IS THE LOYALTY PROGRAM EFFECTIVE IN CREATING LOYALTY PROGRAM SATISFACTION AND STORE LOYALTY? AN EVIDENCE FROM INDONESIA RETAIL INDUSTRY

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Abstract: Retailers must find specific ways to be able to continue to maintain their business with changes in consumer behavior. Some retailers use a loyalty program as their marketing strategy that provides certain additional benefits for frequent consumers. The objective of this work is to verify the effect of the loyalty program and loyalty program satisfaction on store loyalty. The data was collected through questionnaires from 150 respondents. The results reflected that loyalty programs significantly influence loyalty program satisfaction. Loyalty program satisfaction significantly influences store loyalty. The loyalty program is not directly related to storing loyalty. Loyalty program satisfaction mediates the effect of a loyalty program on store loyalty. The study highlights the importance of loyalty program satisfaction in the connection of loyalty program and store loyalty. To gain a loyal consumer, the retailer should improve the exclusivity and the attractiveness of the program. A useful and valuable reward will improve customer retention.

Keywords: Retail industry, Loyalty program, Loyalty program satisfaction, Store loyalty

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Recently, the retail business in Indonesia has experienced challenging conditions (Putera, 2017). It is noticeable from the financial performance of many giant retail stores, which declined and almost closing down their businesses (Sindonews.com, 2017). One of the Indonesia retail business problems caused by the change in consumer consumption patterns from offline to online (Amanah et al., 2017; Warayuanti and Suyanto, 2015). Currently, consumers can choose products and make payment transactions through existing retail websites (AlGhamdi et al., 2012). By transacting online, consumers will get many benefits and conveniences. Some of the benefits are consumers can save transportation costs, time costs, and material costs (money) (Punj, 2012).

Retailers must find specific ways to overcome the constraint by implement appropriate marketing strategies to be able to continue to maintain their
business with changes in consumer behavior. Retailers should understand the needs and desires of consumers, create value from the products offered, communicate that value, and ultimately deliver value to consumers (Kotler and Keller, 2016). The consumer’s satisfaction leads to the creation of loyal consumers or store loyalty. Loyalty refers to a consumer’s defensive attitude towards something. In the context of marketing, consumers who are loyal to a brand or store show that the consumer will keep choosing the brand or store compared to another brand or store (Sweeney and Chew, 2002). The loyal consumer will take specific actions, such as say positive things about retailers to others, encourage others to make transactions at assured retailers, and consider retail as the first choice when purchasing products in the future.

The loyalty program is a marketing strategy that provides certain additional benefits for frequent consumers. Kumar and Shah (2004), have defined a loyalty program as a structured effort made by suppliers to provide incentives for loyal customers to increase commitment to customer attitudes and behavior towards offers made by suppliers. In a simple explanation, a loyalty program is a scheme that is designed for customers to remain tied to the company or brand. It is much cheaper to generate sales from people who have traded than those who have not. Existing customers who have made transactions and are satisfied are ready to receive more money for more company services. It’s more profitable than potential new customers who don’t necessarily want to spend money because they don’t fully trust the company (Knox and Walker, 2001).

Loyalty programs are used by customers to obtain benefits such as information on new products, special offers, and gifts. A combination of hard benefits through the reduction of direct financial costs (i.e. free purchases) and soft benefits that give special status to customers is provided by loyalty program (Meyer-Waarden, 2015; Vesel and Zabkar, 2009). This program can help the company maintaining good relationships with customers. If it’s successful, the company can also maintain the stability of sales value, margins, and profits. Loyalty programs allow marketers to maintain several customers who have high repurchase rates, increase customer purchase intentions, and reduce customer intentions to switch (Meyer-Waarden, 2008). Dorotic et al. (2012), stated that the loyalty program provides several types of benefits, namely hedonic benefits, symbolic benefits, and utilitarian benefits. Hedonic benefits refer to the feelings of comfort and exploration felt by members of the loyalty program through the pleasure of obtaining or collecting points and when withdrawing / claiming points that have been collected. Symbolic benefits refer to social benefits and recognition received by members of the loyalty program such as ownership, recognition by the company, social status, social acceptance, and special treatment (Jang and Mattila, 2005). Utilitarian benefits refer to the merits gained by saving some money that should have been spent through the use of a loyalty program. Discounts, points, and vouchers can be a form of saving money (Sreejesh et al., 2016).

