



# LOYALTY CARDS: STRATEGIC ROLE FOR SMALL BUSINESSES

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## ABSTRACT

**This report is identifying the power of loyalty cards program and its strategic role for small businesses in Australia. A small company that has been chosen for this project is Nana Café and Restaurant, which is located at 176-180 Salisbury Road, Camperdown, NSW, 2050. A survey questionnaire (Appendix 1) has been made and given to the Nana Café and Restaurant's customers in order to know their experience when purchasing at Nana Café and Restaurant, and also their opinion toward loyalty cards program. The survey has been given to the customers (mostly regular customers) by providing them a copy of a QR code that directly links to the online survey questionnaire when the customers scan the QR code through their smartphones. Therefore, when the customers were given the copy of QR code, that was their option whether they were happy to do the online survey or not.**

**There are about 51 respondents from Nana Café and Restaurant's customers that I can gain from doing my research. As I do not want to force the customers to fill out the survey, so that was their willingness to help me doing the survey. In addition, the results of the survey indicate that 94.1% of the respondents are willing to come more often if Nana Café and Restaurant provides them a loyalty card. Therefore, it means that, when the customers own a loyalty program with a café or restaurant, the more customers will be more likely to re-visit the café or restaurant.**

**This report will contain several parts, including introduction, background information about the company, marketing analysis, research objectives, literature review, research methodology, data collection, and research findings. Finally, several recommendations and conclusions will be provided according to the results of the data analysis.**

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## **CHAPTER ONE**

### **INTRODUCTION**

It is not easy to build a new business and make the business popular. However, there are a lot of ways to improve the customers either with high cost or low-cost options. For Nana Café and Restaurant especially, as the business does not grow so well, so the low-cost option will be more preferred for this small newly established business. In addition, as a newly established business mostly does not have a lot of followers on social media, similarly with Nana Café and Restaurant, therefore it is not possible to improve the customers through social media at this stage. According to Jolyday (2019), in the Nana Café and Restaurant Instagram page, they only have 31 followers. Meanwhile, according to the Nana Cafe & Restaurant (2019a), it has 16 people like the page and 18 people follow the Facebook page of Nana Café and Restaurant.

Another choice that may be effective to improve the customer's visit is using a loyalty card. However, it is important to identify how important the loyalty card is for the customers according to the customers' experience, and also what are the main issues to make the customers return back to a café or restaurant if they do not provide a loyalty card. Therefore, in this report, it will identify the research questions and specific research objectives toward the customers experience in Nana Café and Restaurant and also the customers opinion about loyalty cards program. This report will determine whether having a loyalty card is the best strategic role for small businesses to improve their customers.

## CHAPTER TWO

### BACKGROUND INFORMATION

Nana Café and Restaurant is a newly established small business which is located at 176-180 Salisbury Road, Camperdown, 2050, NSW. The café opened a couple of months ago, which is at the end of January 2019. The owner of this café has said that the business is not doing well so far. On the other hand, this café has very good customer service, making a really good coffee, the best Acai bowl in Camperdown areas (kind of berry pure pack of smoothies in a bowl) - which is currently liked by young people in Australia as it is healthy and vegan. In addition, Nana Café and Restaurant is basically selling 'halal' foods and drinks.

For this reason, after I have done a quick interview with the owner and doing secondary research about Nana Café and Restaurant, I have found out several reasons that becomes the problem of this small business:

- The main problem is, Nana Café and Restaurant does not gain a very good income, especially in the winter time. And I have identified that last summer, their income was better as many people purchased a cold drink (such as milkshakes, Acai bowl, smoothies, etc.), which the price is more expensive compared to the hot drink (such as coffee).
- The café did not do the advertising at all to promote their business as they may not have a very good income, so they cannot afford the advertising fees.
- The café is not active on social media. Although they have Facebook and Instagram pages, the business rarely posts a picture in their business page. Moreover, the followers of their business page are also very low.
- The price of their food is relatively cheaper, so it means the business did not gain much profit from the selling price of the food. In addition, the café also did not provide a lot of variants of food (especially for vegetarians or vegans).
- The café only sells 'halal' food, which most of the people in Camperdown area are not related to Muslim religion, so many of them asking about pork, bacon, etc.
- In order to gain more customers, it is important for Nana Café and Restaurant to have a loyalty program for their coffee or food as examples. However, more research is needed to be identified.

#### 2.1 PESTLE Analysis for doing Businesses in Australia

According to the Sadhye (2014), PESTLE analysis is a framework that is used to observe the external macro environment of the organisation. **Table 2.1.1** below illustrates the PESTLE analysis for doing business in Australia.

**Table 2.1.1 PESTLE Analysis for doing Businesses in Australia**

<b>PESTLE Analysis for doing Businesses in Australia</b>	
<b><i>Political</i></b>	<p>This manifests in government influence on tax policies, or government involvement in trading agreements.</p> <ul style="list-style-type: none"> <li>- In the case of Australia, it is liberal-capitalistic democracy. Here, the state keeps interfering substantially in the economy through various roles; for instance, parliament might decide to set up importation taxes aimed to protect the national economy or environmental protection laws aimed to protect the natural heritage of the country.</li> <li>- Several reasons the business chose Australia (Sydney and New South Wales) are business and financial capital; strength, stability and open government; time zone advantage; favourable tax system; competitive business costs and world class infrastructure and communications.</li> </ul>
<b><i>Economical</i></b>	<ul style="list-style-type: none"> <li>- Economic factors that commonly affect businesses include consumer confidence, employment, interest rates, inflation.</li> </ul>

	In the case of Australia, it is one of the largest capitalist economies in the world. It is dominated by the service sector. Economic growth is dependent on the mining and agriculture sectors.
<b><i>Socio-Cultural</i></b>	<p>Social Environment: Australia is collectively of diverse peoples living in a relatively young society and currently, Australians are more highly educated than ever before. There has been a focus on assimilating different cultural groups into the dominant British Australian traditions.</p> <p>Cultural Environment: Factors that have shaped the national culture include the early small female population relative to that of men, which is said to have laid the foundation for a widespread ideology of mateship. Australia is a multi-cultural society and English is the primary language used in Australia. Within the framework of Australia's laws, all Australians have the right to express their culture and beliefs and to participate freely in Australia's national life.</p>
<b><i>Technological</i></b>	<ul style="list-style-type: none"> <li>- Technological factors include technological aspects such as research and development activity, automation, technology incentives and the rate of technological change. They can determine barriers to entry, minimum efficient production level and influence outsourcing decisions. Furthermore, technological shifts can affect costs, quality and lead to innovation.</li> </ul>
<b><i>Legal</i></b>	<p>Australia's business law is flexible and makes the procedure of opening up a business simple and easy to achieve for one and all.</p> <ul style="list-style-type: none"> <li>- Australian Business Taxes include corporate tax, goods and services tax (GST), capital gains tax and other business taxes.</li> <li>- Businesses considering importing and exporting should be aware of government regulations. Duty taxes, permits that apply to imported goods. Imports that do not meet these requirements can be seized by the Australian Customs and Border Protection Service.</li> <li>- Intellectual Property Rights includes: Patent protection, trade mark protection, copyright protection and government incentives and grants.</li> </ul>
<b><i>Ecological</i></b>	<p>Managers must take into account the ecological factors in their decision making. By ecology one can understand the relationship of people and others living with their environment, such as soil, water and air.</p> <p>Land, water and air pollution is of great concern to all people. Land may be polluted by industrial waste, such as packaging. Water pollution may be caused by hazardous waste and sewage. Air pollution can be caused by a variety of sources, such as acid rain, vehicle exhaust fumes and carcinogens from the manufacturing process.</p>

## **CHAPTER THREE**

### **RESEARCH OBJECTIVES**

The research objectives of this project will focus on summarising the project and what is to achieve for completing the project. As the research questions want to identify how important the loyalty card is for the customers and what are the main issues to make the customers return back to visit a café or restaurant, therefore it is important to draw on literature relating to the customers experience in Nana Café and Restaurant and also the customers experience toward loyalty cards program.

It is hoped that by doing this research report, the findings will explain whether the loyalty card is truly beneficial to customers and also the company. As mentioned in the research by Smith and Potter (2010), from inspections of various cross-tabulations, the main reason for customers to frequently use loyalty cards and the ease of use and selected behaviour factors reveal a number of interesting insights. They also said that financial incentives or rewards were the main motivating factors, which occurred at almost all levels of income, age, gender, and education (Smith and Potter 2010). Most customers feel that the loyalty card program positively influences shopping behaviour, the convenience of a key chain is important for the loyalty of a particular store, has many cards and provides tangible benefits to customers, regardless of the reason for their use.

There are several specific research objectives for this report:

- To identify the advantages and disadvantages of loyalty cards program.
- To determine the customers' reasons for returning to visit a café or restaurant.
- To discover the customer's experience when purchasing at a café or restaurant.
- To identify the best marketing program for a newly established business.

