ABSTRACT

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An Analysis on the Effects of Hypermart's Loyalty Program Attributes on Store Satisfaction and Loyalty

(xii+68 pages; 30 tables; 8 figures; 3 appendices)

The retail industry is the second largest sector that contributes to Indonesia's GDP and employment (Bank Indonesia, 2007). Hypermart is one of the many hypermarkets that compete in the retail industry. To compete with others, Hypermart implements a loyalty program for its customers. Loyalty Program consists of two attributes (soft and hard) that affect store satisfaction and loyalty (Bridson, et al., 2008). The objective of this study is to analyze the relationship between loyalty program attributes, store satisfaction, and store loyalty on Hypermart in Surabaya. This study used 212 samples of Hypermart customers that participate in Surabaya (Hi-Card and Stamp Collection). These customers are male or female, live in Surabaya and completed at least senior high school. This research used simple regression multiple regression, and path analyses using SPSS 16.0 to analyze the data.

Hypothesis testing results showed that loyalty program attributes positively and significantly affected store satisfaction and store loyalty. Store satisfaction positively and significantly affected store loyalty. However the store satisfaction was not the intervening variable between loyalty program attributes and store loyalty because the direct of loyalty program attributes is higher than its indirect effect. In order to increase the loyalty of the customers, Hypermart must maintain the discount. For the industry, the retailer must make an attractive loyalty program in order to make the customer become loyal. Other researchers can also add more variables such as Service Quality and Brand Communication in assessing the relationship of customer loyalty and customer satisfaction.

Keywords: Loyalty Program Attributes, Store Satisfaction, Store Loyalty, Hypermart

References: 32 (1980–2012)