analysis Result	

ABSTRACT

This study is about the discoveries on the relationship between intrinsic and extrinsic attributes of product quality with brand loyalty. It helps to extend the understanding on the perceptions of product quality of Malaysia national brand motorcycle/scooter, MODENAS and its influence towards brand loyalty, an important element in determining the customer re-purchase buying behavior. To date, there have been a very minimum studies were conducted by taking into consideration of the product quality and brand loyalty in motorcycle industry in Malaysia. Though, there are some studies done in this field but most of them are based in United States and United Kingdom. Therefore from the data presented in this study, it can be expected that the findings can benefit both industrial and academician by giving a new source of ideas and information. Results indicated that although from the earlier literature concluded product quality generally has significant influences towards the brand loyalty but in the case of motorcycle/scooter product, only product quality based on the perceived quality (extrinsic attribute) was found significantly influence on the brand loyalty instead of objective quality (intrinsic attributes). It would seem reasonable to suppose that perceptions of a good product quality from extrinsic attributes will develop a brand loyalty due to the feelings and affects formed as a result of the perception of quality. These perceptions are not fixed and can be changed if the product has high level of customer awareness, good image from marketing activities such as advertising, sales promotion and etc. Future research should focus on the similar study of product quality and brand loyalty to the other brand being the competitor to MODENAS in the market. By doing this only the gap can be closed with a clearer picture on the extended scope of market environment can be examined. Eventually, a comparison can be made between the findings of the three brands so that such constructible findings and conclusions can be made to the study.