

FACTORS AFFECTING CUSTOMER'S INTENTION TO ADOPT COALITION LOYALTY PROGRAM IN KUALA LUMPUR

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ABSTRACT

The evolution of loyalty program has provided many opportunities to marketers, retailers and business decision makers to engage the customers. However, the adoption rate of loyalty program remain low, especially the coalition loyalty program. The purpose of this study is to explore the factors affecting customer's intention to adopt coalition loyalty program, including utilitarian benefit, hedonic benefit and symbolic benefit. By understanding these factors, marketers, retailers and business decision makers may develop an effective coalition loyalty program for customer relationship management initiative. This study utilised quantitative research method where online survey questionnaires were collected for data analysis using the Statistical Package for the Social Sciences (SPSS). The sample was selected using non-probability sampling method. The findings show that all three independent variables, namely utilitarian benefit, hedonic benefit and symbolic benefit are significantly related to customer's intention to adopt coalition loyalty program. The paper concluded that marketers, retailers and decision makers should make efforts to improve personal expression, self-esteem and social approval as symbolic benefit is the most significant factor that affects customer's intention to adopt of the coalition loyalty program.

Keywords: *Coalition Loyalty Program, Retail industry, customer relationship management, customer adoption, symbolic benefit, utilitarian benefit, hedonic benefit.*

INTRODUCTION

The involvement of technology in marketing has facilitates the evolution of loyalty program. The evolution of loyalty program begins from standalone loyalty program to coalition of loyalty program (Hoffman, 2013). Coalition of loyalty program is a program that set up and run by third party (Stone et al., 2004). Evolution of loyalty program not only within retail industry, it happens in financial, hospitality industry and in every developed market around the world (Ferguson & Hlavinka, 2006). Besides, the innovation of technology has enable marketer, retailer and business decision maker to transform the raw data of consumer behaviour into information which could help to build a stronger and closer relationship with customer (Bridson, Evans & Hickman, 2008; Steyn et al., 2010).

According to Hoffman (2013), various authors mentioned the evolution of loyalty program is from standalone to coalition loyalty program. Coalition of loyalty program also known as multi-partner loyalty program or multi merchant loyalty program. As mentioned by Capizzi and Ferguson (2005), coalition loyalty program is defined as the combination of three or more organisation banding together to share the branding, operational costs, marketing expense and data ownership of common loyalty currency. Multi partner loyalty programs provide various advantages over standalone programs such as administrative costs can be shared between the partners' companies, a multitude of options for point collection and consequently faster redemption are hypothesized to result in higher customer interest, customers need to keep only one loyalty card in the wallet, the resulting pool of data is considerable richer, and large, nation-wide programs enable companies to quickly achieve a high penetration rate (Hoffman, 2013).

Based on the study of Nielsen on Global Survey of Loyalty Sentiments as cited in Nor et al. (2015) revealed that 90.8 percent of the respondents favouring loyalty program are from South Asia countries that covering Philippines, Malaysia, Indonesia, Singapore and Thailand. This shows that loyalty program is playing a vital role in the business environment particularly in Malaysia. However, only 12-15 percent of customers are loyal to a single retailer as described by Nor et al. (2015). Due to the low rate of customer's loyalty to a single retailer, this is an opportunity for industry player to look into coalition loyalty program which is catering various retailers in a program to fulfil the needs of customers.

According to Sidorchuk et al. (2016), many researchers have been studying on coalition loyalty program in retail industry. However, Zhang, Doorn and Leeftang (2014) and Rowley (2005) stated that researches are done mostly limited to western countries such as United States, United Kingdom and European. As suggested by Zhang, Doorn and Leeftang (2014), there are limited research done in Eastern country, particularly in Malaysia as compare to the number of research in Western country. According to Zhang, Doorn and Leeftang (2014), researches that have been done in Western consumers might not necessarily predict the behaviour of Eastern consumers due to cultural environment. Hence, the result might not be able to generalize into Eastern country due to cultural differences.