The loyalty program as marketing strategies can build the member’s satisfaction (Wirtz and Chew, 2002), including satisfaction with the loyalty program itself. Loyalty program satisfaction refers to the affective statements of members as the results of evaluations conducted on the benefits obtained from the loyalty program (Oliver, 1997). Customer satisfaction is interpreted as a customer evaluation of the performance of the service provided by the company. Customer satisfaction focuses on evaluating customer service attributes and other situational variables (Back and Parks, 2003) and is regarded as one of the significant outcomes of all marketing actions. Customer satisfaction becomes one of the bases used for the choice of future customer behavior, such as repurchasing and giving positive or beneficial WOM to potential customers for specific products (Jani and Han, 2014).

Customer satisfaction is a core determining factor for creating loyalty. Many works have shown a significant relationship between satisfaction and loyalty. When customers are satisfied with products or services, customers will have a tendency to remain loyal and are willing to provide recommendations, make more purchases, and pay a higher price. Yi and Jeon (2003), have shown that when
consumers satisfy with a loyalty program, they are likely to develop loyalty toward a store or a brand.

In other words, loyalty program satisfaction is a measure in which expectations of a loyalty program are offered following expected results. In other words, it reflects the success of the marketing strategy undertaken by the retail business. Maintaining the sustainability of company growth can be done with a loyalty program. To be approved and cared for by customers, loyalty programs need and must be created by the company.

Store loyalty becomes a critical issue for retailers to think about. Store loyalty defines as the consumer’s tendency to be loyal to a particular store or store chain (Knox and Denison, 2008). Increased store loyalty will have a positive impact on retailers. Loyal consumers will be willing to spread the positive or beneficial word of mouth about the store to others. Loyal consumers also have retention so that it will reduce marketing costs that must be spent by retailers. Loyal consumers will be willing to repurchase and be exposed to other products offered by retailers through cross-selling.

Malang is the second-largest city in East Java, Indonesia. The population of Malang City in 2017 is 895,387 people, increased by 50,116 people over the last five years (Abidin, 2018). The number has not added to the number of residents outside the city who are active in Malang so that if added together, the total population of Malang City will exceed 1 million people. It shows that Malang City is one of the cities with an adequately dense population level when compared to the area of Malang City, which is 252.1 square kilometers (km²). With the high population density, there is also a large potential for the community to become retail consumers. No wonder business people are competing to attract the attention of the public to visit and transact at business centers.

THE HYPOTHESIS DEVELOPMENT

Loyalty programs are designed to increase customer satisfaction and commitment (Demoulin and Zidda, 2008). The effectiveness and relevance of a loyalty program measured by achieving a particular level of customer satisfaction threshold. A form of appreciation for customer loyalty to the organization or company as a benefit to members is also provided by loyalty programs. Verhoef (2003), stated that when customers engage in a loyalty program, they will receive its benefits and will lead them to loyalty.

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Lervik and Johnson (2003), have defined customer satisfaction as an evaluation of customer purchases and consumption experiences that are calculated cumulatively to date. The definition implies customer satisfaction as a thorough evaluation of the total experience with goods or services. Thus, loyalty program satisfaction is defined as the affective statements of program participants as a result of cumulative evaluations of impression and experience with loyalty programs.

Demoulin and Zidda (2008), stated that customer satisfaction with the loyalty program becomes a significant concept that needs to consider when expanding a loyalty program. Customer satisfaction with the program is a measure of how customer expectations are met on a given loyalty program, as store loyalty is a measure of how likely customers will repurchase and engage with sellers. The relevance of satisfaction in getting loyal customers and positive word of mouth promotion is crucial. Some researchers identify satisfaction as one of the factors driving loyalty (Zakaria et al., 2014).

The Loyalty Program and Store Loyalty

Sharp and Sharp (1997) clearly state that the success of relationship marketing efforts must be evaluated concerning consumer behavioral changes. This study conceptualized store loyalty as a high commitment of customers to repurchase or patronize product preferences or services regularly in the future, even though there are situational influences and marketing works that can potentially lead to switching behavior. The purpose of a loyalty program is to reach a higher level of customer retention, especially in profitable market segments by creating satisfaction and providing value for customers. The program aims to increase customer
satisfaction and loyalty, which in turn will have a positive effect on long-term financial performance.

