Research Paper

Designing A Customer Loyalty Program in the Mitra Sabana Application Using a Design Thinking Approach

Adhi Muhammad Yusuf[1], Jundi Qoriba[2], Hasbi Refdiwal[3], Asep Taryana[4]

[1,2,3,4]Management and Business, School of Business, IPB University, Bogor, Indonesia.

Corresponding Author: Adhi Muhammad Yusuf

ABSTRACT

This study aims to design a customer loyalty program for Sabana Fried Chicken using the Design Thinking approach. The research encompasses the processes of empathizing with customers and partners, problem formulation, idea development, and prototyping of the solution. The results indicate that implementing a point-based loyalty program through the Mitra Sabana application can improve customer retention and support the growth of franchise partner businesses. These findings provide insight that this innovative approach not only enhances customer loyalty but also empowers small enterprises to leverage digital technology in order to compete in saturated markets.

Keywords: Customer Innovation, Design Thinking, Loyalty program, Mitra Sabana application, Sabana Fried Chicken.

INTRODUCTION

The fast-food industry is becoming increasingly competitive, with numerous brands offering similar products. In this context, maintaining customer loyalty has become a critical element in gaining competitive advantage, as loyal customers tend to make repeat purchases and recommend products to others (Natalia Joe Fina & Lukman Cahyadi, 2023). Sabana Fried Chicken is facing challenges in retaining loyal customers due to the abundance of fried chicken alternatives available at competitive prices and quality. Based on interviews with customers, the main factors influencing their decision to purchase from Sabana booths include price, taste, promotions, and location. These findings are consistent with research indicating that price and product quality have a significant impact on customer loyalty in the fast-food industry (Farisha, Parmitasari, Aponno, & Aunalal, 2022). Therefore, a more effective strategy is needed to ensure that customers continue to choose Sabana over its competitors.

One possible approach is the implementation of a point-based loyalty program, where customers accumulate points from each transaction that can be redeemed for discounts or rewards. Similar programs have been successfully adopted by various global brands to enhance customer loyalty. To ensure the effectiveness of such a program, the Design Thinking methodology can be applied. This approach emphasizes a deep understanding of customer needs through processes of empathy, ideation, and solution testing (Yashinta Putri Dwi Astuti, Ignatius Bias Galih Prasadhya, Deva Nita Mulya, & Aldian Umbu Amu Tama, 2023). In today's highly competitive global landscape, businesses are increasingly required to

innovate in order to maintain their position in the market. Innovation is no longer a mere option; it is a strategic necessity that enables companies to remain relevant and grow amid rapid industry changes. By adopting innovation strategies, businesses can create added value for customers through the development of new products, service quality improvements, and process optimization. Furthermore, innovation plays a vital role in enhancing operational efficiency, enabling companies to leverage new technologies to reduce production costs, expedite distribution, and increase workforce productivity. Long-term business sustainability largely depends on a company's ability to adapt to the dynamic business environment, which includes technological advancements, market trends, and the evolving needs and preferences of consumers. Consequently, companies that can effectively manage innovation will possess a stronger competitive edge over their rivals, allowing them not only to survive but also to thrive in an increasingly complex industry (Teuku Alexander Azwani, Susanto Yogo Purnomo, Lisandari Gunawan, Ari Prihatni, Lolitandari Gunawan, & Hasrat Putera Damai Daeli, 2024).

LITERATURE REVIEW
a. The History of Sabana Fried Chicken
Sabana Fried Chicken is a brand owned by PT Sarana Berkah Niaga, established in 2006 in Bekasi, West Java, in response to concerns over the health and halal quality of chicken products in the market. The brand is committed to offering high-quality, halal-certified fried chicken.

Sabana operates under a franchise-based partnership model with no royalty or franchise fees, allowing partners to earn profits from the margin between the purchase and selling prices of raw materials supplied through official selling points (SPs).

The business offers two models: street-style booths and Sabanaplus restaurants with a broader menu. With an initial investment of IDR 10–23 million, Sabana provides a complete startup package including raw materials. As of today, Sabana has grown to around 3,000 outlets across Indonesia, including 8 Sabanaplus restaurants, becoming a popular choice among Indonesian consumers