Loyalty program has been standalone for number of decades (O' Malley, 1998), which make consumers find it hassle to carry different loyalty cards with them every time during shopping (Arunmuhil & Arumugam, 2013). In order to ease the burden of consumer, marketers, retailers and business decision makers has found out that loyalty program is not necessary to be standalone, as they have found out that one card for all or also known as coalition of loyalty program (Arunmuhil & Arumugam, 2013; Hoffmann, 2013). The new model of loyalty program create advantages for them to share the branding, operational costs, marketing expense and data ownership of common loyalty currency (Capizzi & Ferguson, 2005) besides fulfilling the consumer's needs. Coalition loyalty program has been implemented in United Kingdom which consumers can use Tesco Club card to collect point not only at Tesco but also other partner of the companies such as UK department store Allders and the electricity giant E.ON (Stone et al., 2004). In Malaysia, there is Bonuslink and Beard which are the multi partners' loyalty programmes (Nor et al., 2015).

Besides, the concept of loyalty schemes is changing and becoming more complex. As suggested by Rowley (2005), the new models of loyalty scheme have brand webs and have an e-presence. The model has changed the objectives of the loyalty schemes. As in the earlier stage retailer, marketer and business decision maker focus on reward-based loyalty

scheme. However, the new model focus in developing perceptions of value through brand associations and customised interactions through new model loyalty scheme. Hence, the focus has changes from trying to change customer behaviour to seeking to change customer attitudes.

As mentioned by O'Malley (1998), implementation of effective loyalty scheme provides real opportunity to convert spurious loyalty to sustainable loyalty consumers. Several factors that discovered from previous research such as utilitarian benefit, hedonic benefit and symbolic benefit are some of the factors which can be used to predict the customer's behaviour on loyalty program (Kyguoliene, Zikiene & Grigaliunaite, 2017; Nor et al., 2015). It is important for marketer, retailers and decision markers to recognise the importance of these factors that affects customer's intention in adopting coalition loyalty program in order to avoid chances of investing into poorly developed coalition loyalty program which could not fulfil the needs of customers. If organisation invested into a new developed coalition loyalty program as its strategic marketing tool without addressing the factors that impact customer's intention to adopt coalition loyalty program, it could lead to ineffectiveness and hence wasting the money and time invested.

RESEARCH BACKGROUND

The purpose of this research mainly is to explore the factors that influencing customer's intention to adopt coalition loyalty program in Malaysia. Therefore, this research will contribute to marketers, retailers, and business decision makers in developing the right coalition loyalty program which is able to fulfil the customer needs. Marketers, retailers and business decision makers are expected to be able to identify and aware of factors that significantly motivate customers in adopting coalition loyalty program from this study. In order to stay competitive in the market and also as a competitive advantage for the company.

According to Nor et al. (2015), currently the retailer of Malaysia are in a stiff competition which demands a more strategic marketing program that could enhance stronger relationship between retailers and consumers. Besides, It is important to implement an effective coalition loyalty program as it could save time and cost. As mentioned by Capizzi and Ferguson (2005) and Hoffman (2013), implementing coalition loyalty program could provide various advantages which including sharing of operational costs and marketing expenses, and the resulting pool of data is considerable richer, and large which enable companies to quickly achieve a high penetration rate. Furthermore, an effective coalition loyalty program will provide an opportunity for retailers, marketers and business decision marker to build a stronger relationship and retain consumer.

Furthermore, this research is conducted in Malaysia. As mentioned by Zhang, Doorn and Leeflang (2014), most researches are done in western context. Considering the difference in term of socio-economy, background, and cultural aspect, finding in previous studies might not be able to generalise to eastern context. So, this research can actually deepen the understanding on consumers in eastern by figure out the factors so that marketers, retailers, and business decision makers would want to adopt a particular coalition loyalty program and further enhance the engagement and participant in the coalition loyalty program.

Research Objectives

1. To investigate the relationship between utilitarian benefit rewards and customer's intention to adopt coalition loyalty program.
2. To investigate the relationship between hedonic benefit and customer's intention to adopt coalition loyalty program.
3. To investigate the relationship between symbolic benefit and customer's intention to adopt coalition loyalty program.

Research Questions

1. Is there a relationship between utilitarian benefit and customer's intention to adopt coalition loyalty program?
2. Is there a relationship between hedonic benefit and customer's intention to adopt coalition loyalty program?
3. Is there a relationship between symbolic benefit and customer's intention to adopt coalition loyalty program?