## CHAPTER FOUR MARKETING ANALYSIS

Currently, as a new business, the secondary research toward Nana Café and Restaurant is very few. Therefore, the primary research for quantitative will be used on this project (quantitative research – a survey about the customers loyalty and customer experience; and several short answer questions to ask the respondents about the customers' reasons for return to visit a café or restaurant and to discover the customers experience when purchasing at a café or restaurant). The primary research is the main selected research for collecting in depth data toward the problem and how to solve it. A survey is the best marketing method to collect the data through customers' perspectives. Several parts in the survey will include behavioural measure, loyalty cards program questions, customers preferences and perceptions and demographic questions. These marketing tools are the best way to collect the data about Nana Café and Restaurant through its customers. Finally, in order to analyse the data, the SPSS will be used as a part of this report. The SPSS will be needed to analyse the relationships between the variables. The data is analysed by SPSS to measure the descriptive statistics, frequency statistics, correlation, regression relationships, the independent sample t-test and one-way ANOVA. In addition to marketing analysis of the company, **Table 4.0.1** shows the SWOT analysis for the company.

**Table 4.0.1 SWOT Analysis for Nana Café and Restaurant**

<b>Strengths</b>	<b>Weaknesses</b>
Located in the main road and has many car park spaces. - Located near to offices, Royal Prince Alfred Hospital (RPAH) and The University of Sydney (strategic area). - Good customer service. - Open early in the morning time (6.00am). - Served healthy foods and drinks.	- There are several competitors nearby. The food menu option needs to be improved with more options for vegetarian and vegan. Having small followers on the Facebook page and Instagram page (social media). - Does not provide bacon or pork. - The limited availability seats.
<b>Opportunities</b>	<b>Threats</b>
Create the customers (especially offices/hospital staff) to return back with the loyalty card programme. Get more customers to come as the café provides healthy products. It is good for the people who are considering a halal food, as they are likely to purchase the drinks and foods from Nana Café and Restaurant.	- Competitors will be the biggest threat for Nana Café and Restaurant. - When bad weather comes (such as raining the whole day), less customers come and visit the shop. - As the café provides halal foods, so when the people want to purchase non-halal food (e.g. bacon and egg rolls), they will find another shop.



## CHAPTER FIVE

### LITERATURE REVIEW

There are several theories that will be used in this report. They are consumer perception, consumer purchasing behaviour on loyalty programs and consumer decision making process. These theories will be used as the further secondary research for the project.

#### 5.1 Consumer Perception

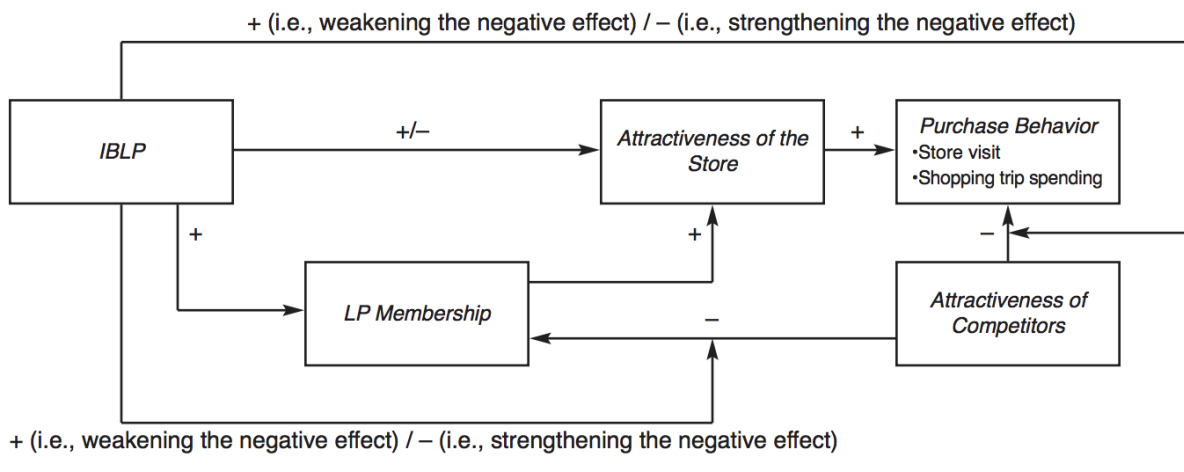
According to Rajagopal and Castano (2015) perception is defined as the different stages in the processing of stimuli that affect consumer behaviour. Touch, smell, taste, hearing and vision are included as the five senses in perception, which have important implications for marketers. Consumers often make conclusions about the quality and performance of the products based on sensory cues. Nonetheless, it is important for Nana Café and Restaurant to have good perceptions toward their business, including the café environment, the taste of the foods and drinks, customer services, etc. For this reason, when the customers have a good perception toward the company, it will lead to a positive share of word-of-mouth (WOM), which will be beneficial for the company to improve their sales. For example, when the customer tries a cup of coffee from Nana Café and Restaurant and also they received good customer service, it will lead them to share to their friends or relatives if the coffee from Nana Café and Restaurant was nice, and that also will lead the other people to purchase at Nana Café and Restaurant. At least, they are willing to try first and if they like it, they will continue purchasing. The research of the perception of the majority is the study of what we unconsciously add to our reduction of raw sensory input to produce our own personal picture of the world (Schiffman et al. 2014). Therefore, determining the customers' perception for returning to visit a café or restaurant is important to be identified in this research.

#### 5.2 Consumer Purchasing Behaviour on Loyalty Program

Vozza (2019) stated that, according to the small business trends, one of the most valuable assets a business can have is its existing customer base. The opportunity to sell to someone who has already made a purchase from a business is 60 to 70%, while the chances of the business getting a new prospect to buy are only 5% to 20%. Consider maintaining existing relationships by creating a loyalty program for small businesses. According to the Bond Brand Loyalty report, loyalty program registrations have increased 31% in the past four years, with an average consumer registering around 14 of them (Vozza 2019). Furthermore, loyalty programs are rewarding customers for their purchases. Additionally, technology has made loyalty programs easier and cheaper to implement, providing a cost-effective way to attract, maintain and raise sales in the business.

On the other hand, based on the research by Zhang and Breugelmans (2012), the conceptual framework which is attached on **Figure 5.2.1** illustrates the potential impact on the item-based loyalty program on several aspects of each customer's purchase decision. In conclusion, discovering the customer's experience when purchasing at a café or restaurant will be beneficial to find out the relationship between consumer purchasing behaviour with loyalty cards program. Meanwhile, the study from Leenheer et al. (2007) stated that loyalty programs improve customer loyalty through multiple mechanisms of economic, psychological and sociological. From an economic perspective, loyalty programs provide value to members in the form of prizes. The second economic driver consists of cost switching, because loyalty program members lose value if they stop buying from the company. Missing values consist of savings points or track records of purchases that ensure privileges.

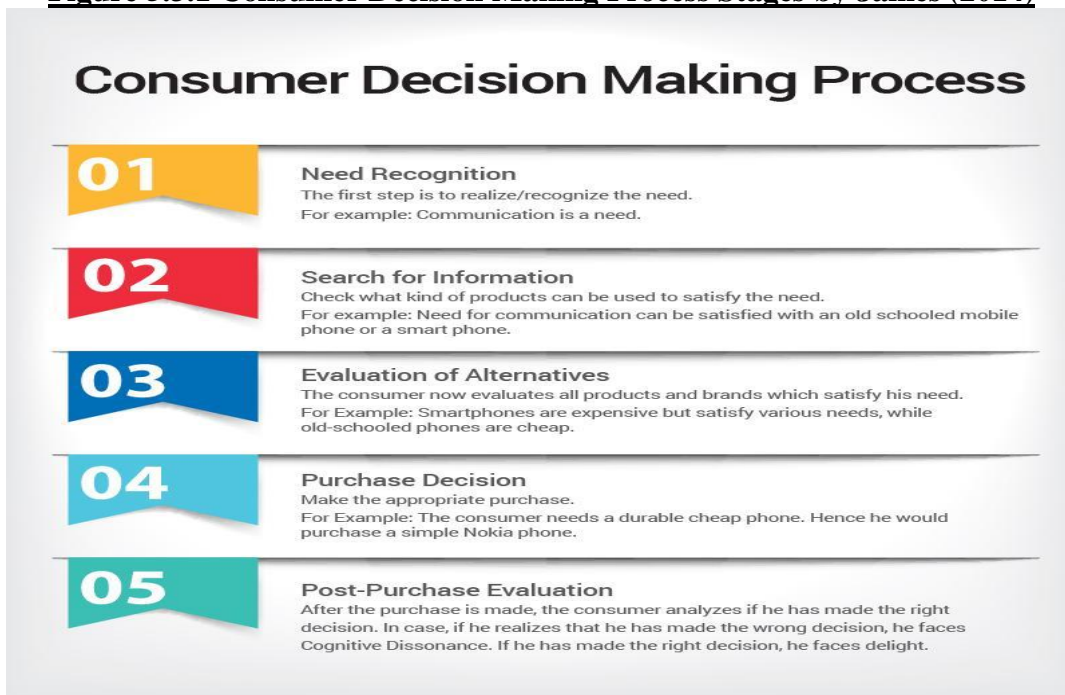
**Figure 5.2.1 The Impact of Item-Based Loyalty Program (IBLP) on Purchase Behaviour**



5.3 Consumer Decision Making Process

Consumer decision making process will be helpful to identify the advantages and disadvantages of loyalty cards programs, and also to identify whether loyalty cards are one of the best marketing programs for a newly established business. **Figure 5.3.1** by James (2014) described the process of consumer decision making, which means when the consumers want to purchase a product or service, they will go through the five steps of the decision-making process.

