

ABSTRACT

This study aims to analyze the influence of reward programs and perceived value of loyalty programs on customer loyalty, with the loyalty program as a mediating variable among Fore Coffee app users. The background of this research is based on the importance of app-based digital strategies in building customer loyalty, particularly amidst increasingly fierce competition in the coffee shop industry. In this study, the digital strategy takes the form of an app and its loyalty program.

This study employed a quantitative approach with a purposive sampling technique, selecting 250 respondents who are active users of the Fore Coffee app and make purchases through it. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS 4.0 software.

Based on the hypothesis testing results, it was concluded that the reward program has a positive and significant effect on perceived value. Furthermore, the perceived value of the loyalty program has a positive and significant effect on both the loyalty program and customer loyalty. The loyalty program has a positive and significant effect on customer loyalty. Furthermore, the loyalty program has also been shown to be a significant mediator in the relationship between perceived value and customer loyalty.

Keywords: reward program, value perception, program loyalty, customer loyalty.