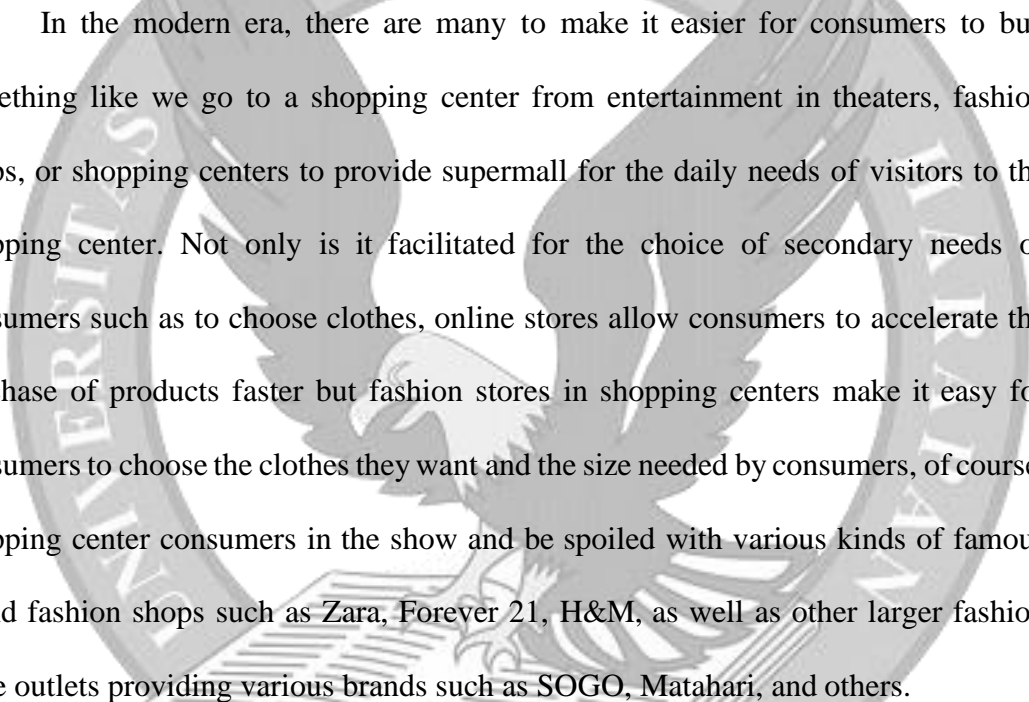


CHAPTER I

INTRODUCTION

1. 1 Research Background



In the modern era, there are many to make it easier for consumers to buy something like we go to a shopping center from entertainment in theaters, fashion shops, or shopping centers to provide supermall for the daily needs of visitors to the shopping center. Not only is it facilitated for the choice of secondary needs of consumers such as to choose clothes, online stores allow consumers to accelerate the purchase of products faster but fashion stores in shopping centers make it easy for consumers to choose the clothes they want and the size needed by consumers, of course, shopping center consumers in the show and be spoiled with various kinds of famous brand fashion shops such as Zara, Forever 21, H&M, as well as other larger fashion store outlets providing various brands such as SOGO, Matahari, and others.

Consumers always want to do better shopping and get better service at more reasonable prices. Although they don't seem to look for other stores than usual where they always shop, they sometimes want to use new opportunities according to the principle of maximizing benefits. Although non-priced instruments are at a premium

and they are usually used by businesses, prices that are evaluated as a basis for marketing instruments maintain their importance in customer return visits.

As is the case with Forever 21 fashion outlets. Forever 21 is a clothing outlet for young people in various parts of the world from the United States (US). Initially, Fashion 21 was only popular in the South Korean-American community in Los Angeles, and now opens a new store every six months and expands the company's customer base. Forever 21 has many buyers selling trendy clothes at low prices. Forever 21 was one of the first to do it and they are the fastest. As a result, Forever 21 became one of the major outlets in American malls. The shop is spread across 57 countries and has opened 800 stores. In 2015, the company's business expanded rapidly. Forever 21 sales peaked, pocketing global sales value of US \$ 4.4 billion in 2015.