**Figure 5.3.1 Consumer Decision Making Process Stages by James (2014)**



The prediction organisation throughout the stages of the decision-making process is largely a matter of comfort (Pham and Higgins 2005). One must not forget that in reality the consumer decision-making is essentially dynamic, and not entirely linear. Therefore, analysing the promotion and prevention dynamics during the decision-making process will be an important extension of the ideas presented as well as in the context of the actual.

## **CHAPTER SIX**

### **6.0 RESEARCH METHODOLOGY**

The study from Jeevananda (2011) mentioned that loyalty programs are increasingly popular, which creates the potential increase in demand for loyalty programs more limited than might be expected. There are three different perspectives on loyalty that help in understanding customer loyalty which include customer brand commitment, customer brand acceptance and customer brand purchase.

#### **6.1 Survey Design**

The questionnaire that has been used for this report consists of four different parts. Firstly, behavioural questions which ask about customers behaviour when they are visiting a café or restaurant in general, and also, the customers' opinion when they are visiting Nana Café and Restaurant. The second part is inquiring about the loyalty cards program. The purpose of the second part of the survey is to determine the customers' thoughts toward loyalty cards. In addition, it is also to find out the particular benefit that the customers are looking for when they have a loyalty cards program. The third part of the survey asked the preference and perception toward loyalty cards/programmes. There is a ranking question to understand the customers' preference regarding what they think is important when they go to a café or restaurant. It is also asking about their most preferred kind of loyalty program, when they are visiting a café or restaurant and also their perceptions toward loyalty cards. In order to make sure whether the customers would be likely to visit Nana Café and Restaurant when they owned a loyalty card from the shop, then in the final question of this part asked whether they would come to Nana Café and Restaurant more often with a loyalty card program. The final part of the questionnaire enquires about demographics questions including gender, age group and area the customers currently live.

## CHAPTER SEVEN DATA COLLECTION

The online questionnaire is administered in English and it has been used to do research to identify the advantages and disadvantages of loyalty cards program, to determine the customers' reasons for returning to visit a café or restaurant and to discover the customers experience when purchasing at café or restaurant. Furthermore, the questionnaire is also being pre-tested to 12 international students in the UTS university (including the two mentors) before it is posted online in order to make sure that it will be easily understandable by the respondents.

When collecting the data for this report, a simple random sampling has been used. A simple random sample is a subset of a statistical population where each subset member has the same probability of being selected (Hayes 2019). The questionnaire is given to the Nana Café and Restaurant customers randomly, which provides them with a paper of QR code and survey link (as illustrated on **Figure 7.0.1**). This paper was given to the random customers and the customers fill out surveys voluntarily as there is no reward for filling out the online questionnaire. In addition, most of the respondents are frequent customers who usually visit Nana Café and Restaurant.

**Figure 7.0.1 QR Code and the Survey Link**



([https://docs.google.com/forms/d/e/1FAIpQLScRn\\_VM-z8bmTtV2oXemOYRh1l fFfbAaM7BJ7153dkzTxYajw/viewform?usp=sf\\_link](https://docs.google.com/forms/d/e/1FAIpQLScRn_VM-z8bmTtV2oXemOYRh1l fFfbAaM7BJ7153dkzTxYajw/viewform?usp=sf_link))

The online questionnaire ran for about 4 weeks and there were 51 valid respondents. In addition, all the data has been recorded, therefore an SPSS can be used to analyse the relationship between the variables. The SPSS is used for measuring the frequencies statistics, cross tabulation, the correlation, independent sample t-test and one-way ANOVA.

## CHAPTER EIGHT RESEARCH FINDINGS

### 8.1 Advantages and Disadvantages of Loyalty Cards Program

Many companies offered a loyalty card in order to keep the customers coming back to visit the company. The loyalty program usually provides a reward of points or discount. A lot of effort and potential money are necessary to set up and maintain a reward program, such as a loyalty card. Therefore, in **Table 8.1.1**, it is explained several advantages and disadvantages for the businesses who owned a loyalty card program and/or have a plan to have a loyalty card program for their businesses.

**Table 8.1.1 The Advantages and Disadvantages of Loyalty Cards Program**

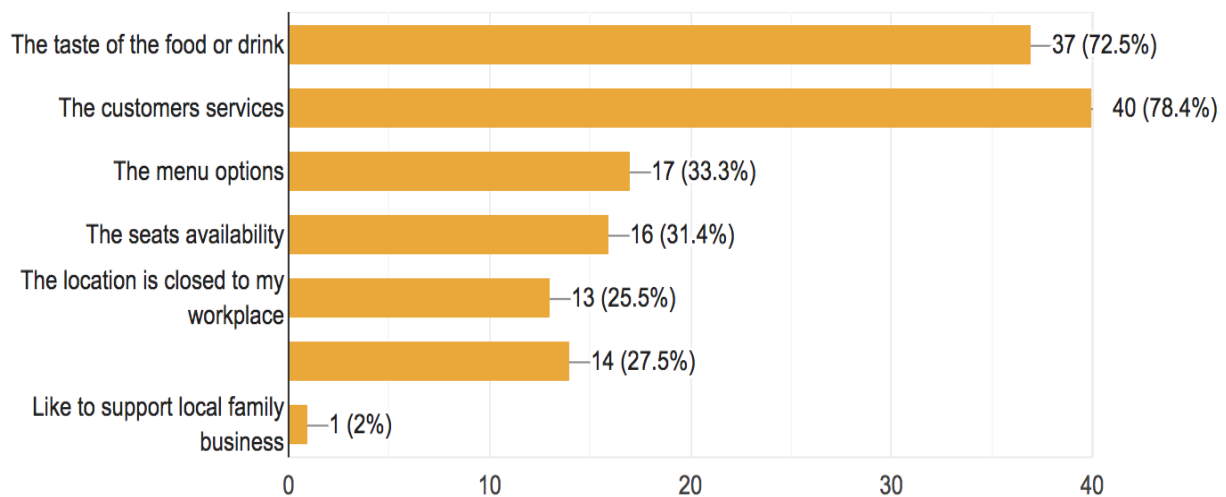
Advantages	Disadvantages
<p>The biggest benefit for creating a loyalty program for small businesses is increased sales. According to Bond Brand Loyalty’s study, 66% of consumers will adjust their spending to maximise their loyalty points. Small business owners will often find that building a committed customer base helps provide stability and a consistent revenue stream (Vozza 2019).</p> <p>Loyalty programs can also provide business owners with a way to entice more people to join their subscriber lists. These can help the company stay in communication with customers, thereby generating interaction and sales.</p> <p>Loyalty programs give customers a reason to talk about the business, which increases word-of-mouth marketing about the products and services offered (Vozza 2019).</p> <p>Could help promote the business’s brand. Reward programs often provide a strong branding opportunity. Whether it is incorporating the business slogan into the program name or decorating the loyalty card in the colours and logo, the rewards program can reflect the company’s branding.</p>	<p>The company will have to monitor the loyalty program. By offering a reward program, the business will be able to gain customer loyalty, but the company will also have to put in extra effort to set it up and maintain it.</p> <p>Might be time-consuming to start. Not only does setting up rewards accounts take away from other initiatives, but if the company has a digital loyalty program, it may require frequent monitoring.</p> <p>Customers may not be satisfied. As a small business owner, it is important to ensure the customers’ happiness. If they are not satisfied with the products or services, they could start shopping from the competitors instead.</p> <p>Could hurt the business’s finances. If you want to start a loyalty program, it is pivotal that the company ensure that they are not losing money in the process. For example, if the business is giving away too many products or your discounts are too large, they might end up hurting the business’s finances.</p>

### 8.2 Descriptive Statistic

According to the result of the survey, 31.4% of the respondents visit a café or restaurant 2-3 times per week in the last 6 months. Meanwhile, 29.4% visit a café or restaurant 4-6 times per week in the last 6 months. In addition, 27.5% of respondents come to Nana Café and Restaurant once a week, and 21.6% visit Nana Café and Restaurant 2-3 times per week. However, 15.7% of the respondents visited Nana Café and Restaurant 4-6 times per week.

