

ABSTRACT

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THE EFFECT OF SERVICE QUALITY AND PERCEIVED QUALITY ON BRAND LOYALTY THROUGH PERCEIVED VALUE AND CUSTOMER SATISFACTION ON NIKE SHOES OUTLET IN DIPONEGORO SURABAYA

Global apparel industry continues to grow at a healthy rate even though global economic is facing a crisis now. Towards economy in terms of trade, employment, investment, and revenue all over the world, apparel industry is one of the very important aspects. These apparel goods accounted for more than 55% of the overall market. Indonesia, which is fourth most populated country in the world, become an attractive market for its textiles and clothing because of the strong economic growth and improved on purchasing power. The growth of apparel industry in Indonesia is increasingly promising, attracted many apparel companies to Indonesia, which one of it is Nike. Nike, Inc. was found on 8 September 1969. It engaged in many ways, which are design, apparel, selling athletic footwear, services, equipment, accessories, and marketing. Nike is number one for apparel brand in the world, Nike is proofed to have strong brand loyalty. Therefore, the researcher has planned to conduct the study of factors that influences Brand Loyalty of Nike.

The data used in this test were collected from 124 respondents. Five-point Likert type was used to obtain respondent's level of agreement. The eligibility of 124 respondents, they must have bought Nike shoes for at least once in a year in Nike Outlet Diponegoro Surabaya. The study revealed significant result of Service Quality towards Perceived Value, Perceived Quality towards Perceived Value, Service Quality towards Customer Satisfaction, Perceived Quality towards Customer Satisfaction, Perceived Value towards Brand Loyalty, Customer Satisfaction towards Brand Loyalty, while Perceived Value insignificantly effect Customer Satisfaction. This research used descriptive analysis and multiple linear regression analysis with SPSS to test the relationship between variables.

This research finding revealed that in order Nike to gain brand loyalty Nike should focus on improving perceived value and customer satisfaction. To increase perceived value and customer satisfaction Nike should focus on Service Quality and Perceived Quality.

Keywords: Nike, Nike shoes, Service Quality, Perceived Quality, Perceived Value, Customer Satisfaction, and Brand Loyalty.