



Differences on Effects *in Preferential Treatment* Level of *Relational Outcome*: An Empirical Study on Customer *Department Store*

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Abstract

This study intends to empirically explore how the practices of loyalty programs conducted by the store management (department store) which benefit for customers so as to provide results that benefit both parties as a relational outcome consisting of relationship commitment, Increased purchases, share of customer, word of mouth and customer feedback, which is completed by respondents profile as control variables such as age, education and income levels. With sample 66 respondents to test the hypothesis using MANOVA. Differential test results showed that there are differences in relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback with a high level of preferential treatment, medium and low on the customer department store. Similarly, the age, income and education at the department store customers there are differences there are differences in relationship commitment, Increased purchases, share of customer, word of mouth, and customer feedback. The results of testing the fifth hypothesis states that preferential treatment will give a high positive influence on relationship commitment, Increased purchases, share of customer, word of mouth, and customer feedback. The test result of five hypothesis states that high preferential treatment will give positive influence to the relationship commitment, increased purchases, and share of customer, word of mouth, and customer feedback. On relationship commitment is not significant covariates of age, but the share of customer revenue and customer feedback and education are not significant, whereas age has the effect of preferential treatment exhibited significantly coupled with the age factor share of the customer to customer. Similarly, the positive word of mouth, only the opinion of significant covariates as control variables of preferential treatment. These three covariates age, income and education only significant simultaneously at Increased purchase only.

Keyword: *relationship commitment, increased purchases, share of customer, word of mouth and customer feedback*

INTRODUCTION

Choosing a store is the process of interaction between the marketing strategies of retailers and individual and situational characteristics of the buyer in the purchase decision process. Individual characteristics such as lifestyle led to an



overview of the activities involved in shopping and search behavior. The influence of certain activity to retailers advertising and promotional strategies. The buyer characteristics also affect the image of the store. Store image in turn affects the choice of store and purchase the final product or brand. If past experience satisfactory, then the choice will be a habit. Unless other factors have changed since the last visit (Engel, 2001).

The process of selecting a particular store is a function of consumer characteristics and store characteristics. In other words, each consumer shopping market share will have an image of the various stores. Consumers sort out or compare with the perceived characteristics of the store with the evaluation criteria of the customer. Attributes that are usually entered from the following categories: (1) location, (2) the nature and quality of security, (3) price, (4) advertising and promotion, (5) sales personnel, (6) the physical attributes store, (7) store customer properties, (8) the store's atmosphere and (9) service and satisfaction after a transaction (Engel, 2001).

Theoretically consumer purchasing decisions are made on the items offered is influenced prices, products, services, location of company or stores (Kotler and Keller, 2006).

Aberdeen, a survey institutions in UK doing research in 2008 (Anand, 2011) to determine what factors are related to the pressure of customer loyalty (responsive customer loyalty) to the retailer strategy. Response in terms of customer loyalty studied the preparation, planning, implementation and optimization. In the executive summary, argued that the characteristics of a successful retail company in terms of creating customer loyalty through customer commitment, the first is a retail company that is already cooked from the competition by doing two things, namely the application of LCV (Lifetime Customer Value) and perform data collection, tracking and analysis of profile of their customers. The second is a corporate action (retail), which is realed by developing loyalty programs or scenarios with a focus on business attributes of the brand development, loyalty marketing-led strategic agenda (Chief Marketing Officer) and develops loyalty innovation with a focus on green marketing. Another concept that is often used to look at customer loyalty to a retailer or store in addition to responsive customer loyalty is store loyalty (Datta, 2010).

Retain loyal customers to shop a variety of ways by store management. One way is to provide different services (preferential treatment). Generally, the management of the store to do this in the name of loyalty program. But the study, in which actually analyze whether there are differences between the treatment levels of loyal customers (have a membership card or discount card) almost felt not much different from customers who do not have a membership card or discount card.



On Lacey et al. (2007) studied have showed that a profitable outcome both parties are referred to as relational outcomes of relationship commitment, Increased purchases, share of customer, word of mouth and customer feedback. Their study is also completed by a profile of respondents as control variables such as age, education and income levels. Thus this study is a replication of research studies Lacey et al. (2007) which uses a model different levels of preferential treatment in the department store. The research saw at differences in the level of modern retail business in Indonesia.