Research Hypothesis

- H1: There is a relationship between utilitarian benefit and customer's intention to adopt coalition loyalty program.
- H2: There is a relationship between hedonic benefit and customer's intention to adopt coalition loyalty program.
- H3: There is a relationship between symbolic benefit and customer's intention to adopt coalition loyalty program.

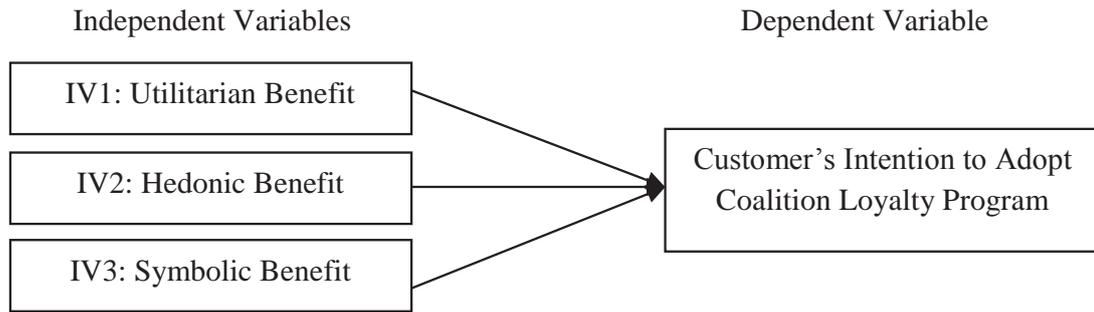


Figure 1: Conceptual Framework

[Adopted from Adopted from Kyguoliene, Zikiene and Grigaliunaite (2017) and Nor et al. (2015)]

LITERATURE REVIEW

Coalition loyalty program is defined as the combination of three or more organisation banding together to share the branding, operational costs, marketing expenses and data ownership of common loyalty currency (Capizzi & Ferguson, 2005). This model has become a leading loyalty program model other than in United States of America. Multi merchant loyalty coalition provides strong economic benefit to cash-strapped programs sponsors and a higher velocity of earning for programs members (Capizzi & Ferguson, 2005). According to Capizzi and Ferguson (2005), and Hoffman (2013), there are various advantages of coalition program such as administrative costs, operational costs and marketing expenses shared between the partners companies, a multitude of options for point collection and consequently faster redemption are hypothesized to result in higher customer interest, customers need to keep only one loyalty card in the wallet, the resulting pool of data is considerable richer, and large, nation-wide programs enable companies to quickly achieve a high penetration rate. Loyalty Management United Kingdom (LMUK) introduced coalition loyalty program in 2002. As mentioned by Moore and Sekhon (2005), bringing together an assembly of sponsors across a broad range of retail sectors, LMUK appears to create a scheme to not only reduce costs but to also enhance customer appeal.

Table 1: Summary of Coalition Loyalty Program in Turkey, United Kingdom and Singapore

Coalition Loyalty Program in Turkey, United Kingdom and Singapore		
Country	Coalition Loyalty Program	Description of Program
Turkey	The Garanti Bank Bonus Master Card programme	-Consist of 2 million members. -Redeemed US\$22million cash value awards. -Redeemed US\$13 million in goods and services.
United Kingdom	ID Data	-First coalition loyalty programme in Poland. -Provide 1.4 million cards for Premium Club.
Singapore	Bugis Junction Mizu Card	-First chip based credit card. -It is the joint coalition loyalty program between Japanese bank JCB International and Singapore shopping mall Bugis Junction.

(Source: Capizzi and Ferguson, 2005)

Table 1 shows summary of coalition programs around the world. In Turkey, there are 2 million of members in Garanti Bank Bonus Master Card programme. This coalition programme boasts the number of members redeem Bonus Points, with 750 stores out of 18,000 outlets. The coalition loyalty program members have redeemed US\$22 million in cash values awards and US\$13 million in goods and services, since the program launched in April 2000 (Capizzi & Ferguson, 2005). ID Data is United Kingdom based smartcard supplier. Recently ID Data has won a deal to provide 1.4 million cards for Premium Club. This is the first coalition loyalty programme in Poland with the number of members that nearly equal to the population of Warsaw. Besides, Bugis Junction Mizu Card is a joint launch in between Japanese bank JCB International and Singapore shopping mall Bugis Junction. This is the first chip based credit card that offers a loyalty programme from all the retail tenants in an entire Asian shopping centre (Capizzi & Ferguson, 2005).