Stores that provide a loyalty program to their customers will benefit from loyalty to stores and brands (Noordhoff et al., 2004). The relationship will function as a ‘barrier to entry’ mechanism that provides a competitive advantage for the company. Sharp and Sharp (1997) found that loyal customers have higher levels of purchase frequency.

According to the explanation above, the following hypotheses are proposed:

\[ \text{H1: Loyalty program has a significant effect on loyalty program satisfaction} \]

\[ \text{H2: Loyalty program satisfaction has a significant effect on store loyalty} \]

\[ \text{H3: Loyalty program has a significant effect on store loyalty} \]

\[ \text{H4: Loyalty program has a significant effect on store loyalty through loyalty program satisfaction} \]

The research model can be illustrated in the picture below.

![Research Model Diagram]

**METHOD**

The data collected aims to illustrate the formation of customer loyalty in retail stores in Indonesia. For data collection, a questionnaire was used and distributed for 3 months from April until July 2019 in two retails in Malang City. The questionnaire compiled consisted of 8 items about the loyalty program, 3 items about the customer’s satisfaction with the loyalty program, and 3 questions about store loyalty. In addition to providing demographic information, respondents were requested to respond on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). A survey method was conducted in this study. The sample size of the study is 150 respondents. Requirements to be a sample member are the respondents must meet the criteria which are at least 17 years old, have a member card from a retail store, and use the offered loyalty program (collect/claim points, discounts, vouchers, try new products). From the collected questionnaire, the demographics characteristics depict in Table 1.

| Variables          | Frequency | Percentage (%) |
|--------------------|-----------|----------------|
| Gender             |           |                |
| Male               | 15        | 10             |
| Female             | 135       | 90             |
| Age (years old)    |           |                |
| 17 – 22            | 60        | 40             |
| 23 – 27            | 33        | 22             |
| 28 – 35            | 21        | 14             |
| 36 – 45            | 22        | 14.67          |
| > 45               | 14        | 9.33           |
| Education Level    |           |                |
| Junior school      | 1         | 0.67           |
| Senior school      | 67        | 44.67          |
| Diploma            | 25        | 16.67          |
| Bachelor degree    | 52        | 34.67          |
| Postgraduate degree|           |                |
| Job                |           |                |
| Student            | 63        | 42             |
| Civil servants     | 16        | 10.67          |
| Private employees  | 41        | 27.33          |
| Entrepreneurs      | 11        | 7.33           |
| Other              | 19        | 12.67          |
| Income (IDR.)      |           |                |
| < 3.000.000        | 83        | 55.33          |
| 3.000.001 – 5.000.000 | 43 | 28.67          |
| 5.000.001 – 7.000.000 | 17 | 11.33          |
| 7.000.001 – 10.000.000 | 4 | 2.67           |
| > 10.000.000       | 3         | 2              |
RESULTS

Validity and Reliability Test

The validity of the data can be determined by the comparison of the Pearson Product Moment index, the outcomes of the study are declared valid compilation of \( r \) count > \( r \) tables or the significance value of the renewal results < alpha (0.05). The reliability test is the extent to which the scale can generate consistent results if the instrument is used repeatedly (Malhotra, 2012). The instrument is reliable if the reliability coefficient or the alpha Cronbach is 0.60 or more (Arikunto, 2010). The validity and reliability test results of each item variable in this study have been described in the following Table 2.

| Variable | Item | \( r \) score | \( r \) table | Significance | Validity Results | Alpha Cronbach | Reliability Result |
|----------|------|---------------|---------------|--------------|-----------------|----------------|-------------------|
| X        | X\(_1\) | 0.512         | 0.1348        | 0.000        | Valid           | 0.901          | Reliable          |
|          | X\(_2\) | 0.481         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_3\) | 0.493         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_4\) | 0.537         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_5\) | 0.450         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_6\) | 0.555         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_7\) | 0.633         | 0.1348        | 0.000        | Valid           |                |                   |
|          | X\(_8\) | 0.532         | 0.1348        | 0.000        | Valid           |                |                   |
| Z        | Z\(_1\) | 0.779         | 0.1348        | 0.000        | Valid           | 0.797          | Reliable          |
|          | Z\(_2\) | 0.838         | 0.1348        | 0.000        | Valid           |                |                   |
|          | Z\(_3\) | 0.856         | 0.1348        | 0.000        | Valid           |                |                   |
| Y        | Y\(_1\) | 0.605         | 0.1348        | 0.000        | Valid           | 0.791          | Reliable          |
|          | Y\(_2\) | 0.824         | 0.1348        | 0.000        | Valid           |                |                   |
|          | Y\(_3\) | 0.796         | 0.1348        | 0.000        | Valid           |                |                   |