Based on the reasons the customers like to visit Nana Café and Restaurant, as illustrated in **Figure 8.2.1**, most of the respondents like to visit the café because of the customer services and the taste of food and drink. In addition, these factors could be the main factor in people returning back to visit a café or restaurant.

**Figure 8.2.1 The Main Reason People Like to Visit Nana Café and Restaurant**

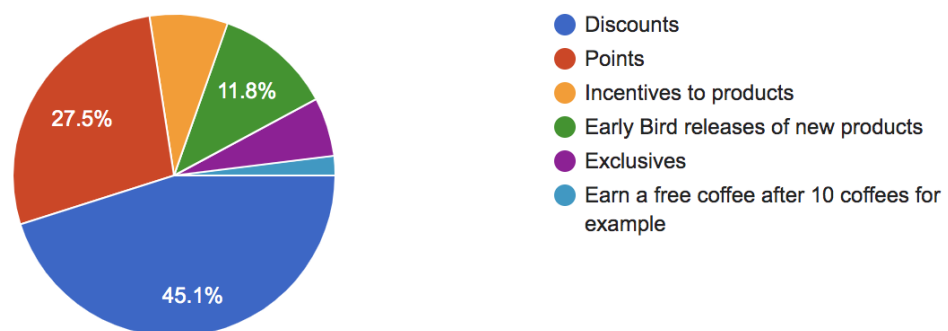


In the **Appendix 2**, it shows the frequency statistics of the loyalty cards program questions that has been collected from the respondents. It concludes that most of the respondents owned 1-3 loyalty cards (52.9%), and also, they agreed to visit Nana Café and Restaurant more often when they have a loyalty card (94.1%). Additionally, free a cup of coffee after 10 coffees purchased becomes the top preferred answer for the loyalty card program (52.9%).

In terms of the particular benefit that the respondents are looking for in a loyalty cards program, the results indicated that 45.1% respondents are looking at the discount, while 27.6% of the respondents are considering the points they will receive. This result is drawn on **Figure 8.2.2** below.

**Figure 8.2.2 The Particular Benefits Customers Look for in A Loyalty Program**

51 responses



Furthermore, **Figure 8.2.3** shows the cross-tabulation results of the respondents’ answers about “how many loyalty cards do you currently owned” and “how satisfied or dissatisfied you are when visiting Nana

Café and Restaurant”. It can be seen that more than 60% of the respondents who owned 1-6 loyalty cards are very satisfied when they are visiting Nana Café and Restaurant.

**Figure 8.2.3 Cross-Tabulation between Loyalty Cards Owned & Customers Satisfaction**

How many loyalty cards do you currently owned? * How satisfied or dissatisfied of you when visiting Nana Café and Restaurant Crosstabulation			How satisfied or dissatisfied of you when visiting Nana Café and Restaurant			
			Neutral	Satisfied	Very satisfied	Total
How many loyalty cards do you currently owned?	1 – 3	Count	1	9	17	27
		Expected Count	1.6	9.0	16.4	27.0
		% within How many loyalty cards do you currently owned?	3.7%	33.3%	63.0%	100.0%
	4 – 6	Count	1	5	10	16
		Expected Count	.9	5.3	9.7	16.0
		% within How many loyalty cards do you currently owned?	6.2%	31.2%	62.5%	100.0%
	7 – 10	Count	0	3	3	6
		Expected Count	.4	2.0	3.6	6.0
		% within How many loyalty cards do you currently owned?	0.0%	50.0%	50.0%	100.0%
Above 10	Count	1	0	1	2	
	Expected Count	.1	.7	1.2	2.0	
	% within How many loyalty cards do you currently owned?	50.0%	0.0%	50.0%	100.0%	
Total	Count	3	17	31	51	
	Expected Count	3.0	17.0	31.0	51.0	
	% within How many loyalty cards do you currently owned?	5.9%	33.3%	60.8%	100.0%	

On the other hand, in **Figure 8.2.4**, it shows the cross-tabulation between variable loyalty programs and customers preference. It concludes that most of the respondents are likely to come more often to Nana Café and Restaurant if they owned a loyalty card program with any kind of loyalty program preferred. However, the most loyalty program preferred by the respondents is “free a cup of coffee after 10 coffees purchased”.

**Figure 8.2.4 Cross-Tabulation between Loyalty Program & Customers Preference**

Which kind of loyalty programme are you preferred in a café or restaurant? * Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme? Crosstabulation			Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?			Total
			Maybe	No	Yes	
Which kind of loyalty programme are you preferred in a café or restaurant?	Free a cup of coffee after 10 coffees purchased.	Count	1	2	24	27
		Expected Count	.5	1.1	25.4	27.0
		% within Which kind of loyalty programme are you preferred in a café or restaurant?	3.7%	7.4%	88.9%	100.0%
	Free meal after 10 meals purchased.	Count	0	0	11	11
		Expected Count	.2	.4	10.4	11.0
		% within Which kind of loyalty programme are you preferred in a café or restaurant?	0.0%	0.0%	100.0%	100.0%
	Half price for a cup of coffee after 5 coffees purchased.	Count	0	0	3	3
		Expected Count	.1	.1	2.8	3.0
		% within Which kind of loyalty programme are you preferred in a café or restaurant?	0.0%	0.0%	100.0%	100.0%
Half price for the third meal.	Count	0	0	10	10	
	Expected Count	.2	.4	9.4	10.0	
	% within Which kind of loyalty programme are you preferred in a café or restaurant?	0.0%	0.0%	100.0%	100.0%	
Total	Count	1	2	48	51	
	Expected Count	1.0	2.0	48.0	51.0	
	% within Which kind of loyalty programme are you preferred in a café or restaurant?	2.0%	3.9%	94.1%	100.0%	

### 8.3 Correlation Testing

The result of the survey tested the correlation between independent variables (IV) and dependent variables (DV). Correlation analysis is used to discover the degree of association between two variables. The correlation results show there is a significant correlation between two different dimensions that have been tested. The correlation is identifying the customers preference when visiting a café or restaurant with the dimensions of customer satisfaction and customers’ intention to re-visit a café or restaurant if they owned a loyalty card. Moreover, the correlation testing results appeared on **Appendix 3**.

#### **Dimension 1: Customers Satisfaction**

The correlation between customer satisfaction and customers preference when visiting a café or restaurant are having significant correlation for the cakes option and the loyalty program, because the Sig. (1-tailed) value is less than 0.05. Therefore, it concludes that the cakes option and loyalty program have a strong relationship with the customer satisfaction. However, customer satisfaction has a positive impact with the cakes option, which means the more options cakes that the coffee shop has, the more satisfied customers will feel about the Nana Café and Restaurant. In terms of loyalty programs, it also has a positive impact with the customers satisfaction. It means that, when the customers own a loyalty program with a café or restaurant, the more satisfied customers will feel about the Nana Café and Restaurant.

#### **Dimension 2: Customers’ Intention to Re-Visit A Café or Restaurant If They Owned A Loyalty Card**

The correlation between customers’ intention to revisit a café or restaurant if they owned a loyalty card and customers preference are having similar results with the customers satisfaction. In another word, the result also indicates that the cakes options and loyalty program have a strong relationship with the customers’ intention to revisit a café or restaurant if they owned a loyalty card. For this reason, the Sig. (1-tailed) value for cakes option and loyalty program is less than 0.05. In terms of loyalty programs, it has a positive impact with the intention to revisit a café or restaurant. It means that, when the customers own a loyalty program with



a café or restaurant, the more customers will be more likely to revisit the café or restaurant. Similarly, the cakes option also shows the positive impact toward the customers’ intention to revisit a café or restaurant if they owned a loyalty card.

8.4 Regression Analysis

In the regression analysis, it will indicate the cause and effect between the variables. Therefore, regression analysis is used to examine the cause-and-effect relationship according to the results of the correlation. In this case, the regression analysis is running for customers satisfaction vs customers preferences (as illustrated on **Figure 8.4.1**). It can be seen from the **Figure 8.4.1**, the p-value for customers satisfaction and customers preferences when visit a café or restaurant (including loyalty program, environment, seats availability, cakes option, taste of coffee, coffee choices and quality of food) are significant with the p-value<0.05, which means there are cause and effect relationships between both independent variable and dependent variables in the questionnaire. To sum up, the hypothesis from the objective of customers' experience when visiting a café or restaurant with the loyalty program is proved to be true.

**Figure 8.4.1 Regression Analysis of Customers Satisfaction vs Customers Preferences**

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.526 <sup>a</sup>	.277	.159	.560		

a. Predictors: (Constant), Loyalty Program, Environment, Seats Availability, Cakes Option, Taste of Coffee, Coffee Choices, Quality of Food

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.156	7	.737	2.351	.040 <sup>b</sup>
	Residual	13.471	43	.313		
	Total	18.627	50			

a. Dependent Variable: How satisfied or dissatisfied of you when visiting Nana Café and Restaurant

b. Predictors: (Constant), Loyalty Program, Environment, Seats Availability, Cakes Option, Taste of Coffee, Coffee Choices, Quality of Food

8.5 Independent Sample T-Test

The independent sample t-test is used to analyse the statistically significant difference between two different unrelated groups. Moreover, the result shows that male preferred seat availability is more important than female. However, the other factors do not create a big difference. According to the independent sample t-test result, it is important to target both male and female customers, because they are the same and do not have a big difference between both of them.

