



Analysis of the Effect of Product Quality, Brand Image and Customer Relations on Customer Loyalty CV. Globalindo Sejati

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ABSTRACT

This study aims to determine the analysis of the effect of product quality on consumer loyalty, analysis of the influence of brand image on consumer loyalty, analysis of the influence of customer relations on customer loyalty and analysis of the influence of product quality, brand image and customer relations on consumer loyalty. This is quantitative research. The population in the study is customers of CV. GlobalindoSejati Medan, amounting to 100 person and the determination of sample size using the Slovin formula so that the sample in this study was 50 people while the sampling technique used incidental sampling. Sources of data come from primary data, namely observation, interviews, questionnaires that have been tested for validity and reliability and from secondary data. Data analysis method used is multiple linear regression analysis, partial test (t-test), simultaneous test (F test), and determination coefficient (R²). Based on the results of multiple linear analysis obtained $Y = 20,107 + 0,429X_1 + 0,322X_2 + 0,321X_3 + e$ which shows that product quality, brand image, and customer relations (Customer relations) have a positive relationship to consumer loyalty CV. GlobalindoSejati. While the test results (t) or partial shows that partially the quality of the product, brand image and customer relations have a positive and significant effect on consumer loyalty at CV. Global GlobalSejati where the value of t arithmetic for the product quality variable is $t_{count} = 7,552 > t_{table} 2,012$, brand image variables also have a positive and significant effect on consumer loyalty which can be seen $t_{count} = 2,915 > t_{table} 2,012$ and customer relations variables also have a positive and significant effect on consumer loyalty which can be seen $t_{count} = 3,218 > t_{table} 2,012$. The results of the coefficient of determination (R²) with an adjusted R² value of 0.675 (67.5%). So that it can be said that 67.5% variation of the dependent variable namely product quality, brand image, and customer relationship on the model can explain consumer loyalty CV. GlobalindoSejati.

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1. Introduction

Nowadays consumer satisfaction is an important thing that must be considered by producers so that the products produced can be successful in the market. Therefore, the needs and desires of consumers must always be considered by producers even though the needs and desires of consumers continue to change. At this time we know that the development of tissue products is increasing along with the increasing need for tissue products as daily necessities. seen from the variety of tissue products offered by manufacturers with various brands, product quality, and in establishing good relationships with each customer. Where each manufacturer wants to provide the best compared to its competitors.

The diversity of existing products makes consumers have to choose and sort out as carefully as possible which products can provide benefits in accordance with the quality of the products provided. Nowadays consumers have turned into smart consumers, where now consumers are not only oriented to brands and prestige, but are oriented to the right combination of product quality that suits their needs, desires and maintain relationships with each customer to get consumer loyalty.

One of the companies that is engaged in the distribution of tissue products is true CV. Globalindo. CV. True Globalindo always strives to provide the best service to maintain relationships to every customer. CV. Globalindo Sejati itself acts as a company that provides tissue products with the livi brand. True Globalindo was founded in 2014 and has collaborated with several well-known hospitals, hotels and restaurants in the city of Medan such as PT.Nusautama Medicalindo (RS.Columbia), PT.Murni Sadar (RS.Murni Sadar), JW Marriot Hotel, Bisa Group Seeing the significant growth in tissue use, this was accompanied by the



emergence of other competitors. In conditions of intense competition, every company must be able to survive and even continue to grow.

Consumer loyalty is an attitude that encourages behavior to purchase products / services from a company that includes the feeling aspect of the company, especially those who buy regularly and repeatedly with high consistency, but not only repurchase goods and services, but also have a commitment and positive attitude towards companies that offer these service products.

Product quality is a good starting point for creating a positive image and maintaining long-term customer loyalty. The higher the quality level of a product, the higher the level of satisfaction that will be felt by consumers, with the high level of satisfaction felt by consumers, consumers will recommend the product to others.

Brand image is the perception of consumers to evaluate a product when consumers do not have good enough knowledge about a product to be purchased. Consumers tend to choose products that are already well known and used by many people rather than products that are new to them. The brand image consists of objective / intrinsic attributes such as the size of the packaging and the basic materials used, as well as the trust, feelings and associations generated by the product brand.

Customer relationship is a business strategy in understanding customer wants, needs and improving customer satisfaction. A customer-centered approach is an important success factor for business.

Product quality, brand image and customer relations (customer relations) are ways to get customer loyalty. So the company should pay attention to these three things. If the customer has a sense of loyalty or loyalty to the company, it is hoped that the customer can become an advertisement for the company and indirectly promote the company's products to their closest people or to the general public.