Coalition loyalty program usually is believed to be cheaper for the partner company than a standalone loyalty program (Sidorchuk et al., 2016). As administrative costs, operational costs, marketing expense and information of customer purchasing behaviour could be shared with the participating merchants (Hoffman, 2013; Capizzi & Ferguson,

2005). Participation in the coalition loyalty program definitely would reduce the costing of partner company and make use of the possibility of cross-sales (Sidorchuk et al., 2016).

Coalition Loyalty Programs in Malaysia

There are two types of loyalty programs in Malaysia which are single merchant loyalty program and multi merchant loyalty programs. For single merchant loyalty programs, the customer will get to collect points upon every purchase they make from the same merchant outlet and other branches (Rese et al., 2003; Nor et al., 2010). Besides, the multi merchant loyalty program gives customers an opportunity to earn points from various merchants. The benefits of multi merchant loyalty program are customer could earn point faster and more redemption options. The advantages for merchants that joins multi merchant loyalty program are increasing the companies' profits and ensuring greater associations with reputable loyalty program (Kopalle & Neslin, 2003; Liu & Yang, 2009). In Malaysia, the single merchant loyalty program is more popular than multi merchant loyalty card program. For examples, single merchant loyalty card program are Tesco, Aeon, Watsons and Starbucks. Bonuslink and Bcard are the example of multi merchant loyalty program in Malaysia. According to Nor et al. (2010), Bonuslink has 23 merchants under it and Bcard has 69 merchants under it.

Factor Affecting Adoption of Coalition Loyalty Program

According to Liu (2007) and Bolton, Kannan and Bramlett (2000), value of proposition is a must in any loyalty program. As suggested by Daryanto et al. (2010), design of loyalty program and rewards has become a challenge for them to differentiate from their competitors. Loyalty program that does not have any value will be difficult to attract customers to join the loyalty program. The satisfaction of the loyalty program members will also be low and the loyalty program will not be able to give desired results (Kyguoline, Zikiene & Grigaliunaite, 2017). Value of proposition is considered as a set of benefit customer receives as members of loyalty program. It is also related to perceived benefit (Kyguoline, Zikiene & Grigaliunaite, 2017). Perceived benefit is the benefit that customers receive from the participating merchants of the loyalty program (Wulf et al., 2003). Leenheer et al. (2007), suggested that customers will be attracted to join a loyalty program if they see that they receive both financial and non-financial benefit. As mentioned by Mimouni-Chaabane and Volle (2010), customer's perceived benefit consist of three categories which are utilitarian benefit, hedonic benefit and symbolic benefit.

Utilitarian Benefit

According to Mimouni-Chaabane and Volle (2010), utilitarian benefit are 'functional, instrumental and cognitive' in nature and it solves the fundamental needs of customers. It is related to 'efficient, task specific and economical aspects of products and services' (Overby & Lee, 2006, p. 1161 & Kyguoliene, Zikiene & Grigaliunaite, 2017). Through studies of researchers has identified utilitarian benefit are more valued by the customers because of its intangibility as well as being easy to evaluate and understood (Verhoef, 2003; Gable, Fiorito & Topol, 2008; Brisdon, Evans & Hickman, 2008; Steyn et al., 2010).

Utilitarian benefit is 'monetary saving and convenience benefit' (Kyguoliene, Zikiene & Grigaliunaite, 2017). For loyalty programs, its values derive from financial advantages (Bolton, Lemon & Verhoef, 2004). Monetary savings is a common benefit to attract customers to join coalition loyalty programs (Allaway et al., 2006; Che Wel, Alam & Mohd. Nor, 2011). It is an important driver to build strong relationship between customer and retailer (Bridson, Evans & Hickman, 2008; Che, Syed & Sallehuddin, 2011; Steyn et al., 2010). For example, monetary saving is coupons and cash back offer (Mimouni-Chaabane & Volle, 2010). Referring to Leenheer et al. (2007), loyalty program enrolment depends on the amount of financial rewards customer perceives they will receive from the loyalty program.

