THE STUDY ON STORE LOYALTY AT AEON SEBERANG PERAI CITY GROCERY DEPARTMENT

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ABSTRACT

Modern retailers such as hypermarket need to be more customer-oriented in order to survive in today's competitive business world. In this study, researcher will find out the relationship between store satisfaction, product quality, service quality and store loyalty. AEON Seberang *Prai City* Shopping Centre customer will be the respondent for this study. The research model adapted from N.R.V. Ramana Reddy, T.N. Reddy and Abdul Azeem (2010) in this research to link store satisfaction, merchandise quality and service quality with store loyalty. Three hypothesis have been formulated to examine the relationship proposed. 120 sets of questionnaire were distributed to respondent but only 105 sets were return. The collected data have been analyses with statistical program SPSS 17 to produced Frequency distribution, Descriptive, Reliability, Pearson correlation and Multiple regression. The Finding of the study show that only store satisfaction have significant influence on store loyalty.

CHAPTER 1

INTRODUCTION

1,0   Introduction

Recent years have shown an increase in competition among types of modern stores :
supermarkets, grocery stores, department stores, discount stores; they are competing
for the same customers (Kotler And Keller 2006). Store operators need to retain their
customers to make sure that they can continue their existence. Customer loyalty is
very important in their survival.

To increase and embrace loyal customer with focusing on profitability is the main
agenda for store operator in their long term success. Kumar and Shah (2004) have
suggested that the main goal of every company is profitability and one method to
achieve this for a company is to gain and maintain loyal customers.

1.1   Background of the study

In this day global retailers such as AEON, Tesco and Carrefour entered Malaysian
retail market competing with each other and with Malaysian local retailers. With
intense competition between large retailer in term of factor such as price and service
quality, retailer face a difficulty to retain their customer. One of the objectives of
marketing is to raise profit of a firm by promoting repeated purchase with higher
product loyalty. In the case of high product loyalty, it is expected to obtain such