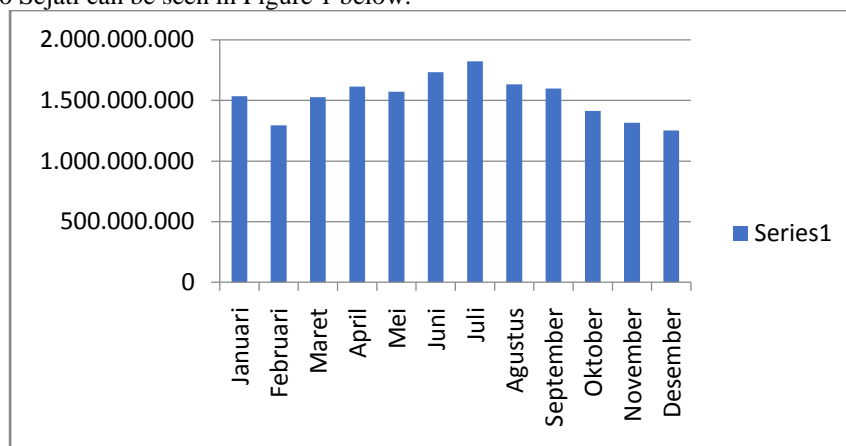
Customer loyalty is expected so that the customer does not only become a customer but can become a partner for the company by buying products repeatedly and having a positive commitment and attitude towards the company, for example by recommending others to buy the product. Based on the explanation above, the sales data of CV.Globalindo Sejati for the last 12 months are as follows:

Table 1
Sales Data of CV.Globalindo Sejati Medan, 2017

No.	Month	Total value Sales (Rp)	Percentage (%) Increase / Decrease
1.	January	1,535,123,066	-
2.	February	1,295,428,372	-15.61%
3.	March	1,527,952,400	17.95%
4.	April	1,615,582,645	5.74%
5.	May	1,573,211,658	-2.62%
6.	June	1,732,753,415	10.14%
7.	July	1,823,512,896	5.24%
8.	August	1,632,518,723	-10.47%
9.	September	1,598,654,712	-2.07%
10.	October	1,412,895,452	-11.62%
11.	November	1,315,329,851	-6.91%
12.	December	1,252,398,152	-4.78%

Source: CV.Globalindo Sejati period (January - December 2017)

To make it easier for us to know the decrease or or increase in a sales level that occurs at CV.Globalindo Sejati can be seen in Figure 1 below:



Source: CV.Globalindo Sejati

Fig 1 Sales of Tissue CV.Globalindo Sejati

Based on the data in the table above, it is known that the sales of CV.Globalindo Sejati from January 2017 to December 2017 fluctuated, the lowest decrease in sales occurred in February 2017 where the decline in sales was caused by a lack of customer satisfaction so that customer loyalty was reduced in the quality of livi tissue products, lack of public trust in the Livi tissue brand, lack of approach and lack of understanding of the company in knowing the needs provided by CV. Globalindo Sejati to every consumer. This is due to the lack of consumer loyalty, which causes a lack of profit obtained by CV.Globalindo Sejati and because consumer loyalty is very influential in the purchases made by consumers who have high loyalty to the company.

Consumer loyalty is determined for a broad purpose for customer needs. A relatively low attitude with a low level of purchase indicates a lack of consumer loyalty. Satisfaction is seen as the beginning of a relative attitude because without product quality there will be no good attitude towards a brand as a comparison to other available alternatives. Repurchase is defined because of consumer loyalty, not because customers are not satisfied with the products provided by the company. Good consumer loyalty in maintaining product quality, brand image and customer relationships will provide a good commitment which affects consumer loyalty. From this commitment comes the desire to repurchase a product so that consumers are able to ignore competing companies.

Creating and improving product quality, brand image and customer relationships will positively affect customer satisfaction. Satisfied customers will continue their business with the company and will provide recommendations to other customers to do what they like to do. Customers will be loyal to companies that provide good product quality, a brand image that provides confidence and quality assurance and has a good relationship with each consumer. Likewise for companies, that loyal customers will provide high value to the company.

2. Research methods

This type of research uses quantitative methods, namely for research to examine the effect of the hypothesized variables, whether a variable has an effect or does not affect other variables. The population in this study were all regular customers at CV.Globalindo Sejati Medan, amounting to 100 customers a month. In this study, the method used to determine the number of samples is by using the Slovin formula. Based on the Slovin formula, the number of samples representing the population of this study are:

$$n = \frac{N}{1 + Ne^2}$$

Where :

n = number of samples

N = total population

e = the desired critical value (accuracy limit) (percent allowance for inaccuracy due to sampling error; 10% = 0.1

The number of samples is:

$$\begin{aligned} n &= \frac{100}{1+100(0,1)^2} \\ n &= \frac{100}{1+1} \\ n &= \frac{100}{2} \\ n &= 50 \end{aligned}$$

So in this study a sample of 50 customers will be taken as respondents.