This study intends to explore further how the practice is empirically true loyalty program conducted by the department store felt by the customer so as to provide results that benefit both parties, namely the customer and the store. The review is expected to be the main reference for the retail business, managing shopping centers / malls, and other businesses to find out about the condition of complete and integrated retail and business opportunities Indonesia. Through this study are expected in the business to determine a strategic step in the step of business development. Thus the problem of this research is how differences in the level of preferential treatment effects on relational outcomes in department store customer, with the research question is whether the preferential treatment that would give a high positive influence on relationship commitment, Increased purchases, share of customer, word of mouth and customer feedback.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Preferential Treatment

The concept of relationship marketing explains how the companies in creating, maintaining and improving long-term relationship of mutual benefit with customers. So there is a need to impose a different customer than the differentiation and customized value proposition.

Another thing that becomes a trigger to enforce customers differently because of pressure of stiff competition from the price promotion, product design is more attractive, warranty, and much more, so the company must create a unique competitive advantage. One that can be done and offered by the company is to provide treatment based on different customer preferences.

De Wulf and Odekerken-Schroeder, 2003, in Lacey et al (2007: 242-243) explained that the definition of preferential treatment is the practice in the company's customers in selecting of social status to be given an award or higher recognition therefore customers would be appreciated more in the form of additional products and services company exceeds the standard value provided to customers, including the practice of service to be received by the customer. Completely, "preferential



treatment is defined as the practice of giving selective customers' elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions marketing concept strongly encourages."

De Wulf and Odekerken-Schroeder, 2003, in Lacey et al (2007: 242-243) explains that the notion of preferential treatment is the practice in the company's customers in the selection of social status to be given an award or recognition is higher, so that customers would be much appreciated in the form of additional products and services company exceeds the standard value provided to customers, including the practice of service to be received by the customer. Some examples of economic preferential based treatment are generally frequent amongst other things, provide additional or gifts of products and services, providing additional (complimentary) on products and services purchased, membership cards and discounts.

The second form of preferential treatment that is customized based preferential treatment is derived from the perception of customers such as personal recognition, the extra attention to the employees and provide special services that are not available to regular customers Preferential treatment based on the customization of the goal is to make it more difficult to imitate by competitors compared to preferential treatment based economy.

Selection of three characteristics customers based on age, income and education are also based on some considerations. Lacey et al. (2007) revealed, first, more mature customers; particularly elderly people prefer to be treated specially compared with younger customers. Second, preferential usually based on how often one shop, which have implications for household income customers or consumers. Third, better education level will increase customer acceptance of preferential treatment to return the company better.

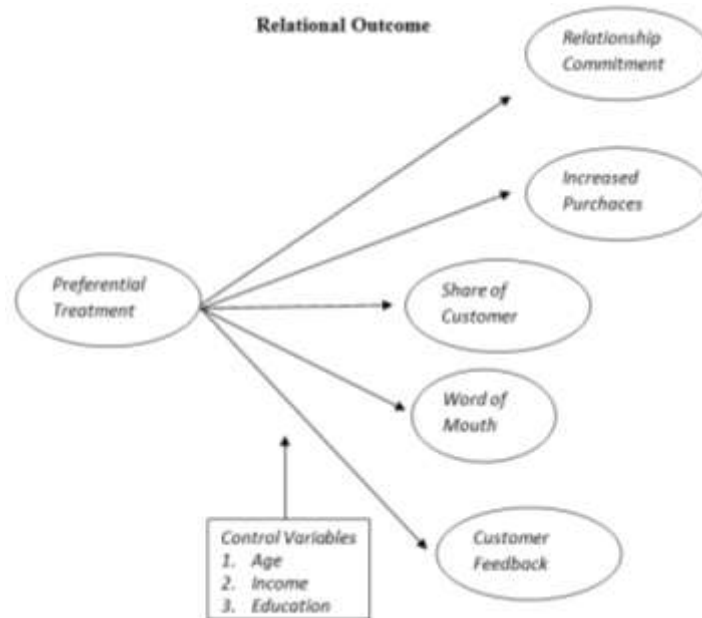
Relational Outcome

In Figure 1. shown in the framework of this study examined the relationship between preferential treatment to the five key customers relationship outcome construct controlled by the three characteristics of individual customers. The model to be tested is an effort that preferential treatment can contribute to the activity pattern of repeat purchase (repurchase patronage) and other forms of benefits gained as a positive WOM for the firm. More specifically on the measurement of the intensity pattern and Increased share of customer purchase.