Besides, convenience benefit make shopping easier and more convenient in term reduce consumer search and decision costs through value added service which involve consumers getting to know the organisation, products and services (Mimouni- Chaabane & Volle, 2010). According to Mimouni- Chaabane and Volle (2010), convenience benefit save consumer time and enhance shopping convenience. For examples, convenience benefit that could provide by retailing could be quick payment counters, opportunity to save time through faster service or customer learning, exclusive reservations, priority check in and variety merchants for point collection (Mimouni- Chaabane & Volle, 2010; Kyguoline, Zikiene & Grigaliunaite, 2017).

Even though, utilitarian benefit is often regarded as impetus to high switching cost among members. However, the impact on customer retention and loyalty in the long run is still undecided as the customers may be easily induced to switch to other retailer that provide a better program benefit (Doratic et al., 2012).

Hedonic Benefit

As mentioned by Rintamaki et al. (2006), hedonic benefit is subjective and abstract. It is often associated with pleasure and fun (Reinartz, 2010). The values of hedonic derive from non-instrumental, experiential, emotional, personally gratifying benefit and it is often related to non-tangible retailer or products attributes (Hanzaee & Rezaeyah, 2013; Hirshman & Holbrook, 1982).

The dimension of hedonic benefit are exploration and entertainment which appealing to pleasure and satisfaction. Moreover, hedonic benefit is significant in retaining customer interest toward the loyalty program (Vesel & Zabkar, 2009). Exploration benefit offer opportunities to try new products, promotional offers, encourage changing behaviour and habits (Mimouni-Chaabane & Volle, 2010; Arnold & Reynolds, 2003). For examples, entertainment could be collect and redeem points, participate in events and competitions open to loyalty program member (Mimouni-Chaabane & Volle, 2010). As suggested by Reinartz (2010), a hedonic benefit such as free flight ticket is more attractive as compared to receiving shopping vouchers of the same value.

Nor et al. (2015), suggested that hedonic benefit evoke stronger emotional response compare to utilitarian benefit. It is more effective and preferred when the loyalty program involves high requirement (Kivetz & Simonson, 2002). Through the study of past researcher, has discovered that loyalty program can induce the sense of intelligence and pride for winning a prize without paying. Hence, it creates the sense of appreciation among

those customers who relate gifts to being a preferred or special customer (Lacey & Sneath, 2006; Meyer-Waardeen, 2008).

Symbolic Benefit

Social identity theory stated that human's need in boosting their self-image is motivated by their desires to belong to or relate with high status group to enhance their global status (Henderson, Beck & Palmatier, 2011; Lam et al., 2010). According to Keller (1993), symbolic benefit is referring to personal expression, self-esteem and social approval. It is mostly intangible and associated to non-product related attributes (Mimouni-Chaabane & Volle, 2010). Symbolic benefit is evaluated through recognition and social benefit (Kyguoline, Zikiene & Grigaliunaite, 2017). However, symbolic benefit is expressed in terms of social identification, status and personal identification (Belen del Rio, Vazquez & Iglesias, 2001).

Based on social comparison theory, it stated that humans like to compare themselves with others as a way to satisfy their needs for self-evaluation (Festinger, 1954; Argo, White & Dahl, 2006). As suggested by Rintamaki et al. (2006), self-esteem and enhancing status are advantages that can be obtained when symbolic feature are derived from the organisation, store, products, personnel and other customers.

Recognition benefit allows the customer to have special status rather than prestige, as customer that join loyalty program will be treated better than non-members (Mimouni-Chaabane & Volle, 2010). For examples, recognition benefit that retailer could provide for loyalty program are personal offer, extra attention, personalised services and first early access to sales.