Sources of data used in this study are:

- Primary data, namely data obtained directly from informants or data sources related to research problems obtained through interviews and questionnaires.
- Secondary Data, namely data obtained in a ready-made form, has been collected and processed by other parties. Usually it is in the form of publications, such as data obtained from internet sites and other data that are directly related to the object under study.

The data collection techniques used in this research are:

A. Interview

Conduct direct interviews with the parties involved in the company who have the authority to provide the information needed and have a direct relationship with the problem being researched by the author.

Interviews conducted to the CV manager. Globalindo Sejati Medan and customers of CV. Globalindo Sejati Medan to collect the necessary data.

B. Observation

Conducting direct observations at the location to obtain the required data. Observations are made by observing activities related to research variables, namely about product quality, brand image, customer relations and customer loyalty.

C. Questionnaire

The questionnaire is data collection by submitting a list of questions in writing to be filled in by respondents (customers of CV.Globalindo Sejati Medan). The questions asked are based on the research variable indicators.

3. Analysis of Results and Discussion

3.1 Results of Research Instruments

A. Validity test

The validity test is used to measure whether a questionnaire is valid or not. According to (Ghozali 2009: 45) a questionnaire is said to be valid if the statement on the questionnaire is able to reveal something that will be measured by the questionnaire. Thus, valid data is data that does not differ between the data reported by the researcher and the data that actually occurs on the research object. To measure the validity, it can be done by correlating the score between the statement items and the total score of the construct or variable.

B. Reliability test

According to Arikunto (in Suci 2016: 63) "Reliability is an instrument that is reliable enough to be used as a means of collecting data because the instrument is good". Reliability test can be done using the help of SPSS version 18, which will provide facilities to measure reliability with the Cronsbach Alpha (α) statistical test. A construct or variable if it gives a Cronsbach Alpha value > 0.60 .

Table 2
Reliability Test Results

Variable	Score	Cronbach Alpha	Information
Product quality	0.868	0.6	Reliable
Brand image	0.797	0.6	Reliable
Customer relations	0.766	0.6	Reliable
Consumer loyalty	0.837	0.6	Reliable

Source: Results Processed by Researchers Using SPSS Version 18

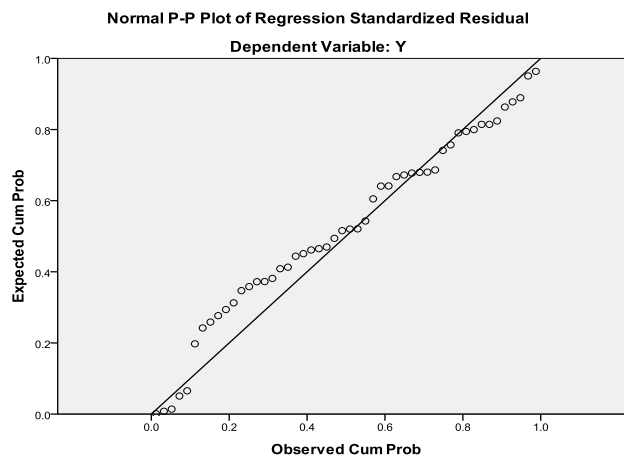
Based on table 2 above, the value is known *cronbach alpha* for the product quality variable of $0.868 > 0.6$ so that the variable is said to be reliable, the brand image variable is $0.797 > 0.6$ so that the variable is said to be reliable, the customer relationship variable is $0.766 > 0.6$ so it is said to be reliable, while the variable consumer loyalty of $0.837 > 0.6$ so that the variable is said to be reliable. Based on value *cronbach alpha* for the variable product quality, brand image, customer relationships and consumer loyalty greater than the reliable limit of rejection, so it can be stated that for the variables namely product quality, brand image, customer relationships and consumer loyalty are reliable.

C. Classic assumption test

1) Data Normality Test

Before processing the data using regression analysis, first the data normality test is carried out. The data normality test is carried out to analyze whether the regression equation requirements have been met or not by looking at the p-plot image. The output of the data normality test is in the form of a visual image that shows how far the points in the image are with a diagonal line. If the data comes from a normal distribution, then the values of the data distribution reflected in the points on the output will be located around the diagonal line. Conversely, if the data comes from an abnormal distribution then the points are not spread around the diagonal line (scattered far from the diagonal line).