Positive WOM elements and customer feedback within the framework of the study suggest the potential contribution of preferential treatment and use the

variable relationship commitment is to support the strength of the relationship between companies and customers as a form of behavior consistent.

Figure 1. Theoretical Model Differences Level Effects on Preferential Treatment



1. Relationship Commitment

In relationship marketing, commitment is defined as a form of express or implied agreement to continue relationship between two or more parties. Another formulation of the mutual commitment, loyalty and look for an alternative to the core of correlation (Morgan and Hunt, 1994).

Moorman et al. (1992: 316) emphasizes the importance of "relationship value" associated with a belief that there would be a commitment, if one or both parties feel that the advantage is not so important. In other words there is a commitment meant precious relationship to be maintained, where each party is willing to work together to maintain this relationship. In line with the definition above, in services marketing, Berry and Parasuraman (1991: 139) emphasizes the importance of commitment in building correlation between the company and its service users.

Commitment as a multi-component construct, according to Allen and Meyer (Ko et al., 1997) consists of three elements, namely continuance and normative. During this commitment more generally in terms of affection. But not enough to study relationship only see in terms of sheer affection, because, according to Fullerton and Taylor (2000:6) the consumer has some feelings for their relationship with service providers that reflect the affective commitment, continuous commitment and normative commitment.



Affective commitment in relationship (Doney and Cannon, 1997; Garbarino and Johnson, 1999; Heide and John; 1992, Morgan and Hunt, 1994) refers to share values, trust, benevolence, and relationalism. The use of affective commitment in correlation able to survive when identifying a person with feelings of excitement and participation in an organization (Meyer and Allen, the Ko et al., 1997). Identification is a viewpoint that is quite effective in correlation. Thus, consumers should be viewed in terms of affective commitment by service providers when they express their feelings to the service provider.

Continuous commitment in the relationship stems from switching cost, sacrifice, and dependence. Opinions are sourced from Bendapudi and Berry (1997), Gundlach et al. (1995), and Heide and John (1992). In other words, customers can make a commitment to the company if they feel at the end of relationship is indeed necessary to sacrifice the economic and social.

Normative commitment to survive in relationship when customers feel part of corporate responsibility. Element of this commitment can be explained from the concept of reciprocity, shared value, and legitimacy (Bagozi, 1995). The elements of normative commitment are a comprehensive construct that causes the growth of a sense of shared responsibility as a driver.

Commitment is nothing but social exchange is very important for the continuity of relationships with one another, because of the lack of commitment between two parties, meaning they try to maintain this sense of mutual trust in order to ensure a favorable long-term relationships.

It is clear that the commitment in social exchange is very important for each other, due to the commitment of both parties, meaning they try to maintain this sense of mutual trust in order to ensure long-term relationships that benefit both parties.

Thus, the meaning of commitment is this: to believe in mutual trust between the parties in a relationship, either implicitly, and that is not implicit (explicit) that their relationship will continue and each keeping a promise between them is maintained.

Consumers feel a sense of commitment to a relationship that has been created by the service provider. Forms of continuance commitment on consumer distinguished, affective and normative commitment (Fullerton and Taylor, 2000: 7). The meaning of continuance commitment in relationship marketing is a commitment that arises because the consumer is bound to a company, and will cost money and time when he moved to another company.

While the definition of normative commitment, is a commitment that arises because consumers feel obliged to run a business with a particular company. Affective



commitment is a commitment that comes up, because each related party feel confident that among them there are the values that are in line and the emergence of this commitment is based on an agreement that is mutually beneficial relationships need to be continued.