However, Forever 21 began to lose the character of his clothing model. Although the products are always mass-produced, Forever 21 still looks unique because the shops only sell certain fashion styles for a limited time. However, when the company focuses on growing bigger, its fashion style is felt to be lacking in character. As a result, Forever 21 began to lose touch with its core customers. At the same time, the prestige of its competitors in the retail industry such as H&M and Zara is rising and accompanied by the growth of the online retail industry that is growing so rapidly that making competition fierce as customers grow, they choose the name of the Forever 21 store to target anyone who wants to become trendy, fresh and youthful.

Various studies on perceptions of price fairness, customer satisfaction, intention to revisit, and loyalty have been carried out in the literature. These studies analyze these variables from different perspectives, showing that the fairness of customer prices affects perception. Customer satisfaction influences repurchase intentions/repeat visits and statements for or against the business. (Ha and Jang, 2010) confirm that compared to hedonistic feelings, utilitarian feelings have a stronger effect on American customer satisfaction and positive behavioral intentions. American customers are more satisfied and have more positive behavioral intention bases such as cost, taste, or satisfying menu choices. This finding suggests that there may be a positive relationship between perceived price equity and intention and loyalty again. (Han et al, 2011) state that the intention to change customer decreases when their satisfaction level increases. These findings indicate that there may be a positive relationship between customer satisfaction to revisit and loyalty.

That customer loyalty has significant positive benefits for service businesses is well known (Reichheld, 1996). What is less understood, however, is how loyalty is earned and maintained when customers move from being first-time customers, to repeat customers. Most of the previous studies emphasize customer satisfaction as the main antecedent for loyalty. This is not surprising given the established relationship between satisfaction, intention to revisit, price, and value.

The relationship between perceived price, customer satisfaction, intention to revisit, and loyalty. An important and long-term goal of relationship marketing is to provide customer satisfaction, loyalty, and the desire to buy back (Berry, 1995). Starting with this theory, the aim of this study was to examine the effect of price fairness and satisfaction felt by restaurant customers on loyalty to the same restaurant and the role of mediation review intention on this effect.

(Kotler and Keller, 2009: 138) expressing loyalty is "a commitment that is held deeply to buy or support a product or service that is preferred in the future even though the influence of the situation and marketing efforts have the potential to cause customers to switch". Loyalty According to (Tjiptono, 2011: 481) "Repurchase behavior solely concerns the purchase of certain brands of the same repeatedly (it could be because there is only one brand available, the cheapest brand and so on). Loyalty according to (Griffin, 2010: 04), is a consumer said to be loyal or loyal if the consumer shows a buying behavior on a regular basis or there is a condition where it requires consumers to buy at least twice in a specified time interval. According to (Supriyatmini, 2005: 41) Loyalty is customer loyalty to service providers who have provided services to him.

Customer loyalty holds the most important factor in the business carried out Customer loyalty includes the attitude component and the customer behavior component. The customer attitude component is an idea such as the intention to return to buy additional products or services from the same company, the willingness to

recommend the company to others, a demonstration of commitment to the company by showing resistance if there is a desire to turn to other competitors and a willingness to pay at a premium price. On the other aspects of customer loyalty behavior are actual repeat purchases of products or services, which include more purchases of the same product or service or other alternative products from the same company, recommending the company to others and possible long-term use of the product the quality of the brand is still maintained (Saravanakumar, 2014).

Every business organization has a desire to achieve the goals set. These goals can combine profit maximization, increase sales, expansion, growth, product accessibility, product awareness, customer satisfaction. Profit maximization also serves as the backbone of business goals. In the same view, the level of profit maximization depends on the level of customer satisfaction that has a direct relationship with customer loyalty. Customer loyalty is one of the most important indicators of an organization to do the best. Since customer loyalty is directly effect to customer satisfaction, it is evident that customer loyalty can be measured through customer satisfaction (Odunlami and Matthew, 2015).

