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The Role Of Service, Price, Promotion, Place, And Comfort On Customer Satisfaction And Switching Intention In Minimarket At Jember Regency

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ABSTRACT: This research aims to analyze and examine the role of employee service, price, promotion, place, and comfort on customer satisfaction; it also examines the role of customer satisfaction on switching intention. The samples of this research are some of the costumers who had ever made shopping transaction on retail business at Indomaret and Alfamart in Jember Regency. The sampling technique utilizes non-probability sampling with purposive sampling technique. The sample are 200 customers of Indomaret and Alfamart. The analysis method employs Partial Least Square (PLS). The result demonstrates that employee service, price, promotion, and place influence customer satisfaction; except comfort, it has positive influence but not significant on satisfaction. It means that, no matter how the comfort is, it does not affect customer satisfaction. The finding says that comfort does not significantly influence customer satisfaction; furthermore, customer satisfaction does not have any significant effect on switching intention.

Keywords: Comfort, Employee service, Place, Price, Promotion, Satisfaction, Switching Intention

I. INTRODUCTION

In Indonesia, the development of minimarket retail bussiness started in 1990's. The minimarket retail business that rapidly developed at this decade were Indomaret and Alfamart. This business even attracts the capital holder more and more both local and foreign investors to develop their business by entering Indonesia retail market which is considerd as highly potential. The growth and development of the retail market potential in Indonesia that reached 50 trillion rupiah per year (more than usd 5 billion) with 220 million population had made business retail in Indonesia even more interesting [1]

The phenomenon of the modern retail business in Indonesia is shown by the booming of Alfamart and Indomaret. Those retail stores have modern retail format which have unique store display arrangement with neat shelves, abundant product variation, practical payment service with cashier system, air-conditioned and fresh room, as well as competitive price.

When worst monetary crisis hit Indonesia in late 1997, which then became economics crisis, Indonesia's economy was much helped by the development of retail business as it was an economics trend as well as the government policy. Strategic program and marketing tactic development that were implemented by big retailers recently had entered practical era just like what happened in some developed countries. This trend also occurred in Indonesia, particularly in Jakarta and its surrounding regions, including some other big cities such as