So the first research hypothesis can be stated that the preferential treatment that would give high positive influence on relationship commitment.

2. Increased Purchases

The decision to buy is one of the measures of tendency shown by the customer behaves. Outcomes of relationship marketing in the company-buyer-relationships are not tight in the business-business relationship such as loyalty, customer retention, and customer intention. For a while there are two concepts of purchase intention. The concept refers to the intensity of the purchase of research by Doney and Cannon (1997: 35-48) on the five cognitive processes of trust that is calculative, prediction, capability, intentionality and the transfer of the company's suppliers and salespeople. The impact of trust on the company and the salesperson views the choice of suppliers and their effects on the intensity of the purchase will happen in the future.

The research results proved that the intensity of the purchase directly influenced among others by the trust in the company and the experience of previous transactions. Control variable was a lot of positive influence on the purchase option as the cost and performance or quality of services (products) purchased. Furthermore Zeithaml et al. (1996) emphasized the importance of understanding and measuring consumer's behavioral intentions to be able to judge whether he will remain with the company (to repeat), or will leave the company (moved to a competitor).

Oliver, 1997 in Donio et al., (2006) defines that customer loyalty is a very deep commitment of customers to repurchase a preferred product consistently in the future. Include customer loyalty customer wishes to return to a service provider, and also wishes to recommend a provider of such services to others. Lovelock and Wirtz (2007) argued that customer loyalty is the willingness of customers to renew subscription at a company in the long run, by buying and using goods or services repeatedly, and with voluntary recommend goods or services to friends and relatives.

The results of the consumer assessment of the quality of service will form loyalty consumer pattern (Kotler, 2004). Consumers are said to be very loyal if he has a pattern of consumption to one service at any time and never change from one service to another service. Customer loyalty is the activity and behavior in the intensity of the purchases made over and over again. To build customer loyalty to anything services produced by the business entity takes a long time through an iterative process of buying it. According to Kotler and Armstrong (2004) that loyalty



comes from the fulfillment of consumer expectations, while the expectations derived from previous purchases by the consumer experience, opinions of friends and relatives and appointments or information from the marketer or a competitor. Other factors that lead to customer loyalty is the high cost of switching (switching cost / acquisition cost) new.

According to Schurr and Ozanne, 1985 in Donio et al. (2006), customer trust can be considered as a result of customer satisfaction. The linking of customer satisfaction to customer trust is located at the customer's trust is emerging as a result of the customer's needs and desires have been fulfilled by the employees of service companies. Customer trust acts as the key to success to continue the effort, especially in services.

Customer loyalty is formed due to the customer's desire to maintain cooperative relationships with the company to use the service repeatedly. This statement is supported by Lovelock and Wirtz (2007) reveals that customer loyalty is the willingness of customers to continue bcrllangganan at a company in the long run, by buying and using goods or services repeatedly, and with voluntary recommend goods or services the company to relatives. Loyal customers who make purchases more frequently than other customers are less loyal.

In the retail industry, the interaction between customer and seller is unique and important dimension of performance. these interactions can have a strong impact on the retail customer loyalty (Darian et al., 2001.). Gomez et al. (2004) research work found that the interaction between customer satisfaction and quality of after sales service is asymmetric.

Thus, the second hypothesis states that preferential treatment will give a high positive influence on increased purchases.

3. Share of Customer

Lacey et al. (2007: 245) provide an understanding of the share of customer spending as a percentage of total volume of a product or service from a company for 12 months. Although it is recognized that although an increase in the purchase of a direct effect on company profits, but share of customer is more appropriate as a measurement in the metric of relational outcomes because it illustrates the concept of a real relationship between the purchase by the customer with the overall embelian on a product category or services. Although there are recognized limitations of this measurement as the upper limit (ceiling effect), but the proportion of purchases of a product (brand) or a particular service will provide historical data.

The third hypothesis can be formulated so that the preferential treatment that would give a high positive influence on share of customer.



4. Word of mouth (WOM)

The concept of WOM is inseparable from the model of customer service expectations, which comprehensively presented by Zeithaml and Bitner (1996) in the following figure. In the picture shown that WOM includes events experienced by the customer for the service or services that are expected. The better the service is accepted then the more positive aspects of WOM.