b. Design Thinking and Innovation
Design Thinking is a problem-solving approach that emphasizes empathy, collaboration, and creativity in developing innovative solutions. According to Andrew Pressman (2019), this method aids in understanding problems from multiple perspectives, generating creative ideas, and developing solutions that can be continuously refined through iterative processes. Aurino Djamaris (2023) further explains that in qualitative research, this approach facilitates deeper exploration of user needs and supports the design of more adaptive and effective solutions. The Design Thinking process consists of five core stages: developing empathy with users (empathize), clearly articulating the problem (define), generating creative ideas (ideate), building models or prototypes (prototype), and testing and refining solutions based on feedback (test). This study adopts the Design Thinking approach, a methodology that emphasizes a deep understanding of user needs and the gradual development of innovative solutions. Through its iterative process, Design Thinking enables researchers to explore problems from multiple perspectives, design creative ideas, and test and refine solutions based on user feedback. This approach allows the study to remain adaptive to user needs and generate solutions that are both relevant and effective. A more detailed discussion on the stages and implementation of Design Thinking in this research will be presented in the following section, along with a process flow diagram illustrating the design and development stages undertaken using the Design Thinking framework.

Figure 1. Design Thingking Flowchart.
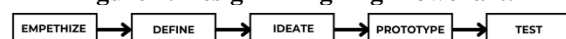
This study employs the Design Thinking approach as an analytical method for designing an innovative customer loyalty program for Sabana Fried Chicken. The research subjects include five customers who were analyzed to understand consumption patterns, five Sabana partners interviewed to identify operational challenges at the booth level, as well as one marketing manager, one operations manager, and the IT team responsible for evaluating the readiness of marketing strategies and technological infrastructure. The study adopts a qualitative descriptive method with an iterative nature, allowing for adjustments at each stage based on feedback obtained throughout the process. Primary data were collected through interviews and direct observations involving customers, partners, and internal teams at Sabana Fried Chicken. Supporting data were gathered from various literature sources, including books, journals, and related documents. Data processing followed the five stages of Design Thinking empathize, define, ideate, prototype, and test to ensure that innovation development was grounded in user needs. The analysis was conducted systematically and continuously refined until sufficient information was obtained to support the research findings. Data validity was ensured through a cross-checking approach, evaluating information from multiple methods, sources, and timeframes (Henriksen et al., 2017). The book Qualitative Research Methodology by Fiantika et al. (2022) explains that the purpose of qualitative descriptive research is to gain an in-depth understanding of a phenomenon by emphasizing the perspectives of research subjects and depicting social realities within their relevant contexts. This approach provides researchers with the flexibility to explore meaning and individual experiences using various data collection techniques, such as interviews, observations, and document analysis.

MATERIALS & METHODS

This study adopts a qualitative approach using the Design Thinking method. Data were collected through interviews with five customers and five Sabana partners at various locations, as well as with Sabana's internal team, including the marketing manager, operations manager, and IT team. The data collection process was conducted through interviews and direct observation. This method was employed to explore the challenges faced by partners in maintaining customer loyalty and to develop relevant solutions.

The research followed the five core phases of the Design Thinking framework:

Empathy: Understanding the needs of customers and partners through interviews.

Define: Formulating the key problems faced by partners.

Ideate: Generating innovative ideas to address the identified challenges.

Prototype: Designing a point-based customer loyalty program prototype. Test: Testing the proposed solution with a sample of customers and partners.

RESULT

The analysis and simulation of the point-based loyalty program within the Mitra Sabana application indicate that the feature holds significant potential to generate positive outcomes for both customers and partners.

First, the feature incentivizes customers to make repeat purchases through the point system, thereby substantially increasing customer retention.

Second, improved customer loyalty directly correlates with increased transaction frequency, offering greater profit opportunities for partners.

Third, the presence of this feature reflects tangible support from Sabana's central office by providing a system designed to foster structured customer engagement.

Lastly, the program helps build emotional connections between customers and the Sabana brand through continuous interaction via promotional notifications and

personalized offers. In conclusion, the loyalty feature is not only operationally relevant but also presents a promising strategic tool for enhancing competitiveness and ensuring the long-term sustainability of Sabana's partner businesses amid an increasingly competitive market environment.

DISCUSSION

The Design Thinking approach was utilized to gain a comprehensive understanding of partner needs in enhancing customer loyalty at Sabana Fried Chicken outlets. Through interviews conducted with several partners, this study aimed to identify the key challenges faced in retaining customers and to explore applicable solutions that could improve customer satisfaction and loyalty.

1) Empathy

The first stage in the Design Thinking process is empathy, which involves a deep understanding of the challenges faced by partners in running their businesses. This stage was carried out through interviews and observations with several partners located in areas such as Bumi Mutiara, Villa Nusa Indah, Jatibening, and Jatiwaringin. The interviews revealed that one of the main challenges encountered by partners is maintaining product and service quality to ensure customer loyalty.