Normality Test

The normality test is the most fundamental assumption in multivariate analysis, which is a form of data distribution on a single matrix variable in producing a normal distribution (Ghozali, 2011). The normality test can be done with the Kolmogorov-Smirnov non-parametric statistical test. If the Kolmogorov-Smirnov test produces a significance greater than \( \alpha \) of 0.05, the regression model fulfills the normality assumption. The results of the normality and linearity test can be seen in Tables 3 and 4.

| Unstandardized Residual |
|-------------------------|
| N                       | 150                       |
| Normal Parameters\(^{ab}\) | Mean                      | .0000000                 |
|                         | Std. Deviation            | 1.25632714               |
| Most Extreme Differences | Absolute                  | .073                      |
|                         | Positive                  | .053                      |
|                         | Negative                  | -0.073                    |
| Kolmogorov-Smirnov Z    | .897                      |
| Asymp. Sig. (2-tailed)  | .396                      |
Tables 3 and 4 above show that the normality test using the Kolmogorov-Smirnov test has met the normality assumption. To examine the normality of the variable loyalty program together with loyalty program satisfaction, the Kolmogorov-Smirnov figure is 0.897, which is greater than the 0.05 significance level. The same is true for normality testing on loyalty program variables, loyalty program satisfaction, and store loyalty. The Kolmogorov-Smirnov figure is obtained for 0.655 which is also greater than the 0.05 significance level.

### Linearity Test

The linearity test is a test conducted to find out the truth of the specifications of the model used (Ghozali, 2011). If the significance value of linearity in the linear model has a value of less than 0.050, then the linearity assumption is said to be fulfilled. The linearity test results can be observed in Table 5.

Based on Table 5, the significance value of linearity for the loyalty program and loyalty program satisfaction variables is 0.000 and the significance value of linearity for the loyalty program and store loyalty variables is 0.000, both of which are below 0.005. Likewise, the significance value of the loyalty program satisfaction and store loyalty variables of 0.000 is also below 0.005. These three results conclude that the model fulfills the linearity assumption.

### Path Analysis

The calculation of the path coefficient is carried out using regression analysis by looking at its effect on each equation. In this study, the calculation of the path coefficient was carried out using SPSS 21.
Based on the calculation results, the loyalty program variable (X) significantly influences the satisfaction variable on the loyalty program (Z) because it has a significance value <0.05 (α = 5%), which is 0.000 (H₁ is accepted). Table 6 also shows that the standardized beta coefficient of the first regression equation has a value of 0.572. This shows that the size of the loyalty program (X) has a positive effect of 0.572 on loyalty program satisfaction (Z).

From the table 6, we can also describe that 1) the loyalty program variable (X) does not have a significant effect on the store loyalty variable (Y) because it has a significance value > 0.05 (α = 5%), which is 0.281 (H₂ is rejected); 2) loyalty program satisfaction (Z) has a significant effect on the store loyalty variable (Y) because it has a significance value <0.05 (α = 5%), i.e. 0.000 (H₃ is accepted) while the standardized beta coefficient shows that loyalty program satisfaction (Z) has a positive effect of 0.458 on store loyalty (Y).

The total data diversity is indicated by the model measured by the formula:

\[ R_{2m} = 1 - P_{2e1} P_{2e2} \ldots P_{2ep} \]

where

\[ P_{2e1} = 1 - R^2_1 \]

and

\[ P_{2e2} = 1 - R^2_2 \]

\[ R^2_1 = 0.322 \]

and \[ R^2_2 = 0.257 \]

so:

\[ P_{2e1} = 1 - 0.322 = 0.678 \]

\[ P_{2e2} = 1 - 0.257 = 0.743 \]

From these calculations, the total coefficient of determination is obtained as follows:

\[ R_{2m} = 1 - (0.678 \times 0.743) = 0.496 \] or 49.6%

The results of the calculation of \( R_{2m} \) explain the diversity of data that can be shown by the path model which is 49.6%, particularly, the information accommodated in the data is 49.6% which can be elucidated by the model. The remaining 50.4% of the data diversity is explained by other variables.