Explanation who quite good regarding the WOM put forward by Storbacka and Lehtinen (2001: 64-65) that the with the occurrence shift in a top view of role customer for the company. In view of the traditional marketing has assumed only a single role as a consumer is passive in nature. Then there is a development, where customers are distinguished between the user and purchaser.

Pritchard et al., (1999) in terms of customer loyalty on WOM suggested responses, which are conative in life, representing the level of commitment to the consumer for the service provider (this is not identical to be loyal). A commitment is "a confidence or assertiveness promise of a relationship" Oliver (1999), and the desire of consumer participation in service delivery to the concept of commitment, especially in service industries (Kelley and Davis 1994; White and Schneider 2000). In this study, we have two models of customer loyalty responses, both defined as "active loyalty behaviors" in Ganesh et al. (2000): word of mouth (WOM) and the traditional "loyalty" in a repeat purchase.

Zeithmal et al. (1996) which became the main reference in research on the quality of services conduct a study on the effect of quality of service to behavioral intentions of customers. One important element is the intensity of customer WOM behavior. The results showed that the quality of services and behavioral intentions. Quality of service has a very strong influence on the intensity of the behavior of customers in various service industries such as retail, computer and insurance.

Thus, the fourth hypothesis is that high preferential treatment will provide a positive influence on word of mouth.

5. Customer Feedback

The concept of customer feedback is commonly used that is presented in a particular site, so that the company knows directly what kind of customer response. But of course not all companies are run fully digital system based businesses only. The buyers often trust what the other buyers, just a company promises. One type of content that can improve the web-site is a testimonial to the consumer.

Customer feedback terminology commonly used in marketing is a customer complaint. Great attention from the company's customer complaints handling not out of the results of research showing that customers who feel disappointed with the



services received from a company will tell you the bad experience of 10-20 people (Mattilda, 2001: 583). Speed to make corrections or tackle customer complaints in the event of service failure is determined by the customer's perception of procedural justice (Blodgett et al, 1997; Tax et al, 1998).

Customer feedback is the awareness of the customer to provide feedback or improvement of products and services it receives so that the company's marketing performance becomes better.

So that the fifth hypothesis states that preferential treatment will give a high positive influence on customer feedback.

RESEARCH METHODOLOGY

The research methodology is survey research in the department store located in the city of Jakarta, Bogor, Depok, Jakarta and Tangerang who are members of Aprindo (Indonesian Retail Entrepreneurs Association). For research subjects are the department store customers in a number of cities.

Reliability test results for the six variables showed that only two variables that do not meet the minimum value that is smaller than the 0.60. This is reinforced by the value of KMO by Barlet test in which the value of X^2 has a significance value is less than α 0.01 for the sixth variable.

To test the validity of the factor loading values used factor analysis which showed that the loading value for each indicator is tested to meet the criteria of empirical validity of the obtained values greater than 0.60 or 0.70.

For sampling using a modified stratified sampling because in addition to the techniques based on probability for store locations, sampling was also associated with the eligibility criteria for the sampling technique refers to the opinions expressed by Aaker et al. (1998: 385-387) as well as Cooper and Schindler (2003: 186-187; 190).

Characteristics of the 66 respondents to the study sample consist of eight elements, namely gender, age, department store frequented or subscription, the location of department stores, membership, income (family) and work. The most important information on the table is the number of female respondents or more women than men is 47.6%. In terms of age, the majority of respondents are 31-35 years old 20-25 (20.6%), and 26-30 years 15.9% 9).