Besides, social benefit defined as the experience through being a part of a special group, sense of belonging, sharing common values, customer feeling privileged and feeling sense of mattering (Mimouni-Chaabane & Volle, 2010). Kivets & Simonson (2003), mentioned that customer mostly like to adopt loyalty program that rewards them more than non-member. Hence, members of loyalty program will consider themselves as a members of special group and get special treatment, this enhances the perception of social benefit and emotional engagement with the organisation will increase (Nor et al., 2015; Szczepanska & Gawron, 2011).

RESEARCH METHODOLOGY

Research Design

Descriptive study has been adopted whereby it is undertaken in order to investigate the characteristics of the variable of this research. Referring to Kumar, Salim and Ramyah (2012) and Sekaran and Bougie (2016), descriptive study assists is to describe relevant aspects of current situation of a group, organization and people. Hence, it was perceived that descriptive study could described factors affecting customer's intention to adopt coalition loyalty program and determine how significant on customer's intention to adopt coalition loyalty program.

Quantitative research has been used in this research. According to Kumar, Salim and Ramyah (2012) and Wisker (2007), quantitative research is a suitable for variables measurement verification of hypothesis or questioning about the variables. Besides, quantitative research is also able to clearly summarise a large pool of data (Fassinger & Morrow, 2013).

Data Collection Method

This research is using internet survey as the primary data collection method in acquiring sample and questionnaire is the main instrument. Online questionnaires distribution is utilised by sending invitation emails to potential respondents. The questions represent the nominal and ordinal level of data. According to Kumar, Salim and Ramyah (2012), Internet survey has become one of the most widely used surveys nowadays. The survey forms were distributed as electronic mail messages to potential respondents. The reason of choosing internet survey is because it is easy to access to more potential respondents and the efficiency of data collection (Kumar, Salim & Ramyah, 2012). Besides, respondents would be asked for their willingness to participate in the survey before questionnaire being distributed.

Sample Size and Sampling Method

According to Department of Statistics Malaysia, the population of Kuala Lumpur in 2016 is 1.79 million (Federal Territory of Kuala Lumpur, 2015). The population of Kuala Lumpur in 2016 has been used as estimation to the population size of Kuala Lumpur. By using Raosoft Sample Calculator (Raosoft Inc., 2004), the minimum sample size is determined as 97 samples with 10% margin error, 95% confidence level, assuming the population size of Kuala Lumpur is 1.79 million as mentioned by Department of Statistics Malaysia (Federal Territory of Kuala Lumpur, 2015) at 50% response distribution. This study has undertaken 157 respondents as the sample size by using non-probability sampling method in order to achieve the calculated minimum sample size during the data collection.

RESULTS AND FINDINGS

Table 2: Correlations Analysis

		Correlations Analysis			
		IV1	IV2	IV3	DV
IV1	Pearson Correlation	1	0.673**	0.701**	0.673**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	157	157	157	157
IV2	Pearson Correlation	0.673**	1	0.828**	0.713**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	157	157	157	157
IV3	Pearson Correlation	0.701**	0.828**	1	0.733**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	157	157	157	157
DV	Pearson Correlation	0.673**	0.713**	0.733**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	157	157	157	157

** . Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows that the correlations of independent variables with dependent variable. The Pearson Correlation value for each variable is highlighted in the table 2, utilitarian benefit (IV1) is 0.673, hedonic benefit (IV2) is 0.713 and symbolic benefit (IV3) is 0.733.

Based on the table 2, the symbolic benefit has a strong linear relationship with customer intention to adopt loyalty program as its Pearson Correlation value is 0.730 which is more than +0.70. On the other hand, hedonic benefit and utilitarian benefit have a strong and moderate linear relationship as their Pearson Correlation values are more than +0.70 and +0.50.

Table 3: Regression Coefficients Analysis

Regression Coefficients Analysis			
Variable	P-Value	Support/Reject H0	Result
Utilitarian Benefit	0.000	Since $0.000 < 0.05$, This study will reject H0.	This study will reject H0 and support H1. There is a relationship between utilitarian benefit and customer's intention to adopt coalition loyalty program.
Hedonic Benefit	0.006	Since $0.006 < 0.05$, This study will reject H0.	This study will reject H0 and support H2. There is a relationship between hedonic benefit and customer's intention to adopt coalition loyalty program.
Symbolic Benefit	0.001	Since $0.001 < 0.05$, This study will reject H0.	This study will reject H0 and support H3. There is a relationship between symbolic benefit and customer's intention to adopt coalition loyalty program.

