SUMMARY

AWISAL FASYNI. Satisfaction and Loyalty of Refill Drinking Water Consumers. Under supervision of MUKHAMAD NAJIB and KIRBRANDOKO.

Sources of drinking water that mostly used by the people of Padang are refill drinking water. The number of households that consume refill drinking water increased every year. This is not in line with Salju sales growth which is one of refill drinking water depot in Padang which experienced a slowdown. This presumably due to competitive factors and growth of refill drinking water depot in Salju area.

The increasing number of refill drinking water depot also led a growing number of alternatives for consumers in purchase decision. To increase sales, Salju needs to know the key attributes of buying decision, consumer expectations, satisfaction and loyalty. By knowing this, refill drinking water depot can produce products and provide quality services to suit consumers’ desire.

Consumers have different behavior in consuming the refill drinking water such as in terms of usage, how to purchase and consumption levels. Therefore, it is necessary to segment consumers based on behavior in order to choose a target market and focus the marketing strategy.

Purposes of this study were to analyze the segmentation of refill drinking water consumers based on their behavior, identify prioritized attributes by consumers in buying refill drinking water, to analyze level and relationship between consumers satisfaction and loyalty and then formulate marketing strategy for Salju. The study was conducted on refill drinking water consumers (end and business) in Nanggalo, North Padang, East Padang and West Padang. Those four districts are the most congested distribution of refill drinking water in Padang. Analysis tools were cluster and CHAID to segmentation, eckenrode method to identify priority attribute, CSI and IPA for satisfaction analysis, CLI for analysis of loyalty and PLS for the model of satisfaction and loyalty.

Based on behavioral attributes, there were five segments of end consumer and four segments of business. Each end consumer segment was different in terms of usage and consumption levels, first segment was using refill drinking water for drinking purposes only with low consumption levels, second segment was using refill drinking water for drinking purposes only with high consumption levels, third segment was using refill drinking water for cooking purposes only with low consumption levels, fourth segment was using refill drinking water for drinking and cooking with low consumption levels and fifth segment was using refill drinking water for drinking and cooking with high consumption levels. While business segment differ in terms of duration of consumption and level of consumption that the first segment was new consumer with low consumption levels, second segment was new consumer with high consumption levels, third segment was older consumer with low consumption levels and fourth segment was older consumer with high consumption levels.

In purchase decision, the key/main attributes for consumers consideration in end category was the quality of drinking water, whereas for business consumers was a service provided in refill drinking water depot. Overall, consumers were very satisfied and loyal to refill drinking water depot. Business consumers have a
higher level of satisfaction and loyalty than end consumer. Based on the satisfaction and loyalty model, product, reliability, assurance, and empathy have a significant effect on consumer satisfaction, which empathy has the largest effect. Satisfaction also has a positive effect on consumer loyalty.

Salju depot could aim at segments with high consumption levels, especially the second and fifth segments in end consumer and the second and fourth segments in business consumer. To strengthen its market position, Salju depot needs to perform in accordance with the positioning advantages. The best performance should be given to the attributes necessitated by consumers, which attributes to the dimension of product (water clarity, water taste, smell, hygiene gallon, and raw water sources), the dimension of reliability (the speed of the workers in the service, skill, and thoroughness of workers), the dimension of assurance (permit health authorities), and the dimension of empathy (bonus given).

In addition, Salju depot also needs to consider opening branches in order to reach a wider market.

Keywords: refill drinking water, satisfaction, loyalty, segmentation.