Basic customer satisfaction for each organization to achieve its goals. In other words, the level of customer satisfaction reflects the level of achievement of organizational goals. Satisfied customers tend to create favorable and pleasant relationships with the organization. Customer loyalty to the organization arises from the satisfaction received by customers by using products or services received from the

organization. The important nature of understanding the level of customer loyalty, for an organization today is a necessity for creating and maintaining profitable relationships (Odunlami and Matthew, 2015).

Therefore, the authors are interested in choosing the title "The Impact of Perceived Price Industry and Satisfaction on Loyalty: The Mediating Effect of Revisit Intention on Forever 21". Where in this case, the author wants to make Forever 21 as the object of research in analyzing the impact on different perspectives, showing that the fairness of customer prices affects perception, customer satisfaction influences repurchase intentions or repeat visits.

1.2 Research Problem

In this research, the author has chosen the problem formulation. Based on observations that have been described above and the main issues to be discussed are:

1. Does Perceived Price Justice is positively effect to Revisit Intention?
2. Does Perceived Satisfaction is positively effect to Revisit Intention?
3. Does Perceived Price Justice is positively effect to Loyalty?
4. Does Perceived Satisfaction is positively effect to Loyalty?
5. Does Revisit Intention is positively effect to Loyalty?
6. Does Revisit Inention mediate the effect of Perceived Price Justice on their loyalty?

7. Does Revisit Intention mediate the effect of Perceived Satisfaction on their loyalty?

1.3 The Purpose of Study

In intercorrelation to the background above, the purposes of the study are mentioned as follow:

1. To understand the influence of Perceived Price Justice on Revisit Intention of Forever 21
2. To understand the influence of Perceived Satisfaction on Revisit Intention of Forever 21
3. To understand the influence of Perceived Price Justice on Loyalty of Forever 21
4. To understand the influence of Perceived Satisfaction on Loyalty of Forever 21
5. To understand the influence of Revisit Intention on Loyalty of Forever 21
6. To understand Revisit Intention is mediating Perceived Price Justice and Loyalty of Forever 21
7. To understand Revisit Intention is mediating Perceived Satisfaction and Loyalty of Forever 21

1.4 Benefit of the Study

The author hopes that this research can bring sufficient benefits to those who need it, including:

1.4.1 Academic

The results of research to add knowledge, especially in the field of International Business. The results of this study also become a reference from other studies interested in conducting studies on price justice, satisfaction, and revisit intention towards loyalty in the case study forever 21. It is possible to develop further research and can be used to examine other case studies.

1.4.2 For the Company

The results of this study are expected to be material for consideration, reference, and input for companies in designing strategies in the field of international business, so they can compete with other companies and increase sales.

1.5 Systematic of Writing

To facilitate the understanding of the contents of this research, a systematic form was developed which generally includes a brief description of the parts of this research. As for the systematic writing compiled are as follows:

CHAPTER I: INTRODUCTION

In this chapter the reasons for choosing the title, background of the problem, problem formulation, research objectives, research benefits, research methodology, and systematic discussion are explained.

CHAPTER II: LITERATURE REVIEW

In this chapter the author describes theories effect to accounting information systems, the definition of internal control, elements of internal control, recording documents used in the expenditure cycle, procedures for controlling the expenditure cycle as well as the theories concerned.

CHAPTER III: RESEARCH METHODOLOGY

This chapter explains the research method and its theory for this research. Such as research objects, types of research, variable size, with each operational definition and definition, questionnaire making techniques, sampling design, data collection, and analysis methods for this study.

CHAPTER IV: FINDING AND ANALYSIS

This chapter covers the analysis of variables in the form of data and solving problems by examining statistics from the data collected.

CHAPTER V: CONCLUSION AND RECOMMENDATION

The final chapter contains conclusions based on the results of the research described in the previous four chapters, along with theoretical and managerial implications of research, limitations of research, and future research directions and suggestions.

