



**THE RELATIONSHIP BETWEEN LOYALTY PROGRAM, STORE
SATISFACTION AND BRAND LOYALTY OF STARBUCKS'
MILLENNAL CUSTOMERS IN SARAWAK**

AHMAD ARMIM BIN RAMADAN

2014693632

**SUBMITTED FOR THE FULLFILMENT OF THE
REQUIREMENT FOR THE DEGREE BACHELOR OF
BUSINESS ADMINISTRATION WITH HONOURS
(MARKETING)**

JUNE 2016

ABSTRACT

Brand Loyalty has been a subject of interest to the researchers for over a century. The purpose of the study is to examine whether there is any relationship between Loyalty Program, Store Satisfaction and Brand Loyalty of Starbucks' Millennial Customer in Sarawak. The independent variables involved in this study are Loyalty Program and Store Satisfaction while for the dependent variable, it is the Starbucks' Brand Loyalty among the millennials. A total of 200 respondents in Sarawak were involved in answering the surveys. The respondents involved in this research were from the loyal customers of Starbucks in Sarawak. Data obtained were then analyzed using Statistical Package for Social Science (SPSS) version 22. The empirical result indicated that Loyalty Program has a strong correlation relationship with Brand Loyalty while Store Satisfaction has a very strong correlation relationship with Brand Loyalty. The main contribution of this research has provided empirical evidence about the relationship between Loyalty Program and Store Satisfaction with Brand Loyalty of Starbucks' millennial customers in Sarawak. Moreover, this research reveals that Store Satisfaction affects the Brand Loyalty more than Loyalty Program.

TABLE OF CONTENTS

Declaration of Work	i
Abstract	ii
Acknowledgement	iii
Table of Contents	iv
List of Figures	viii
List of Tables	ix

Table of Contents	Page
--------------------------	-------------

CHAPTER 1: INTRODUCTION

1.1	Loyalty	1
1.2	Research Background	2
1.3	Research Problem	5
1.4	Research Questions	6
1.5	Research Objectives	7
1.6	Scope of Study	7
1.7	Significant of Research	8
1.8	Research Limitations	9
1.9	Definition of Terms	10
1.9.1	Brand Loyalty	10

CHAPTER 1

INTRODUCTION

1.1 LOYALTY

A globalized market and boarder less flow of information have resulted in an increased customer expectations and intense competitive pressures (Alok, 2012). According to Alok (2012) likewise the profitability, quality, consumer loyalty are the trendy expressions in today's business situation that interest extensive endeavors with respect to the organization. In order to achieve the basic business target of surviving and expanding in the market, businesses are always seeks for the best way to attract and retain customers. Now, it is vital for every business to understand what their customers' needs and wants in order to meet the customers' expectations in the current competitive market. Nowadays, customers plays an important roles all businesses. Customers deserve all the attention and care. The elevated desires, raised rivalry and fast entrance of new business ideas and configurations makes the organizations discovering it progressively hard to hold their customers alongside figuring out how to be beneficial to them. The current instability of economic environment has also affecting the loyalty issues

According to Alok 2012), it is vital to discover what drives loyalty in a specific business in order to create and maintain the loyal customers (Alok, 2012).

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Reviewing related literature will give some ideas and to better conducting of the research as it can be serve as a guideline. This chapter will discuss in details about the dependent variable which is brand loyalty and each related independent variables which are loyalty program and store satisfaction with the understanding of past research.

2.1.1 THE EMERGENCE OF COFFEE SHOP

Coffee house or café are terms for a place that basically serves espresso and other hot refreshments. By the name proposed, a café or coffeehouse concentrates on providing espresso and tea in addition to light snacks. The first café was first established in Italy in 1645.

At that point, in 1652, the café pattern spread into England and further abroad (Pongsiri, 2013). The coffee house has gotten to be propensity in present day society. It is constantly gone by a differing swarm extending from expertise, executives and even adolescents. Presently, café offers the things in its menu as well as a climate that makes individuals feels solace capable (Julia, n.d). So as to pull in more guests, a café may offers, for example, satellite TV, unrecorded music, and give free web access to clients who might want to utilize a portable PC while enjoying a cup of coffee.

Accordingly, there are numerous reasons why individuals might want to visit a café. For some individuals, coffee is an approach to do their social lives. The café is likewise an approach to show one's character and self-regard (Said, 2012)