THE ROLE OF EXCHANGE IN CUSTOMER LOYALTY
OF SOCIAL NETWORK SITES

Dudi Anandya
Faculty of Business and Economics, Universitas Surabaya, email: samkidud@gmail.com

Abstract
Exchange has been known as the subject matter of Marketing. In this decade, Internet has enabled people to connect and exchange information to others, regardless of time and space. This condition leads to a new phenomenon, known as social networking through social network sites. In social network sites members find new kinds of exchange, which is information exchange. Memberships in many social network sites are free, which means that everyone is free to join or leave it. In that case social network providers must ensure that members keep using their site. The aim of this study is to test and analyze the direct and indirect effect of exchange to loyalty. The Unit of analysis in this study were members of social networking sites Friendster and Facebook. There are 256 respondents participate in this research. The result shows if community members keep exchange activity, they will loyal to the community. Direct effect has greater impact on loyalty than indirect effect. This means that social network company must encourage their member to exchange information actively.

Keywords: exchange, value, community, social network site

Abstrak

Kata kunci: exchange, value, community, social network site

JEL Classification: M30, M31

1. Introduction
The internet was found after World War 2, around 1950 (www.livinginternet.com), and since then it use has grown rapidly. The internet booming is supported by the development in information technology such as computer in broadband technology. Basically internet was designed to connect two or more computers in the distance. During 1950 the size of computer was relatively big and very expensive, so only institution could buy a computer. With the development in computer technology, it becomes smaller and affordable. In 1980 has been known as the era of personal computer, where computer become personal and available for almost everybody. Today, computer becomes part of our life and carries around every day.