

ABSTRACT

The increasing trend of globalization goes hand in hand with lifestyles, one of which is the lifestyle of drinking coffee which is then used by business people to establish a coffee shop business, the growing number of coffee shop businesses, both large and small scale businesses, has resulted in the emergence of tight competition. The tight competition in the coffee shop industry as well as the innovations and offers that are always given to attract new consumers make every coffee shop business, one of which is the pioneer of the global coffee shop business, Starbucks, must find ways to realize Brand Loyalty to their consumers so that their consumers continue to choose and repurchase Starbucks products which are carried out through a loyalty program strategy (Membership). However, previous research on the relationship between loyalty program strategies that trigger Brand Loyalty is still inconsistent. Therefore, based on these phenomena and research gaps, this study aims to answer the research gap between Loyalty Programs on Brand Loyalty in Starbucks Membership consumers through Perceived Product Quality, hedonic value, Utilitarian Value, and Communication Effectiveness.

The concept model in this study was developed from Loyalty Programs, Brand Loyalty, Perceived Product Quality, hedonic value, Utilitarian Value, and Communication Effectiveness sourced from theory and previous research. The data in this study were obtained from an online questionnaire consisting of open and closed questions with a total of 185 respondents. The respondents have criteria as Starbucks Membership consumers who live in Central Java. The results of the questionnaire data were then analyzed quantitatively structurally using the SEM (Structural Equation Modeling) method in the AMOS (Analysis Moment of Structural) 24.

The results of this study successfully prove that Perceived Product Quality, hedonic value and Communication Effectiveness strengthen the relationship of Loyalty Programs to Brand Loyalty which shows significant and positive results. Perceived Product Quality and hedonic value have a significant effect on Loyalty Programs. Loyalty Programs and Communication Effectiveness have a significant effect on Brand Loyalty. However, there is a negative and insignificant hypothesis rejection, namely between Utilitarian Value variables on Loyalty Programs. The managerial implication that can be improved from Starbucks is to provide a new rewards system or additional rewards for their loyalty program.

Keywords: *Perceived Product Quality, Hedonic Value, Utilitarian Value, Loyalty Programs, Communication Effectiveness, Brand Loyalty*