Based on the observations, four key factors were identified as influencing customer loyalty:

a) Activities: Efforts made by partners to attract customers, such as offering discounts or specific promotions.

b) Interaction: The quality of the relationship between partners and customers, including the level of service provided.

c) Environment: External factors that affect sales, such as price competition and the economic conditions of the surrounding community.

d) Object: The quality of service and fried chicken products, which are essential elements in achieving customer satisfaction.

Table 1. Sabana Customer Data

Name	Location	Year	Difficulty	Cause	Strategy	Role	Recommendation
Jaja	Bumi Mutiara	2015	Declining Sales	Poor service, rising competition	Buy 5 get 1 free	Not defined	Implement centralized loyalty program pusat
Rian	Jatibening	2021	Declining Sales	Poor service, rising competition	50% discount, effective promo	Not defined	Employee training and loyalty program needed
Mashudi	Jatiwaringin	2010	Declining Sales	Poor service, rising competition	Not yet implemented	Not defined	Improve quality and service, support needed
Desy	Jl Raya Ratna	2010	Declining Sales	Poor service, rising competition	Buy 2 get 1, Friday Blessing	Banner & GoFood promo	Maintain quality and support from HQ
Benny	Cikarang	2010	Declining Sales	Poor service, rising competition	Buy 2 get free drink	Banner & GoFood promo	Maintain quality and service, HQ suppor

After identifying these factors, the next step in this study is to formulate the core problems faced by partners in retaining customers and to develop more effective strategies aimed at enhancing customer loyalty toward Saban

2) Define

The define stage follows the empathy process and aims to deepen and articulate the core problems faced by partners in maintaining customer loyalty. Findings from interviews and observations with several partners across different locations reveal key challenges that significantly impact the sustainability of their business operations. To identify the root of these problems, the analysis employed the Need to Do, Pain, Gain, and Clarify framework.

Results from the Customer Interview Analysis with Sabana Fried Chicken partners highlight the following primary challenges:

a) Need to Do

Partners must consistently maintain the quality of service and products to retain customer loyalty. While some partners have attempted promotional strategies, they still require structured support through a centralized loyalty program.

b) Pain

Increasing competition and suboptimal service delivery present significant obstacles to customer retention. Additionally, the lack of proper training for partners and their staff

has resulted in inconsistent service standards.

c) Gain

An effective loyalty program is expected to strengthen customer engagement with Sabana outlets and assist partners in maintaining their sales performance amid market competition.

d) Clarify

Interviews indicate that customer loyalty is not solely influenced by promotions but also by the quality of customer interaction, product excellence, and the overall competitiveness of the business environment.

Based on the Customer Empathy Board analysis, several key insights were synthesized into the following:

a) Problem Worth Solving (PWS)

Partners struggle to retain customers due to intensifying competition, inconsistent service quality, and the absence of a structured loyalty program from the central management.

b) How Might We (HMW)

How might we assist Sabana Fried Chicken partners in retaining customers through an effective and sustainable loyalty strategy?

These insights form the basis for developing an opportunity statement, which serves as a foundation for the next phase: designing strategic interventions to enhance customer loyalty.

3) Ideate

In the ideation stage, a range of creative ideas was developed as potential solutions to the problems identified in the previous phase. Based on interviews with several Sabana partners and an analysis of field needs, a central idea emerged: the addition of a point-based loyalty program feature within the Mitra Sabana application. The goal of this feature is to increase customer engagement by encouraging repeat purchases while simultaneously helping partners retain their loyal customer base.

The loyalty feature is designed so that every customer transaction earns points that can be redeemed for various rewards, such as discounts, free products, or exclusive gifts. For instance, every purchase worth IDR 10,000 would earn the customer 1 point. These accumulated points are expected to motivate customers to continue transacting at Sabana outlets. Support from Sabana's central office in implementing this feature is anticipated to strengthen partners' competitive positioning in the increasingly saturated fried chicken market.

Broadly, the mechanism of this program consists of four main steps:

a) Customers register through the application or provide their phone number at the time of purchase.

b) Points are automatically recorded based on the transaction amount.

c) Points can be redeemed for attractive promotions selected by the customer.

d) Customers receive regular notifications regarding ongoing promotions and their point status.

All of these elements are currently at the conceptual stage and represent the outcomes of the ideation process. This feature is projected to provide several strategic benefits, including enhancing customer loyalty, increasing purchase frequency, strengthening the relationship between partners and central management, and building emotional attachment between customers and the Sabana brand. These advantages position this idea as the primary solution to be tested in the next stage. The proposed solution will proceed to the prototype phase, where the concept of the point-based loyalty feature will be tested within the Mitra Sabana app prior to full-scale implementation.