**Path Model Interpretation**

a. The direct effect of the path coefficient equation can be stated as follows:

The direct effect of a variable loyalty program on loyalty program satisfaction

\[ Z = b1X + e1 \]

\[ Z = 0.572X + e1 \]

The direct effect of the variables loyalty program and loyalty program satisfaction on store loyalty

b. The indirect effect of the path coefficient equation can be stated as follows:

The indirect effect of a variable loyalty program on store loyalty through loyalty program satisfaction

\[ Y = b1X \times b3Z + e2 \]

\[ Y = 0.093X + 0.458Z + e2 \]

\[ Y = b1X \times b3Z = 0.572X \times 0.458Z = 0.262 \]
c. The total effect of the path coefficient equation can be expressed as follows:

The total effect of a loyalty program on store loyalty through loyalty program satisfaction

\[ Y = b_{2}X + (b_{1}X \times b_{3}Z) \]

\[ = 0.0093 + 0.262 \]

\[ = 0.355 \]

**Sobel Test**

With the help of the Sobel Test calculation application by Preacher and Leonardelli, a p-value of 0.00001515 was obtained. Based on the above calculation, it can be seen that the indirect effect of the loyalty program (X) on store loyalty (Y) through loyalty program satisfaction (Z) is 0.262 or 26.2%. Based on the Sobel Test the z-value is 5.2496 and the p-value is 0.0000015. From these results, it can be seen that the z-value > 1.96 and p-value < 0.05 so that \( H_{4} \) is accepted.

**DISCUSSION**

A loyalty program is an essential tool for retailers to win the competition. This study seeks to broaden current insights about the relationship between loyalty programs and satisfaction as well as their effects on store loyalty. An important reminder is that this study adds a loyalty program satisfaction variable to the relationship between loyalty programs and store loyalty. This model allows researchers to examine, investigate, and ultimately produce insights about the effects of this construct on loyalty to the store. This study shows that there is strong empirical support between loyalty program variables, loyalty program satisfaction, and store loyalty.

The program of loyalty had a significant effect on loyalty program satisfaction with a direct relationship. This means that the application or enhancement of the loyalty program will create or increase the satisfaction of customers who have joined and use the loyalty program. With the loyalty program, the members of the loyalty program will get some benefits that are not obtained by customers who are not part of the loyalty program. Members of the loyalty program get points every time they transact for various types of products. When points are collected at a certain amount, members of the loyalty program can make use of them by obtaining discounts on the purchased products. With this practice, members of the loyalty program can reduce costs and use their money for other purposes.

Members of the loyalty program also stated that by joining the loyalty program, they would obtain new information or offer retail parties. This information obtains earlier than the information provided by retail parties to the general public. This information is usually associated with new products and discounts that will or are ongoing. Loyalty members also said they felt involved with the retail. With the benefits obtained as above, members of the loyalty program feel satisfied.

The loyalty program satisfaction had a significant influence and a direct relationship to the store loyalty. It means that when a loyalty program member is satisfied with the services provided, they will tend to be a loyal consumer of the stores. The members of the loyalty program said that it was an appropriate step to join the loyalty program. Initially, customers are offered to have a membership card (or become a member of the loyalty program) by retailers. Retailers also explain the benefits to be gained as well as compensation that may exist (for example there are no administrative costs to become a member of the loyalty program).

By becoming a member of the loyalty program, respondents expressed satisfaction with what retailers provided. It means that the expectations created by respondents correspond to what is received. For example, when members of a loyalty program look for value from a brand in the form of low prices, retailers can facilitate it. It has encouraged members of the loyalty program to make retail the first choice when shopping. It is because there are fears of spending more when shopping at other retailers. Besides, the respondent members will also tell the good things from retail to others in the hope that they will receive the same benefits as themselves.