The interpretation of the independent t-test result for gender and customers preferences (**Figure 8.5.1**), it is shown that the p-value on Levene’s test for equality of variances for seats availability is less than 0.05. As a consequence, if the p-value is less than the desired significance level, reject the null hypothesis (H<sub>0</sub>) and there exist unequal variances. However, the p-value for quality of food, coffee choices, taste of coffee, cakes options, environment and loyalty program are greater than 0.05, which means fail to reject the H<sub>0</sub> and there exists equal variance between these variables.

On the other hand, the significant t-test for equality of means, it depends on the result of the Levene’s test for equality of variances. Looking at the appropriate Sig. (2-tail) value as the p-value for equal and unequal variances. As the p-value for all dependent variables is higher than the alpha (p-value>0.05), failed to reject

the  $H_0$  and concluded that there appears no significance difference between the means at the level of the specified alpha. In overall, it concludes that there seems to be no significant difference between males and females in terms of customers preferences when visiting a café or restaurant. Therefore, both males and females are likely to visit a café or restaurant without looking at the quality of food, coffee choices, taste of coffee, cakes options, seats availability, environment and loyalty program.

**Figure 8.5.1 Independent Sample T-Test Between Gender and Customers Preferences**

Group Statistics					
Please indicate your gender by selecting the appropriate box below.		N	Mean	Std. Deviation	Std. Error Mean
Quality of Food	Male	26	2.27	1.511	.296
	Female	25	2.40	1.607	.321
Coffee Choices	Male	26	4.35	1.522	.298
	Female	25	4.48	1.358	.272
Taste of Coffee	Male	26	2.27	.919	.180
	Female	25	2.48	1.636	.327
Cakes Option	Male	26	5.42	1.815	.356
	Female	25	4.88	1.922	.384
Seats Availability	Male	26	5.85	.967	.190
	Female	25	5.20	1.826	.365
Environment	Male	26	3.85	1.848	.362
	Female	25	3.84	1.724	.345
Loyalty Program	Male	26	3.96	2.029	.398
	Female	25	4.64	1.705	.341

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper	
Quality of Food	Equal variances assumed	.959	.332	-.299	49	.766	-.131	.437	-1.008	.747	
	Equal variances not assumed			-.299	48.502	.766	-.131	.437	-1.010	.748	
Coffee Choices	Equal variances assumed	.619	.435	-.331	49	.742	-.134	.404	-.946	.679	
	Equal variances not assumed			-.332	48.735	.742	-.134	.403	-.945	.677	
Taste of Coffee	Equal variances assumed	3.495	.068	-.570	49	.571	-.211	.370	-.954	.532	
	Equal variances not assumed			-.564	37.462	.576	-.211	.374	-.967	.546	
Cakes Option	Equal variances assumed	1.045	.312	1.038	49	.304	.543	.523	-.508	1.595	
	Equal variances not assumed			1.037	48.542	.305	.543	.524	-.510	1.596	
Seats Availability	Equal variances assumed	8.031	.007	1.588	49	.119	.646	.407	-.171	1.464	
	Equal variances not assumed			1.570	36.171	.125	.646	.411	-.188	1.481	
Environment	Equal variances assumed	.378	.542	.012	49	.990	.006	.501	-1.001	1.013	
	Equal variances not assumed			.012	48.958	.990	.006	.500	-.999	1.012	
Loyalty Program	Equal variances assumed	.487	.489	-1.290	49	.203	-.678	.526	-1.735	.378	
	Equal variances not assumed			-1.295	48.148	.202	-.678	.524	-1.732	.375	

In **Figure 8.5.2**, it illustrates the independent sample t-test between the question ‘do you currently own a loyalty card for a café or restaurant?’ and the customers preferences when they visit a café or restaurant. The results indicate that the p-values for all dependent variables on Levene’s test for equality of variances for environment is less than the desired significance level, so reject the  $H_0$  will be needed for this variable. On the other hand, for the variables of quality of food, coffee choices, taste of coffee, cakes option, seats availability and loyalty program have the p-value greater than alpha, which is more than 0.05. So, there exist equal variances and it fails to reject the  $H_0$ . In contrast, looking at the significance t-test for equality of means, the value of Sig. (2-tail) of quality of food, coffee choices and cakes options are less than the alpha (<0.05). So,

the  $H_0$  is rejected and there seems to be a significant difference between the means at the level of specified alpha.

In conclusion, there seems to be a significant difference between the respondents who owned loyalty cards for a café or restaurant in terms of quality of food, coffee choices, environment and cakes options. On average, the respondents who owned loyalty cards appear to be more concerned about quality of food, coffee choices, environment and cakes options. Therefore, if Nana Café and Restaurant considers the loyalty cards program, it is important for the company to be more concerned about the quality of food, coffee choices, environment and cakes option.

**Figure 8.5.2 Independent Sample T-Test Between Do Customers Have Loyalty Card and Customers Preferences**

Group Statistics					
	Do you currently own a loyalty card for a café or restaurant?	N	Mean	Std. Deviation	Std. Error Mean
	no	8	3.50	1.773	.627
Coffee Choices	yes	43	4.21	1.407	.215
	no	8	5.50	1.069	.378
Taste of Coffee	yes	43	2.40	1.312	.200
	no	8	2.25	1.389	.491
Cakes Option	yes	43	5.56	1.652	.252
	no	8	3.00	1.512	.535
Seats Availability	yes	43	5.53	1.517	.231
	no	8	5.50	1.309	.463
Environment	yes	43	3.86	1.627	.248
	no	8	3.75	2.550	.901
Loyalty Program	yes	43	4.28	1.830	.279
	no	8	4.38	2.326	.822

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Quality of Food	Equal variances assumed	.009	.924	-2.439	49	.018	-1.384	.567	-2.524	-.243
	Equal variances not assumed			-2.087	8.744	.067	-1.384	.663	-2.890	.123
Coffee Choices	Equal variances assumed	.620	.435	-2.458	49	.018	-1.291	.525	-2.346	-.236
	Equal variances not assumed			-2.970	12.029	.012	-1.291	.435	-2.237	-.344
Taste of Coffee	Equal variances assumed	.176	.676	.285	49	.777	.145	.509	-.878	1.169
	Equal variances not assumed			.274	9.474	.790	.145	.530	-1.045	1.336
Cakes Option	Equal variances assumed	1.046	.311	4.069	49	.000	2.558	.629	1.295	3.821
	Equal variances not assumed			4.329	10.369	.001	2.558	.591	1.248	3.868
Seats Availability	Equal variances assumed	.000	.984	.061	49	.952	.035	.573	-1.118	1.187
	Equal variances not assumed			.067	10.823	.947	.035	.518	-1.106	1.176
Environment	Equal variances assumed	6.730	.012	.160	49	.873	.110	.688	-1.273	1.494
	Equal variances not assumed			.118	8.093	.909	.110	.935	-2.041	2.262
Loyalty Program	Equal variances assumed	1.806	.185	-.131	49	.897	-.096	.735	-1.573	1.381
	Equal variances not assumed			-.110	8.686	.915	-.096	.868	-2.071	1.880

### 8.6 One-Way ANOVA

According to the **Appendix 4**, in the Levene's test for homogeneity of variance, it shows the null hypothesis ( $H_0$ ) is the variances of dependent variable (age) among the groups of the dependent variables (customers preference when they visit a café or restaurant). Looking at the Sig. value which is the p-value for Levene's test. It concludes that the p-value of seat availability and environment is less than the desired significance level (which is alpha usually at 0.05 or 5%), therefore the null hypothesis needs to be rejected and there are unequal variances. However, the null hypothesis for the other dependent variables for customers preferences, such as quality of foods, coffee choice, taste of coffee, cakes option and loyalty program. These variables are having the p-value is greater than the alpha, so it is necessary to not reject the  $H_0$  and concluding that there exist equal variances between these variables.

Furthermore, the significance F-test for equality of means illustrates the ANOVA F-test requires the above Levene's F-test be insignificant. If the assumption of equal variances is violated, the ANOVA F-test may not be valid. Assuming that Levene's test is not significant, look at the Sig. value (p-value) for the F-test in the ANOVA table. The table shows that the p-value is greater than the alpha, therefore fail to reject the  $H_0$  and conclude that there appears no significance difference among the means at the level of the specified alpha. To sum up, there is a significant equality of variance between age and seats availability and environment. However, there is no significant equality of variance between age and customers preferences, such as quality of foods, coffee choice, taste of coffee, cakes option and loyalty program.