4) Prototype

Following the ideation phase, the next step was to create an initial simulation or prototype. The objective of this phase is to assess whether the proposed loyalty feature can be technically implemented and is well-received by users. During this stage, the loyalty feature concept was transformed into a user interface and user flow within the

initial version of the Mitra Sabana application.

1. Customer Registration
a) Customers who make transactions at Sabana outlets can register as members of the loyalty program either through the Mitra Sabana app or by simply providing their mobile phone number.
b) The system will automatically create a customer account and link it to their transaction history.
c) The verification process is carried out via a one-time password (OTP) sent to the registered mobile number.

Figure 2. Customer Loyalty Program Features
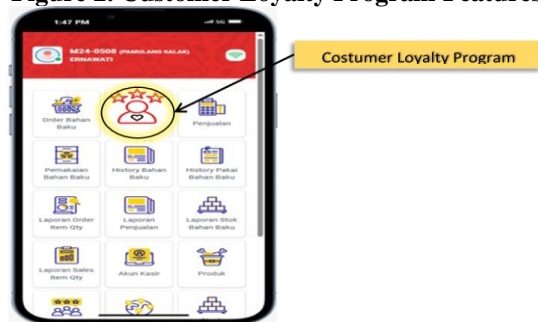
2. Automatic Point Accumulation
a) Each transaction will reward customers with a certain number of points, for example, IDR 10,000 = 1 point.
b) Points will be accumulated automatically when the cashier scans the QR code from the application or records the customer's phone number.
c) The customer's point balance and transaction history can be viewed directly within the application.

Figure 3. Redemption Workflow.
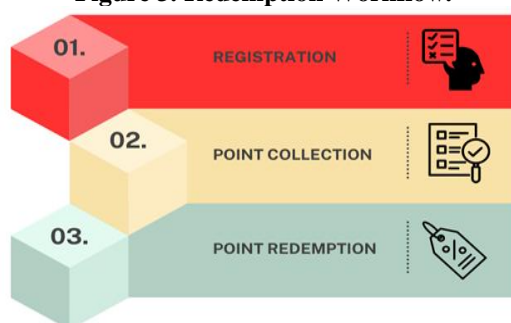
3. Redeeming Points for Promotional Rewards
Customers can access the "Redeem Points" menu, which offers a variety of promotional rewards, such as:
a) Product discounts (e.g., 20 points = 10% off a purchase)
b) Free products (e.g., 50 points = 1 free piece of fried chicken)
c) Exclusive gifts (e.g., 100 points = Sabana merchandise)

After selecting a promotion, the customer will receive a redemption code that can be presented to the cashier at the time of purchase.

4. Notifications and Exclusive Promotions
The application actively sends notifications to customers, including:
a) Time-limited promotions or special offers for loyalty program members
b) Current point balance updates and reminders before point expiration
c) Personalized offers based on individual purchase history Picture

Picture 3. Promo Notification

5. Customer Dashboard
A dedicated dashboard is available within the application, displaying the following information:
a) Total accumulated points
b) Available promotional offers
c) Transaction history
d) Loyalty status level (e.g., Regular Member, Silver, Gold)

6. User Reviews and Feedback
After redeeming points, customers are prompted to provide feedback regarding the

ease of the redemption process, the usability of the application, and suggestions for further development.

This feedback is highly valuable for refining the feature prior to full-scale implementation.

5) Test

Once the feature was designed in the form of a prototype, the next stage involved testing. In the context of business management, testing was not conducted through technical tool development but rather by evaluating customer and partner responses to the proposed loyalty program concept. This evaluation was carried out through simple simulations, informal discussions, or brief interviews to determine whether customers understood the point system, found the promotional offers appealing, and were encouraged to make more frequent purchases. For partners, the evaluation focused on how they perceived the benefits of the program in retaining customers and the extent of support provided by the central management. The outcomes from this stage served as valuable input to refine the concept prior to full implementation and to assess the program's potential for success from both user and business strategy perspectives.

CONCLUSION

This study demonstrates that the point-based loyalty feature integrated into the Mitra Sabana application can serve as a strategic solution for enhancing customer retention and supporting partners in maintaining loyal buyers. The program offers incentives that encourage customers to make more frequent purchases while simultaneously strengthening central management's support for its partners.

Evaluation results indicate that the feature is easy to understand, appealing to customers, and holds strong potential to sustainably increase partner profitability. Therefore, the loyalty program is not only operationally relevant but also effective as a business strategy that enhances Sabana's competitiveness in the market.

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