Table 1. Validity and Reliability Testing Results

Variables and Total α	Code	Cronbach's α	Loading Factor	KMO	Bartlett Test	
					χ^2	Sign
Preferential Treatment 0.898	PF1	0,762	0.894	0.840	205.822	0.000
	PF2	0,731	0.857			
	PF3	0,773	0.89			
	PF4	0,803	0.855			
	PF5	0,883	0.881			
Relationship Commitment 0.940	RC1	0,884	0.959	0.772	278.359	0.000
	RC2	0,751	0.911			
	RC3	0,911	0.896			
	RC4	0,779	0.905			
Increased Purchase & Share of Customer 0.568	IP1	0.841	-	0.500	11.424	0.001
	SC1	0.841	-			
Positive WOM 0.894	WOM1	0.814	0.891	.749	167.022	0.000
	WOM2	0.860	0.869			
	WOM3	0.923	0.835			
	WOM4	0.894	0.856			
Customer Feedback 0,781	CF1	0.821	0.175	.598	129.570	0.000
	CF2	0.658	0.793			
	CF3	0.612	0.899			
	CF4	0.660	0.864			
	CF5	0.733	0.667			

Even if the membership program at the department store sufficient incentive offered to the visitors / customers but it seems more like that are not members of this data is 69.8%. Only about 30.2% of respondents who claimed to have a membership card / discount. For an income, the majority of respondents had incomes of more than three million dollars which is 28.6%, 23.8% and 20.6%. And then the respondent occupation is employed as the largest privately owned 46%.

Data analysis methods used were ANOVA and MANOVA are used simultaneously to explore the relationship between multiple categories of independent variables and two or more dependent variables. (Hair, et al., 2006).

RESULT AND DISCUSSION

Results

MANOVA assumption testing in at least two conditions that test the homogeneity of variance seen from the results of the test and the Levene test of homogeneity of variance matrix / covarian Box seen from the test results as shown in the following two tables.



Table 2. Levene's Test of Equality of Error Variances(a)

Dependent Variables	F	df1	df2	Sig.
Relationship Commitment (RC)	1.061	2	46	.355
Increased Purchases (IP)	.717	2	46	.493
Share of Customer (SC)	1.853	2	46	.168
Word of Mouth (WOM)	.536	2	46	.589
Customer Feedback (CF)	.570	2	46	.570

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a Design: Intercept+RC+IP+SC+WOM+CF

Levene test results showed that the values obtained for the relationship commitment with a significance of $F = 1.061$, for purchases Increased values obtained with the significance of $F = 0.717$, for the share of the customer obtained the significance of $F = 1.853$, word of mouth to obtain the value $F = 0.536$ with the significance of 0.589 , and for customer feedback obtained values with a significance of $F = 0.570$. If the specified significance level 0.05 , then both the fifth dependent variable is not significant because the value of F greater than 0.05 . That is, Increased purchases, share of customer, word of mouth, customer feedback and have a homogeneous variance, so that the MANOVA hypothesis testing could be continued.

If the value of Box's M was not significant, the null hypothesis which states that the matrix of variance / covariance of the dependent variable as received, the MANOVA analysis can proceed. Box's M value obtained was 50.946 with a significance level of 0.079 , which is larger than α level of significance of 0.05 , then the Box's M value obtained is not significant. Thus the null hypothesis is accepted, which means the matrix of variance / covariance of the dependent variables the same, so the MANOVA analysis can proceed.

After the second hypothesis test requirements met MANOVA followed by hypothesis testing. MANOVA test is used to test whether there are differences in some dependent variable between the different groups. In Table 5 presented the results of multivariate testing to test whether there are differences in relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback with a high level of preferential treatment, medium and low on the customer department store, then the value of F for Pillae Trace, Wilk Lambda, Hotelling Trace, Roy's Largest Root significance smaller than 0.05 . That is, the price F for Pillae Trace, Wilk Lambda, Hotelling Trace, Roy's Largest Root is all significant. So, there are differences there are differences in relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback with a high level of preferential treatment, medium and low on the customer department store.