Source: Processing Results With SPSS Version 18

Fig 2. Normality Test Results

Figure 2 above shows that the data distribution in the image above can be said to be scattered around the diagonal line (not spread far from the diagonal line). These results indicate that the data to be regressed in this study are normally distributed or it can be said that the data normality requirements can be met.

2) **Multicollinearity Test**

Multicollinearity is a condition where the independent variables influence each other very strongly. A good multiple regression equation is one that is free from multicollinearity. Whether or not there is a multicollinearity problem is a regression model that can be detected by the VIF (variance inflator factor) value and the tolerance value. A regression model is said to be free from multicollinearity problems if it has a VIF value less than 10 and has a tolerance value above 0.01. In this regression model, the results of the multicollinearity test can be seen from the following table:

Table 3
Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	20,107	5,419		3,710	.001		
X1	.429	.057	.676	7,552	.000	.829	1,206
X2	.322	.110	.260	2,915	.005	.834	1,199
X3	.321	.100	.263	3,218	.002	.990	1,010

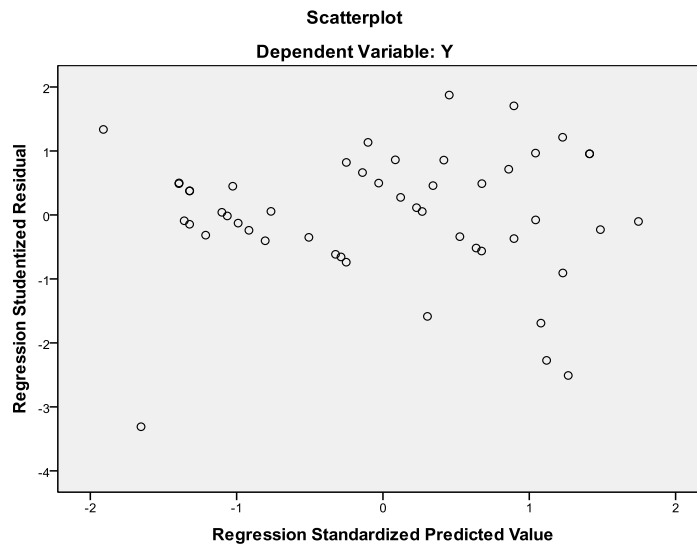
Dependent Variable: Y

Source: Processing Results With SPSS Version 18

Based on the processing results in Table 3, it shows that the VIF value and tolerance of all variables in this study did not experience multicollinearity. This is indicated by the VIF value of the three independent variables which is less than 10, and the tolerance value far exceeds the number 0.01. These results indicate that in this regression model all independent variables do not occur multicollinearity problems.

3) **Heteroscedasticity Test**

The heteroscedasticity test is carried out to test whether in a regression model, there is an inequality of variance from the residuals from one observation to another. If there is a certain pattern, such as the dots forming a regular pattern, then there has been heteroscedasticity. If there is no clear pattern and the dots spread irregularly so there is no heteroscedasticity. The results of the heteroscedasticity test are shown in Figure IV.6 below:



Source: Processing Results With SPSS Version 18

Fig 4. Heteroscedasticity Test Results

The image above shows that the resulting dots spread out randomly and do not form a particular pattern or trend line. The image above also shows that the data distribution is around the zero point. The results of this test indicate that this regression model is free from heteroscedasticity problems, in other words: the variables to be tested in this study are homoscedasticity.

3.2 Discussion

A. Effect of Product Quality on Consumer Loyalty

This research is in accordance with previous research conducted by Saldy (2016) with the title the effect of price and product quality on customer satisfaction of HP (Hewlet Packard) Cervise Center Medan. It can be concluded that based on the results of the t test variable X2 (Product Quality) with Y (Customer Satisfaction) shows the effect of X2 on Y $t_{count} = 5.051 > t_{table} 2.011$ or the sig value $(0.000) < \alpha = 0.05$, the effect of X2 (product quality) on Y (customer satisfaction) is significant. This means that H0 is rejected and H1 is accepted, so it can be concluded that customer satisfaction can be significantly influenced by product quality or by increasing product quality, customer satisfaction will increase significantly.

Result this research nThe significant value for the product quality variable (0.000) is smaller than that of 5% alpha (0.05) or $t_{count} = 7.552 (nk = 50-3 = 47) > t_{table} 2.012$. Based on the results obtained, H0 is rejected and Ha is accepted for the product quality variable. Thus, partially that the variable product quality has a significant effect on consumer loyalty at CV. Globalindo Sejati. So it is better if CV. Globalindo Sejati improve product quality. One of the steps that can be done is to provide quality tissue that is clean and has a neat cut. With this superior product quality, it can provide an opportunity to survive in the competition in the distribution sector.