### 8.7 Short Answer Questions

There are two short answer questions on the survey that are used to determine the customers' reasons for returning to visit a café or restaurant, to discover the customers experience when purchasing at a café or restaurant and to identify any comments toward a loyalty program. The answers are concluded that customers like to have a new menu option (more menu options for breakfast and lunch), put more decorations on the shop, more menu special (e.g. combo special), provides more table (as seats availability also the main preference in the research analysis regarding what the people think is important when they visit a café or restaurant).

On the other hand, according to the further comments about the loyalty cards program, the respondents are thinking that discounts and points are important for them. They also said that the loyalty program was the best idea to improve customers' attention to purchase more often from the shop. Some of them also stated that having digital loyalty cards made them happier, and they would like to come more often if Nana Café and Restaurant is having a loyalty card program.

## CHAPTER NINE RECOMMENDATION

There are several recommendations that will be needed after finishing both primary and secondary research for this project. The recommendation is summarised below:

First, secondary research found that one of the advantages of the loyalty programs provides customers a reason to talk about the business, which increases word-of-mouth (WOM) marketing about the products and services offered. Moreover, the survey results found that the taste of food and drink and the customer's services become the top reasons people are likely to revisit a café or restaurant. Therefore, this would be great for Nana Café and Restaurant to improve their reputation and increase the customers, and also make the customers revisit the café by providing the best taste of food and drink and customer services. In addition, the research findings in the frequency statistics also stated that 94.1% of the respondents are likely to visit Nana Café and Restaurant more often when the company offers a loyalty card program.

Second, the research findings also indicated that 52.9% of the respondents are likely to choose a free cup of coffee after 10 coffees purchased as the top preferred answer for the loyalty card program. Moreover, the particular benefit that the respondents looking for in a loyalty cards program are looking at the discounts (45.1%). Therefore, when Nana Café and Restaurant consider providing a loyalty card for their business, it is recommended to use a discount as a reward or give a free cup of coffee after 10 coffees purchased.

Third, according to the independent sample t-test, there seems to be a significant difference between the respondents who owned loyalty cards for a café or restaurant in terms of dependent variables of quality of food, coffee choices, environment and cakes options. These dependent variables are the most preferred reason regarding what the respondents who owned loyalty cards think is important when they go to a café or restaurant. As a result, it is recommended for Nana Café and Restaurant to have a high quality of food, more coffee choices, good environment and more cake options when they adopt loyalty cards for the café.

Fourth, based on the result of the short answer questions, it is important for Nana Café and Restaurant to improve their menu options, more decoration for the shop, more tables and more menu combo specials. For these reasons, many respondents are likely to try the new menu with more options and also more combo specials.

Finally, the other important recommendation for Nana Café and Restaurant is what are the best marketing programs for a newly established business. Here are several recommended options for Nana Café and Restaurant and the other newly established business:

**Table 9.0.1 The Best Marketing Programs for A Newly Established Business**

<b>1. Provide loyalty program</b>	According to the research that has been done, the loyalty program for Nana Café and Restaurant has positive feedback from the respondents, which are the customers of Nana Café and Restaurant. Therefore, a loyalty program may be one of the best choices for Nana Café and Restaurant as their marketing program to promote their business and improve more customers and keep the customers to return to visit their café and restaurant.
<b>2. Use Facebook or Instagram ads</b>	Facebook and Instagram Ads are one of the best ways to target a specific group. The advertising can focus on factors such as age, sex, location, interests, online habits and so on. The system is easy to use and is relatively inexpensive, making this a great way for the business to reach the maximum number of potential customers in a short time.

<p><b>. Have a great website</b></p>	<p>If there is one thing that will put people off the company, it is having a poorly designed website. Think about it, the businesses have done the hard part getting that click and bringing the customer to the business site and they find the site to be user-unfriendly, hard to navigate or not logically laid out. This is such a simple error to avoid so do not make this basic mistake.</p>
<p><b>4. Use Google My Business</b></p>	<p>Google My Business is a particularly useful tool for local businesses with a local customer base. When people in the local area search on Google for the product or service that is provided by a business, this is a great way to have the business appear near the top of that search. When potential customers see the profile and accompanying good reviews at or near the top of the list, the business automatically gains credibility and people will be more willing to trust the business. Nana Café and Restaurant currently already use Google My Business (Nana Café and Restaurant 2019); however, they need to keep the website up-to-date and regularly post good pictures for their food or their Café in order to attract the customers attention.</p>
<p><b>Use Google AdWords</b></p>	<p>Although Google AdWords is more expensive than many other marketing options available, the business should still consider it, because when done well, it can be a very powerful marketing tool. Remember, the key is for people to find the business when they search on Google, and by using AdWords, the business can greatly increase their chances of people seeing the business's name.</p>

## CHAPTER TEN

### CONCLUSION

In summary, the research findings described that there is a strong potential for developing a loyalty program for a small newly established business of a café or restaurant. Moreover, the research declares the majority of the respondents showed a positive attitude towards loyalty cards programs for a café or restaurant. More than 50% of the respondents prefer to have a free cup of coffee after 10 coffees purchased. It means that most of the respondents who come to a café are more likely to purchase a coffee compared to the others. The results of the study revealed many effects of loyalty programs on consumer purchasing decisions, which is purchasing more products from a café or restaurant and advertising the café or restaurant through word-of-mouth (WOM). Most of the respondents are preferred to get discounts and/or points when they are having a loyalty card from a café or restaurant. Additionally, in terms of correlation testing, customers satisfaction and customers' intention to revisit a café or restaurant have a positive impact with the cakes option and loyalty program, which means the more options cakes that the coffee shop has, the more satisfaction customers will feel about the Nana Café and Restaurant. In terms of loyalty programs, it means that, when the customers own a loyalty program with a café or restaurant, the more satisfied customers will feel about the Nana Café and Restaurant. According to the independent sample t-test, both males and females are likely to visit a café or restaurant without looking at the quality of food, coffee choices, taste of coffee, cakes options, seats availability, environment and loyalty program. Meanwhile, the respondents who owned loyalty cards appear to be more concerned about quality of food, coffee choices, environment and cakes options. Therefore, these variables are important to be considered when Nana Café and Restaurant is adopting the loyalty program as one the way to improve the customers to return back and visit their café.

## **LIMITATION**

There are several limitations when creating this project report, which are based on the several factors based on the research and the questionnaire.

First of all, the limited time becomes one of the biggest factors that lead the author to not gain much data toward the project.

Second, the total of respondents (51 respondents) is very low to receive an in-depth conclusion and analysis toward the loyalty card program for small businesses. Therefore, it may not reflect the total population of the customers who owned a loyalty card program and used the benefits of the program.

Finally, several respondents may not provide valid responses through the online questionnaire. In addition, there is a possibility that the respondents may have chosen any available answers only to complete the questionnaire.

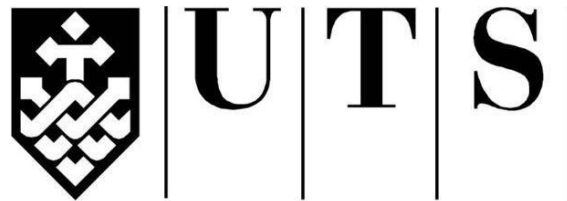


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**APPENDICES**

## 13.1 Appendix 1: Online Survey Questionnaire



University of Technology, Sydney

Tuesday, 2 September 2019

*Dear Participants,*

This survey is conducted by University of Technology Sydney students as part of the Business Project (Capstone) course.

The survey's purpose is to identify customers' perception of their experience in a café or restaurant and discover attitudes toward the introduction of customers' loyalty card/programme, especially for a newly established business. This survey will take about 10 minutes to complete.

We would like to assure you that all information you provide will remain confidential and not be used for commercial purposes or disclosed to any third party.

As a student of the University of Technology Sydney, I fully appreciate your participation and your valued comments.

If you have any questions regarding this survey or how the information provided will be used, please feel free to contact Tri Agriana Sari as the project leader at [12777049@student.uts.edu.au](mailto:12777049@student.uts.edu.au).

Thank you in advance for your participation. I am very appreciative of your time and assistance with this research project.