Table. 3 Multivariate Tests(c)

Effect		Value	F	Hypothesis df	Error df	Sig.
Intercept	Pillai's Trace	0.901	72.501(a)	5	40	0.000
	Wilks' Lambda	0.099	72.501(a)	5	40	0.000
	Hotelling's Trace	9.063	72.501(a)	5	40	0.000
	Roy's Largest Root	9.063	72.501(a)	5	40	0.000
Age	Pillai's Trace	0.265	2.890(a)	5	40	0.026
	Wilks' Lambda	0.735	2.890(a)	5	40	0.026
	Hotelling's Trace	0.361	2.890(a)	5	40	0.026
	Roy's Largest Root	0.361	2.890(a)	5	40	0.026
Income	Pillai's Trace	0.204	2.046(a)	5	40	0.093
	Wilks' Lambda	0.796	2.046(a)	5	40	0.093
	Hotelling's Trace	0.256	2.046(a)	5	40	0.093
	Roy's Largest Root	0.256	2.046(a)	5	40	0.093
Education	Pillai's Trace	2.529	3.002	75	220	0.000
	Wilks' Lambda	0.012	4.018	75	195.809	0.000
	Hotelling's Trace	11.378	5.825	75	192	0.000
	Roy's Largest Root	8.019	23.521(b)	15	44	0.000
A	Exact statistic					
B	The statistic is an upper bound on F that yields a lower bound on the significance level.					
C	Design: Intercept+Age+Income+Education					

Results of testing multivariate to test whether there is a difference relationship commitment, Increased purchases, share of customer, word of mouth, and customer feedback with age, income and education on the customer department store, then the value of F for Pillae Trace, Wilk Lambda, Hotelling Trace, Roy's Largest Root.x significance smaller than 0.10. That is, the price F for Pillae Trace, Wilk Lambda, Hotelling Trace, Roy's Largest Root are all significant. So, there are differences there are differences in relationship commitment, Increased purchases, share of customer, word of mouth, and customer feedback with age, income and education at the department store customers.

To understand the effect of preferential tested separately and univariate ANOVA on the five dependent variable which is controlled by three variate i.e. age, income and education in Table 4.

The test results are variate of preferential treatment on relationship commitment values obtained with the $F = 38.961$ significantly p value < 0.001 , which means the null hypothesis is rejected. Thus it can be said that the preferential treatment that would give a high positive influence on relationship commitment. But the covariates of age and income as control variate not exhibited significantly because of the level obtained with p values > 0.10 . Other covariates that income and education have a significance value because the value of $p < 0.10$. Simultaneous influence of preferential treatment by covariate by 69% (0689).



Table 4. Separate ANOVA Results

	Dependent variable									
	RC		IP		SC		WOM		CF	
	F	p	F	p	F	p	F	p	F	p
Source of variation										
constants	35.606	0.000	123.985	0.000	152.519	0.000	111.266	0.000	98.608	0.000
covariates										
Age	1.653	0.204	6.028	0.017	6.054	0.017	0.613	0.437	4.468	0.039
Income	3.395	0.071	0.602	0.441	4.272	0.043	5.521	0.022	0.12	0.730
Education	3.839	0.055	0.058	0.811	6.883	0.011	1.409	0.240	0.81	0.372
Preferential Treatment	38.961	0.000	10.043	0.000	4.071	0.022	10.115	0.000	3.723	0.030
R ²	0.689		0.362		0.295		0.373		0.193	
Estimated Parameters for Level Preferential Treatment										
Level	RC		SC		IP		WOM		CF	
	B	t	B	t	B	t	B	t	B	t
High	-8.774	0.000	0.004	0.997	-2.733	0.008	-4.476	0.00003	-1.029	0.307
Middle	-3.129	0.003	-1.196	0.237	-2.073	0.043	-1.849	0.06962	-1.905	0.061
Low	.	.	.	.	.	.	.	.	.	.

The results of variate test are preferential treatment for purchases increased values obtained with the $F = 10.043$ significantly p value < 0.001 , which means the null hypothesis is rejected. Thus it can be said that the preferential treatment that would give a high positive influence on Increased purchases. Income as a covariate but did not control variate exhibited significantly as it gets the value of $F = 0.602$ to the level of value significantly $p > 0.10$. Two other covariates, namely income and education have a significance value because the value of $p < 0.10$. Simultaneous influence of preferential treatment by covariate by 36%.

The results of variate test are preferential treatment to the share of customer values obtained with the $F = 4.071$ significantly with p value < 0.05 means the null hypothesis is rejected. Thus it can be said that the preferential treatment that would give a high positive influence on share of customer. Simultaneous influence of preferential treatment by covariate by 29%.

