

**IMPACT OF LOYALTY CARD PROGRAMS ON CUSTOMER
SATISFACTION IN SUPERMARKET RETAIL INDUSTRY OF
UVA PROVINCE**



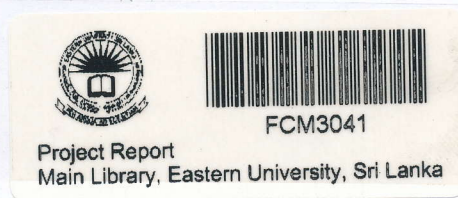
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REG NO: EU/IS/2019/MS/142

INDEX NO: MS2322

A Project report submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (BBA) Honours in Marketing Management.



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FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2025

ABSTRACT

In today's dynamic and competitive retail environment, customer satisfaction is crucial for customer retention and long-term business success.

The objectives of this study are to identify the levels of loyalty card programs (Customer Commitment and Involvement, Variety Seeking , Privacy Concerns and Anticipated Benefit) and Customer Satisfaction, to identify the relationship between loyalty card programs (Customer Commitment and Involvement, Variety Seeking , Privacy Concerns and Anticipated Benefit) and customer satisfaction , and to identify the impact of loyalty card programs (Customer Commitment and Involvement, Variety Seeking, Privacy Concerns and Anticipated Benefit) on customer satisfaction.

A quantitative research approach was employed using structured questionnaires to gather data from 392 loyalty cardholders across leading supermarket chains in Badulla and Monaragala districts. Respondents were selected using satisfied random sampling to ensure diversity in consumer demographics and loyalty card usage behavior. The collected data were analyzed using univariate analysis, bivariate analysis and multiple regression analysis to test the strength and significance of the relationships between variables. The findings reveal a strong positive correlation between the effectiveness of loyalty card programs and customer satisfaction. Among the loyalty card features examined, Customer Commitment and Involvement, Variety Seeking, Privacy Concerns and Anticipated Benefit had the highest influence on customer satisfaction.

Furthermore, the study found that customers who frequently used their loyalty card reported higher satisfaction level than occasional users, indicating a behavioral dimension to loyalty effectiveness. This research provides actionable insights for supermarket retailers in Uva province, suggesting that well designed loyalty programs can substantially improve customer satisfaction and, by extension, customer loyalty.

Keywords: *Customer Commitment and Involvement, Variety Seeking, Privacy Concerns, Anticipated Benefit, Customer Satisfaction.*

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