*Sincerely,*

Tri Agriana Sari

**PART 1 – Behavioural Questions***Please read the following question and choose only one answer.*

1. How often you visit a café or restaurant in the last 6 months?

- Everyday
- 4-6 times per week
- 2-3 times per week
- Once a week
- 2-3 times a month
- Once a month
- Less than once a month

2. How often you visit Nana Café and Restaurant?
  - Everyday
  - 4-6 times per week
  - 2-3 times per week
  - Once a week
  - 2-3 times a month
  - Once a month
  - Less than once a month
  
3. What is the main reason do you like to visit Nana Café and Restaurant? (You can choose more than one option)
  - The taste of the food or drink
  - The customers services
  - The menu options
  - The seats availability
  - The location is closed to my workplace
  - The location is closed to my home
  - Other (Please specify) \_\_\_\_\_
  
4. How satisfied or dissatisfied of you when visiting Nana Café and Restaurant?
  - Very satisfied
  - Satisfied
  - Neutral
  - Unsatisfied
  - Very unsatisfied
  
5. Are there any improvements you would like to see at Nana Café and Restaurant?
  - Yes, please provides your comments \_\_\_\_\_
  - No

**PART 2 – Loyalty Card/Programme**

*In this part we would like to get to know a little more about you and your thoughts about Loyalty Card/Programme:*



- 6. Do you currently own a loyalty card for a café or restaurant?  
 Yes  
 No
  
- 7. How many loyalty cards do you currently owned?  
 1 - 3  
 4 - 6  
 7 - 10  
 Above 10
  
- 8. What are the particular benefits that you look for in a loyalty card/programme?  
 Discounts  
 Points  
 Incentives to products  
 Early Bird releases of new products  
 Exclusives  
 Other (Please specify) \_\_\_\_\_

**PART 3 – Preferences and Perception**

9. We would like to understand your preference regarding what do you think is important when you go to a café or restaurant?

*Please rank each reason in the table below in terms of which one you most prefer and which one you least prefer to buy (1 = most preferred, and 7 = least preferred).*

	<b>Rank</b>
Quality of food	
Coffee choices	
Taste of coffee	
Cakes options	
Seats availability	
Environment	
Loyalty program	

10. Which kind of loyalty programme are you preferred in a café or restaurant?

- Free a cup of coffee after 10 coffees purchased.
- Half price for a cup of coffee after 5 coffees purchased.
- Free meal after 10 meals purchased.
- Half price for the third meal.
- Free cakes after 10 cakes purchased.

11. Any further comment on customers’ loyalty cards/programme?

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12. Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?

- Yes
- No
- Other (Please specify) \_\_\_\_\_

**PART 4 – Demographic Questions**

*Now please tell us a little about yourself*

13. Please indicate your gender by selecting the appropriate box below.

- Male
- Female
- Prefer not to say

14. Please indicate to which age group you belong by selecting the appropriate box below.

- Below 18
- 18-24

- 25-34
- 35-44
- 45 or above

15. Please indicate in which area you are currently lived.

- Sydney City
- Eastern Suburb
- South Western Sydney
- Western Sydney
- Inner West
- Canterbury-Bankstown
- Others

*This is the end of the questionnaire, thank you very much for participating in this questionnaire and answer all the questions. We highly appreciate your time and your response is valuable to us.*

13.2 Appendix 2: Frequencies Statistics

<b>How many loyalty cards do you currently owned?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 3	27	52.9	52.9	52.9
	4 - 6	16	31.4	31.4	84.3
	7 - 10	6	11.8	11.8	96.1
	Above 10	2	3.9	3.9	100.0
	Total	51	100.0	100.0	

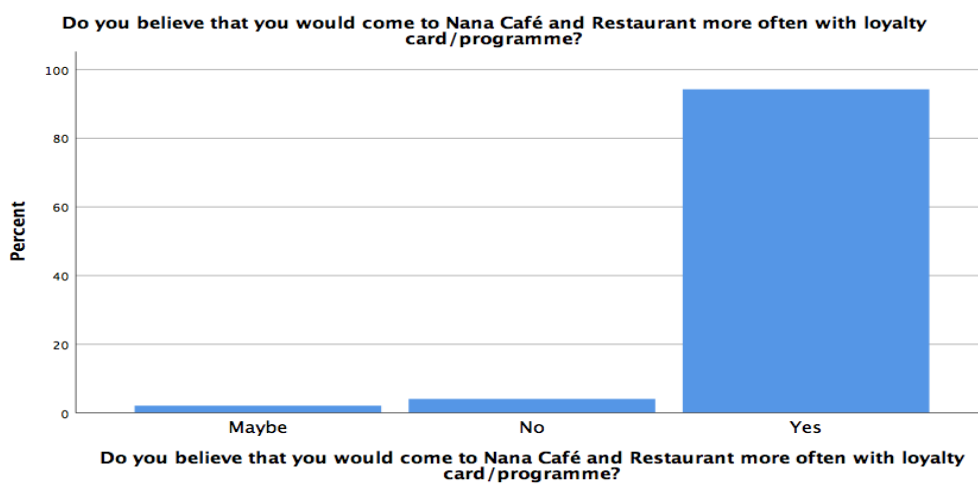
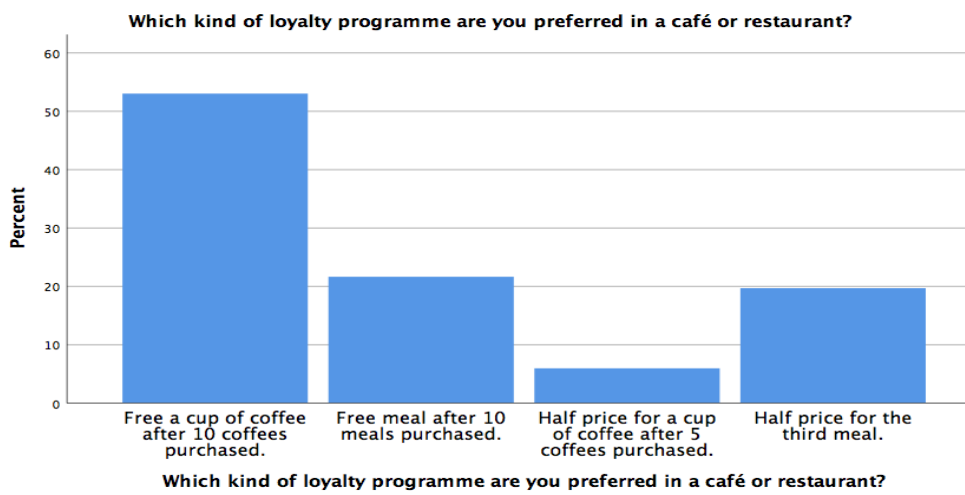
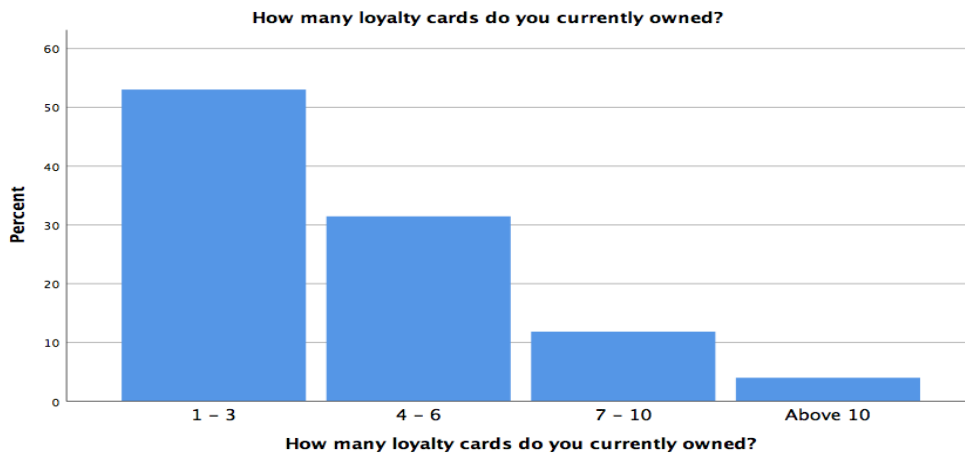
  

<b>Which kind of loyalty programme are you preferred in a café or restaurant?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Free a cup of coffee after 10 coffees purchased.	27	52.9	52.9	52.9
	Free meal after 10 meals purchased.	11	21.6	21.6	74.5
	Half price for a cup of coffee after 5 coffees purchased.	3	5.9	5.9	80.4
	Half price for the third meal.	10	19.6	19.6	100.0
	Total	51	100.0	100.0	

<b>Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maybe	1	2.0	2.0	2.0
	No	2	3.9	3.9	5.9
	Yes	48	94.1	94.1	100.0
	Total	51	100.0	100.0	