Table 3 shows that, there is relationship between utilitarian benefit and customer's intention to adopt coalition loyalty program. Thus, H1 is supported. The findings support the research done by Verhoef (2003), Gable, Fiorito and Topol (2008), Brisdon, Evans and Hickman (2008), Steyn et al. (2010) which found out that utilitarian benefit are more values by customer when adopting coalition loyalty program. The findings also consistent with the earlier study by Allaway et al. (2006), Che Wel, Alam and Mohd Nor (2011) which revealed that utilitarian benefit is a common benefit to attract customer to join coalition loyalty program. Besides, the findings also support the statement of Bridson, Evans and Hickman (2008), Che, Syed and Sallehuddin (2011); Steyn et al. (2010) that utilitarian is significant to build strong relationship between customer and retailer. The findings shown that it supports the studies by Mimouni- Chaabane and Volle (2010), as utilitarian benefit save consumer time and enhance shopping convenience. Hence, the results revealed that utilitarian benefit could increase customer's intention to adopt coalition loyalty program and able to build a strong relationship between customer and retailer.

The second factor that could influence the customer's intention to adopt coalition loyalty program is hedonic benefit. It can be observed from table 3 that there is relationship between hedonic benefit and customer's intention to adopt coalition loyalty program. Thus, H3 is supported. The findings support the studies done by Vesel and Zabkar (2009), hedonic benefit is significant in retaining customer interest toward adopting coalition loyalty program. These findings also support the earlier studies done by Nor et al. (2015), that hedonic benefit evoke stronger emotional response compare to utilitarian benefit. Hence, the study suggests that the greater the hedonic benefit, the more likely is it that coalition loyalty program will be adopted by customer in Malaysia.

The third factor that is significant to customer's intention to adopt coalition loyalty program is symbolic benefit. It can be observed from table 3 that there is relationship between symbolic benefit and customer's intention to adopt coalition loyalty program.

Hence, H3 is supported. The findings support the statement of Mimouni-Chaabane and Volle (2010), symbolic benefit allow customer to have special status and will be treated better than non-members, when customer adopt coalition loyalty program. Besides, the findings also support the research done by Kivets and Simonson (2003), that customer most likely adopt loyalty program that rewards them more than non-members. Hence, the greater the rewards, the more likely that coalition loyalty program will be adopted by customer in Malaysia.

CONCLUSION

This research explored the factors that may influence the customer's intention to adopt coalition loyalty program through three perceived benefit namely; utilitarian benefit, hedonic benefit and symbolic benefit. In order to make advantageous market investments marketers, retailers and business decision makers must possess knowledge on factors affecting customer's intention to adopt coalition loyalty program in recently developed and developing markets. This is important to assist in developing an efficient coalition loyalty program as an effective strategic marketing program in the highly competitive markets.

The results of this study found that there is a relationship between all the independent variable and customer's intention to adopt coalition loyalty program. The results of this finding revealed that symbolic benefit is the most significant towards customer's intention to adopt coalition loyalty program.

There are few limitations in this study. Firstly, the study employed non-probability sampling methods which only collected data from 157 respondents. Besides, to determine the population size of Kuala Lumpur, this study had undertaken the number of estimation population size of Kuala Lumpur in the year of 2016 that provided by Department of Statistics Malaysia. Hence, the results might not generalise the whole Malaysia due to the small number of sample size and the reference used as estimation of the population size. For future research should study on other states in order to generalise whole Malaysia and allow data to be more accurate and precise. Moreover, the questionnaire is distributed through online survey basis, hence the results is only restricted to respondent that have internet access. Since only 60.7% of the variance of the customer's intention to adopt coalition loyalty program can be explained by the variation of the three tested independents variables which are utilitarian benefit, hedonic benefit and symbolic benefit, future research could change the variables in examine the research problem. Furthermore, this study is also limited to coalition loyalty program of brick and mortar retailer. Future researchers could include coalition loyalty program of e-retailing.

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