The result of variate test are preferential treatment on word of mouth value of $F = 10.115$ obtained by the significantly with p value < 0.001 , which means the null hypothesis is rejected. Thus it can be said that the preferential treatment that would give a high positive influence on word of mouth. But the covariates age and education as control variate not exhibited significantly because of the value of $p > 0.10$. Covariates of income received value $F = 5.521$ is of significance because the value of $p < 0.05$. Simultaneous influence of preferential treatment by covariate by 19%.



The result of variate test are preferential treatment to obtain customer feedback value $F = 98.608$ with a level significant p value < 0.01 , which means the null hypothesis is rejected. Thus it can be said that the preferential treatment that would give a high positive influence on customer feedback. But income and education as covariates variate not control exhibited significantly since the value of $p > 0.10$. Covariates age gets the value $F = 4.468$ is of significance because the value of $p < 0.05$. Simultaneous influence of preferential treatment by covariate by 37%.

Discussion

Based on the results of hypothesis testing can be seen that the high preferential influence of relationship commitment, Increased purchases, share of customer, word of mouth, and customer feedback on a department store customers. But there are some differences with previous studies on which the replication of this study that is about the control variables as covariates did not fully or all three have a significant effect. On relationship commitment is not significant covariates of age, but the share of customer revenue and customer feedback and education are not significant, whereas age has the effect of preferential treatment exhibited significantly coupled with the age factor share of the customer to customer. Similarly, the positive word of mouth, only the opinion of significant covariates as control variables of preferential treatment. These three covariates age, income and education only significant simultaneously at Increased purchase only.

The results of different covariates give the notion that the department store respondent has not subscribed to too much attention to aspects of customer demographics as one of the shopping behavior of customers affected. Management of department store is still more certain that the factor price, location and other retail marketing mix is more important. Although it is to classify customers by providing membership or discount cards, appears to have been effective.

CONCLUSIONS

This study intends to explore further how the practice is empirically true loyalty program conducted by the store management⁰ felt by the customer so as to provide results that benefit both parties, namely the customer and the store as a relational outcome consisting of relationship commitment, increased purchases, share of customer, word of mouth and customer feedback. This study is equipped with a profile of respondents as control variables such as age, education and income levels.

Different test results show that there are differences in relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback with a high level of preferential treatment, medium and low on the customer department store. Similarly, the age, income and education at the



department store customers there are differences there are differences in relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback.

The results of the fifth hypothesis stated that preferential treatment will give a high positive influence on relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback. But not entirely, or all three covariates as control variables have a significant effect. On relationship commitment is not significant covariates of age, but the share of customer revenue and customer feedback and education are not significant, whereas age has the effect of preferential treatment exhibited significantly coupled with the age factor share of the customer to customer. Similarly, the positive word of mouth, only the opinion of significant covariates as control variables of preferential treatment. These three covariates age, income and education only significant simultaneously at Increased purchase only.

IMPLICATIONS

Theoretically the difference relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback to the level of preferential treatment by age, income and education as control variables continue to be relevant to be tested again. No significant age, income and education as covariates was more influenced by aspects of the unit of analysis and the adequacy of samples for each group was tested.

The review is expected to be the main reference for the retail business, managing shopping centers / malls and other businesses to find out about the condition of complete and integrated retail and business opportunities Indonesia. Through this study are expected in the business to determine a strategic step in the development of measures and determine the right business partner. Thus seen clearly that the demographic profile of customers has not been taken into consideration in making marketing programs in the retail services business. Retail services business remains priority locations,) the nature and quality of security, pricing, advertising and promotion, sales personnel, the physical attributes of the store, store atmosphere, service and satisfaction after a transaction.

FUTURE RESEARCH

These three covariates are not as significant as namely age, income and education is likely due to a too small sample size. So further research can be pursued for the number of samples is much greater.

The study, in which using MANOVA analysis still worth doing because the data analysis tool used is limited, so if you need to be added is the unit of analysis such as



hypermarkets, if necessary, other service industries such as banking or insurance that does treat the customer the difference much more clearly than the business retail.

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