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DETERMINANTS OF CUSTOMER RELATIONSHIP AS MEDIATING EFFECT ON SERVICE QUALITY AND CUSTOMER LOYALTY: A CASE STUDY TAKAFUL IKHLAS

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ABSTRACT

Malaysian Takaful industry has continued its healthy growth and it plays an important socioeconomic role in the country. In current global economy, service providers are competing to develop and retain customers through increased satisfaction and loyalty. Thus, this study used five dimensions of service quality to develop theoretical understanding about customer satisfaction and loyalty among Malaysian Takaful customers. The population of this study was customers who had subscribed to the Takaful products and services. The study had a sample of 326 respondents. The hypotheses were analyzed using Structural Equation Model (SEM) along with Partial Least Square (PLS) approach. The findings of this analysis indicated that four of five service quality dimensions (*tangible, assurance, reliability and responsiveness*) had positively influenced customer satisfaction and led to loyalty. In mediating effect, there was positive effect between customer satisfaction and customer loyalty. Therefore, this study will contribute to existing literature for both theoretical and managerial approaches to enhance understanding regarding customer retention, customer relationship management and setting of Takaful Industry.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Takaful