B. The Influence of Brand Image on Consumer Loyalty

This study is in accordance with the results of previous research conducted by Kusumastuti (2016) entitled the influence of brand image on consumer loyalty of Pak Man's Bakso Bakso in Malang City. It can be concluded that based on the results of t test X1 Brand Image with Y (Consumer Loyalty)) shows the effect of X1 on Y with t_{count} of $2.279 > t_{table} 1.985$ or the sig value $(0.000) < \alpha = 0.05$, then the effect of X1 (Brand Image) on Y (Consumer Loyalty) is significant. This means that H0 is rejected and H1 is accepted, so it can be concluded that consumer loyalty can be significantly influenced by brand image. The results of this study are nThe significant value for the product quality variable (0.005) is smaller than that of 5% alpha (0.05) or $t_{count} = 2.915 (nk = 50-3 = 47) > t_{table} 2.012$. Based on the results obtained, H0 is rejected and Ha is accepted for the brand image variable. Thus, partially that the brand image variable has a significant effect on consumer loyalty at CV Globalindo Sejati. So it is better if CV.Globalindo Sejati continues to improve its brand image. One of the steps that can be taken is by providing more information about the Livi brand itself and making advertisements on certain events so that people understand more about Livi's tissue. With this better known brand image it can provide an opportunity to survive the competition in the distribution sector.

C. Influence of Customer Relations (Customer Relations) on Customer Loyalty

This study is adjusted to the results of previous research conducted by Novitasari (2013) entitled the effect of customer relationship management on consumer loyalty in Chandra Department Store Bandung. It



concludes that in influencing consumer loyalty Chandra Dept Store Lampung has a value of R² of 0.742 having a variable of 74.2% while the rest is influenced by other variables.

4. Conclusion and Suggestion

4.1 Conclusion

From the results of the research and discussion in the previous chapter, it can be concluded as follows:

- a) There is a positive and significant effect of product quality on consumer loyalty. This can be seen from the results of the significance value for the product quality variable is smaller than alpha. Based on the results obtained, H₀ is rejected and H_a is accepted for the product quality variable. Thus, partially that the product quality variable has a positive and significant effect on consumer loyalty at CV Globalindo Sejati.
- b) There is a positive and significant effect of brand image on customer loyalty. This can be seen from the results of the significance value for the brand image variable is smaller than alpha. Based on the results obtained, H₀ is rejected and H_a is accepted for the brand image variable. Thus, partially that the brand image variable has a positive and significant effect on consumer loyalty at CV Globalindo Sejati.
- c) There is a positive and significant effect of customer relations (customer relations) on customer loyalty. This can be seen from the results of the significance value for the customer relationship variable (customer relations) is smaller than alpha. Based on the results obtained, H₀ rejects and accepts H_a for the customer relationship variable (Customer relations). Thus partially that the variable customer relations (Customer relations) has a positive and significant effect on consumer loyalty at CV.Globalindo Sejati.
- d) There is a positive and significant influence on product quality, brand image and customer relationships on consumer loyalty. This can be seen from the results of the significance value for the value of the product quality variable is smaller than alpha. Thus it can be concluded that all independent variables, namely product quality, brand image, and customer relations (customer relations) have a positive and significant effect on consumer loyalty at CV.Globalindo Sejati.
- e) The result of the coefficient of determination (R²) is (81.4%). So it can be said that 81.4% of the variation of the dependent variable, namely product quality, brand image and customer relations in the model can explain the consumer loyalty variable at CV Globalindo Sejati, while the remaining 18.6% is influenced by other variables outside the model.

4.2 Suggestion

Based on the above conclusions, in order to increase consumer loyalty to CV Globalindo Sejati, there are several things that need to be considered, namely:

- a) For further research, considering that there are other factors that influence consumer loyalty by 18.6%, it can be used as a consideration for further research to know more about other factors that affect loyalty.
- b) Management at CV.Globalindo Sejati should conduct further research to find what variables can increase consumer loyalty apart from the variables of product quality, brand image and customer relationships.
- c) Product quality variables should be continuously improved through efforts to meet all consumer expectations. So that it is expected to get consumer loyalty
- d) The brand image variable should continue to be improved because the brand image variable has a positive and significant influence so that this will increase consumer loyalty.
- e) Customer relationship variables should continue to be improved because customer relationship variables have a positive and significant influence so that this will increase customer loyalty.

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