

FINAL PAPER

**THE EFFECT OF PRODUCT QUALITY, SERVICE QUALITY,
AND STORE-RELATED ATTRIBUTES TOWARDS
REPATRONAGE INTENTION THROUGH CUSTOMER
SATISFACTION ON ACE HARDWARE CUSTOMERS IN
SURABAYA**

Submitted as a final requirement to obtain the degree of *Sarjana Manajemen Strata Satu*

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2019**



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STORE-RELATED ATTRIBUTES TOWARDS REPATRONAGE
INTENTION THROUGH CUSTOMER SATISFACTION ON ACE
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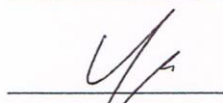

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AGREEMENT OF PANELIST APPROVAL FOR FINAL PAPER

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2. Yanuar Dananjaya, B.Sc, MM	as the Member	
3. Hananiel Mennoverdi G, BA, M.BA	as the Member	

ABSTRACT

Since 2000s, the retail business development in Indonesia has grown a lot which can be proved through the increasing number of retail companies that settled in Indonesia. This business arises because of the growth that occur in middle class society which causes demand towards supermarkets and departments store (convenience store) especially in the urban area. One of the foreign retailers that have settled in Indonesia is ACE Hardware. ACE Hardware Corporation is an American hardware retailers' cooperative based in Chicago, Illinois which was established in 1924.

This study aimed to determine the effect of product quality, service quality, and store-related attributes towards repatronage intention through customer satisfaction on ACE Hardware customers in Surabaya.

The sample used in this study is ACE Hardware customers who are domiciled in Surabaya with an age range between 18 to 60 years who have purchased and used ACE Hardware products in the last 3 months with 125 respondents. For processing and analysing the data, this study used SPSS version 22.0 software. The sampling method used in this research that is non - probability sampling.

Based on the research conducted, it shows that Product Quality has a positive effect on Customer Satisfaction with a regression coefficient of 0.251 with the significance of 0.015, Service Quality has a positive insignificant effect on Customer Satisfaction with a regression coefficient of 0.223 with the significance of 0.063, Store-related Attributes have a positive insignificant effect on Customer Satisfaction with a regression coefficient of 0.187 with the significance of 0.136, and Customer Satisfaction has a positive effect on Repatronage Intention with a regression coefficient of 0.421 with the significance of 0.000. This research concludes that Customer Satisfaction is the most important part to make the customers have Repatronage Intention to ACE Hardware and Product Quality has the biggest value of regression which means it is the most important variable to Customer Satisfaction. It is recommended to pay more attention to Product Quality as it has the biggest effect towards Customer Satisfaction which influences Repatronage Intention through upgrading the standard of quality control (QC) that ACE Hardware uses. Moreover, ACE Hardware can improve the material for production to increase usage period, making posters and bulletins of how the product is reliable, and adding product usage instructions for the products' easy to use.

Keywords: Repatronage Intention, Product Quality, Service Quality, Store-related Attributes, Customer Satisfaction, ACE Hardware.

PREFACE

Praise to the Lord Jesus Christ for all the blessings that He has given and His guidance for this thesis preparation as the Final Project report with the title "THE EFFECT OF PRODUCT QUALITY, SERVICE QUALITY, AND STORE-RELATED ATTRIBUTES TOWARDS REPATRONAGE INTENTION THROUGH CUSTOMER SATISFACTION ON ACE HARDWARE CUSTOMERS IN SURABAYA" can be completed on time for the undergraduate study.

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Although the thesis is still far from being perfect, the author does believe that this thesis will be useful for further usage. As the thesis is completed, with the effort and love from all the people involved in the preparation stage as mentioned before, and to them, the author dedicates this final paper.

Surabaya, 2 August 2019

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Kevin Kang

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