Based on the multiple regression statistical tests, it found that the loyalty program did not have a significant influence on store loyalty. It shows that the loyalty program offered by the store does not necessarily create loyalty from members of the loyalty program. Respondents stated that there was a ple-
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Sure when collecting points from the loyalty program, but this did not encourage respondents to say good things from the shop to others. Likewise, when respondents withdraw points to obtain certain awards, it does not encourage respondents to do the same activities. Although the respondent acknowledges that there is a different feeling (in good terms) when the respondent becomes a member of the loyalty program compared to other consumers, it also does not constitute a reason to be loyal to the store. This condition shows that when members benefit from a loyalty program it turns out to be merely a personal pleasure that does not need to be shared with others.

Loyalty program satisfaction mediates the relationship between the loyalty program and store loyalty. It means that store loyalty can be formed when members of the loyalty program satisfy with the program. When loyalty program members can get various benefits from points collected (discounts, prizes, etc.), there is a feeling of pleasure when collecting points, a feeling that he is different and treated differently compared to consumers who do not have membership in the loyalty program, then this will create satisfaction. Members of the loyalty program feel that joining the loyalty program is the right step because it is in line with expectations and when satisfaction arises, the loyalty program member will say good things related to store to others and encourage others to shop at the store. In addition, respondents also stated that they would make the store the first choice to shop.

The loyalty program did not have a significant effect on store loyalty directly. It means that the loyalty program offered by the store does not necessarily create loyalty from members of the store's loyalty program. Respondents stated that there was a pleasure when collecting points from the loyalty program, but this did not encourage respondents to say good things from the shop to others. This study aims to see whether the loyalty program offered by retailers in Malang is considered effective in creating satisfaction and loyalty. The results found on respondents indicate that the loyalty program can create loyalty program satisfaction and store loyalty. For this reason, retail marketers need to continue to implement this strategy so that their market share is not easily moved or captured by competitors. But this marketing strategy needs to be continuously innovated since the business challenges will increase.

The loyalty program needs to be supported by an improvement in the management system related to the consumer database. It means that marketers must improve the infrastructure quality that supports the consumer database management operational system, so that marketers so that the strategies are not misplaced. In addition, marketers are also required to continue to carry out marketing intelligence systems to determine changes in consumer behavior.

Rewards offered in loyalty programs must be developed (Nastasoiu and Vandenbosch, 2019). The rewards from collecting points so far are only limited to the advantage of price discounts that can encourage consumers to increase the frequency of consumption or prizes in the form of certain products. Marketers can provide various forms of reward, for example, flight ticket vouchers, dinner vouchers, free holiday vouchers, or others. Of course, this technique can be done through collaboration with third parties.

The procedure to become a member of the loyalty program, the rules of the game, and the procedure for withdrawing points must be transparent and simple. Marketers must provide services for members of the maximum loyalty program. In this case, special training is provided for customer service who is face to face with consumers. Customer service is required to have the good product knowledge and good communication skills to serve a variety of questions, disbursements, and complaints from consumers.

Marketers can implement personalization in their loyalty programs (Nastasoiu and Vandenbosch, 2019). This can be done by categorizing loyalty program members based on the value given to the company. Furthermore, marketers can provide special services for each category of different loyalty program members, for example by creating platinum, gold, silver, and bronze member cards, each of which has different rules, conveniences, and benefits.
Marketers can form specific communities for members of the loyalty program to be closer to customers. The retailers can quickly inform all forms of offers, receive various input from customers, and provide answers/solutions to customer questions or complaints.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study aims to discover the impact of the loyalty program and loyalty program on satisfaction on store loyalty in the retail industry. According to the research results, it is known that the loyalty program has a significant effect on loyalty program satisfaction, while loyalty program satisfaction has a significant effect on store loyalty. Different results are shown through this study where the loyalty program does not have a significant effect on store loyalty directly nevertheless has a significant indirect effect on store loyalty through the loyalty program satisfaction.

This research is intended to be able to contribute to scientific development, especially consumer behavior, and to be a comparison for further research that focuses on loyalty programs, customer satisfaction, and store loyalty. The results of this study are also expected to provide additional information for business practitioners such as business owners and marketing managers in understanding customer behavior so that they can determine the right marketing strategy.

Recommendations

This study focuses on the satisfaction and loyalty variables of consumers so that future researchers are expected to develop them by involving other variables both as mediation and moderation. The next researchers are also suggested to be able to develop this research in other locations which will certainly provide different findings that can enrich knowledge related to consumer behavior and marketing science.

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