**Bar Charts of the Frequencies Statistic**



13.3 Appendix 3: Correlations

**Correlation between customers satisfaction and customers preferences when they visit a café or restaurant.**

		Correlations							
		How satisfied or dissatisfied of you when visiting Nana Café and Restaurant	Quality of Food	Coffee Choices	Taste of Coffee	Cakes Option	Seats Availability	Environment	Loyalty Program
Pearson Correlation	How satisfied or dissatisfied of you when visiting Nana Café and Restaurant	1.000	.028	.081	.111	-.256	-.159	-.137	.247
	Quality of Food	.028	1.000	.154	.234	-.129	-.404	-.492	-.226
	Coffee Choices	.081	.154	1.000	-.083	-.391	-.011	-.163	-.297
	Taste of Coffee	.111	.234	-.083	1.000	-.294	-.342	-.112	-.231
	Cakes Option	-.256	-.129	-.391	-.294	1.000	.093	-.186	-.217
	Seats Availability	-.159	-.404	-.011	-.342	.093	1.000	-.082	-.143
	Environment	-.137	-.492	-.163	-.112	-.186	-.082	1.000	-.082
	Loyalty Program	.247	-.226	-.297	-.231	-.217	-.143	-.082	1.000
Sig. (1-tailed)	How satisfied or dissatisfied of you when visiting Nana Café and Restaurant	.	.422	.286	.220	.035	.132	.169	.040
	Quality of Food	.422	.	.141	.049	.183	.002	.000	.055
	Coffee Choices	.286	.141	.	.280	.002	.471	.126	.017
	Taste of Coffee	.220	.049	.280	.	.018	.007	.217	.052
	Cakes Option	.035	.183	.002	.018	.	.259	.096	.063
	Seats Availability	.132	.002	.471	.007	.259	.	.283	.158
	Environment	.169	.000	.126	.217	.096	.283	.	.285
	Loyalty Program	.040	.055	.017	.052	.063	.158	.285	.
N	How satisfied or dissatisfied of you when visiting Nana Café and Restaurant	51	51	51	51	51	51	51	51
	Quality of Food	51	51	51	51	51	51	51	51
	Coffee Choices	51	51	51	51	51	51	51	51
	Taste of Coffee	51	51	51	51	51	51	51	51
	Cakes Option	51	51	51	51	51	51	51	51
	Seats Availability	51	51	51	51	51	51	51	51
	Environment	51	51	51	51	51	51	51	51
	Loyalty Program	51	51	51	51	51	51	51	51



**Correlation between intention to re-visit and customers preferences when they visit a café or restaurant.**

		Correlations							
		Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?	Quality of Food	Coffee Choices	Taste of Coffee	Cakes Option	Seats Availability	Environment	Loyalty Program
Pearson Correlation	Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?	1.000	-.013	.139	-.158	-.242	-.125	.088	.277
	Quality of Food	-.013	1.000	.154	.234	-.129	-.404	-.492	-.226
	Coffee Choices	.139	.154	1.000	-.083	-.391	-.011	-.163	-.297
	Taste of Coffee	-.158	.234	-.083	1.000	-.294	-.342	-.112	-.231
	Cakes Option	-.242	-.129	-.391	-.294	1.000	.093	-.186	-.217
	Seats Availability	-.125	-.404	-.011	-.342	.093	1.000	-.082	-.143
	Environment	.088	-.492	-.163	-.112	-.186	-.082	1.000	-.082
	Loyalty Program	.277	-.226	-.297	-.231	-.217	-.143	-.082	1.000
Sig. (1-tailed)	Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?	.	.464	.165	.134	.044	.190	.270	.025
	Quality of Food	.464	.	.141	.049	.183	.002	.000	.055
	Coffee Choices	.165	.141	.	.280	.002	.471	.126	.017
	Taste of Coffee	.134	.049	.280	.	.018	.007	.217	.052
	Cakes Option	.044	.183	.002	.018	.	.259	.096	.063
	Seats Availability	.190	.002	.471	.007	.259	.	.283	.158
	Environment	.270	.000	.126	.217	.096	.283	.	.285
	Loyalty Program	.025	.055	.017	.052	.063	.158	.285	.
N	Do you believe that you would come to Nana Café and Restaurant more often with loyalty card/programme?	51	51	51	51	51	51	51	51
	Quality of Food	51	51	51	51	51	51	51	51
	Coffee Choices	51	51	51	51	51	51	51	51
	Taste of Coffee	51	51	51	51	51	51	51	51
	Cakes Option	51	51	51	51	51	51	51	51
	Seats Availability	51	51	51	51	51	51	51	51
	Environment	51	51	51	51	51	51	51	51
	Loyalty Program	51	51	51	51	51	51	51	51

13.4 Appendix 4: One-Way ANOVA

**One-way ANOVA between respondents’ age and their preferences when visit a café or restaurant.**

		Descriptives								
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
						Lower Bound	Upper Bound			
Quality of Food	18-24	13	2.38	1.387	.385	1.55	3.22	1	4	
	25-34	29	2.38	1.741	.323	1.72	3.04	1	7	
	34-44	9	2.11	1.167	.389	1.21	3.01	1	4	
	Total	51	2.33	1.545	.216	1.90	2.77	1	7	
Coffee Choices	18-24	13	4.46	1.266	.351	3.70	5.23	2	7	
	25-34	29	4.38	1.474	.274	3.82	4.94	2	7	
	34-44	9	4.44	1.667	.556	3.16	5.73	2	7	
	Total	51	4.41	1.431	.200	4.01	4.81	2	7	
Taste of Coffee	18-24	13	2.31	.855	.237	1.79	2.82	1	4	
	25-34	29	2.52	1.595	.296	1.91	3.12	1	7	
	34-44	9	2.00	.707	.236	1.46	2.54	1	3	
	Total	51	2.37	1.311	.184	2.00	2.74	1	7	
Cakes Option	18-24	13	4.31	1.750	.485	3.25	5.37	2	7	
	25-34	29	5.28	1.962	.364	4.53	6.02	1	7	
	34-44	9	6.00	1.323	.441	4.98	7.02	3	7	
	Total	51	5.16	1.869	.262	4.63	5.68	1	7	
Seats Availability	18-24	13	5.92	.862	.239	5.40	6.44	4	7	
	25-34	29	5.17	1.733	.322	4.51	5.83	1	7	
	34-44	9	6.11	.928	.309	5.40	6.82	4	7	
	Total	51	5.53	1.474	.206	5.11	5.94	1	7	
Environment	18-24	13	4.08	2.532	.702	2.55	5.61	1	7	
	25-34	29	3.79	1.320	.245	3.29	4.30	1	7	
	34-44	9	3.67	1.936	.645	2.18	5.16	1	7	
	Total	51	3.84	1.771	.248	3.35	4.34	1	7	
Loyalty Program	18-24	13	4.54	2.295	.637	3.15	5.93	1	7	
	25-34	29	4.38	1.840	.342	3.68	5.08	1	7	
	34-44	9	3.67	1.414	.471	2.58	4.75	1	5	
	Total	51	4.29	1.890	.265	3.76	4.83	1	7	

Test of Homogeneity of Variances					
		Levene Statistic	df1	df2	Sig.
Quality of Food	Based on Mean	1.324	2	48	.276
	Based on Median	.423	2	48	.657
	Based on Median and with adjusted df	.423	2	40.688	.658
	Based on trimmed mean	.913	2	48	.408
Coffee Choices	Based on Mean	.411	2	48	.665
	Based on Median	.451	2	48	.640
	Based on Median and with adjusted df	.451	2	46.889	.640
	Based on trimmed mean	.407	2	48	.668
Taste of Coffee	Based on Mean	2.829	2	48	.069
	Based on Median	1.618	2	48	.209
	Based on Median and with adjusted df	1.618	2	36.286	.212
	Based on trimmed mean	2.412	2	48	.100
Cakes Option	Based on Mean	2.204	2	48	.121
	Based on Median	.739	2	48	.483
	Based on Median and with adjusted df	.739	2	43.112	.483
	Based on trimmed mean	1.784	2	48	.179
Seats Availability	Based on Mean	4.220	2	48	.021
	Based on Median	2.760	2	48	.073
	Based on Median and with adjusted df	2.760	2	37.026	.076
	Based on trimmed mean	4.162	2	48	.022
Environment	Based on Mean	7.903	2	48	.001
	Based on Median	7.290	2	48	.002
	Based on Median and with adjusted df	7.290	2	44.997	.002
	Based on trimmed mean	7.938	2	48	.001
Loyalty Program	Based on Mean	2.518	2	48	.091
	Based on Median	1.823	2	48	.173
	Based on Median and with adjusted df	1.823	2	41.905	.174
	Based on trimmed mean	2.510	2	48	.092

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Quality of Food	Between Groups	.540	2	.270	.109	.897
	Within Groups	118.793	48	2.475		
	Total	119.333	50			
Coffee Choices	Between Groups	.072	2	.036	.017	.983
	Within Groups	102.281	48	2.131		
	Total	102.353	50			
Taste of Coffee	Between Groups	1.911	2	.955	.546	.583
	Within Groups	84.011	48	1.750		
	Total	85.922	50			
Cakes Option	Between Groups	16.183	2	8.091	2.449	.097
	Within Groups	158.562	48	3.303		
	Total	174.745	50			
Seats Availability	Between Groups	8.756	2	4.378	2.102	.133
	Within Groups	99.950	48	2.082		
	Total	108.706	50			
Environment	Between Groups	1.063	2	.532	.164	.849
	Within Groups	155.682	48	3.243		
	Total	156.745	50			
Loyalty Program	Between Groups	4.530	2	2.265	.625	.540
	Within Groups	174.058	48	3.626		
	Total	178.588	50			