



The Effect Of Discounts And Consumer Behavior On Customer Loyalty Of Pt. Masterban Berkat Indonesia

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ABSTRACT

PT. Masterban Berkat Indonesia is a company engaged in the sale of tires and repairs which is located at Jalan Prof. HM. Yamin No. 271 BC, Medan. Customer loyalty to the company is still relatively low so that customers rarely make purchases and some customers are seen often trying products from other companies and starting to switch from the company. There are complaints or complaints given by consumers regarding the price of products from the company where consumers judge that the company has never given discounts or discounts to consumers even though they have often made purchases. Lack of understanding of consumer behavior from the company makes it difficult for companies to know the needs and desires of consumers so that attracting consumers to buy regularly becomes difficult. This research uses quantitative descriptive research. The total population in the study was 133 customers. The sampling technique using the Slovin formula was obtained as many as 100 samples. Simultaneously there is a significant influence between the discount variable and consumer behavior on customer loyalty at PT. Masterban Berkat Indonesia. While partially it was found that the discount variable had a significant effect on customer loyalty at PT. Masterban Berkat Indonesia. Partially, it was found that consumer behavior variables had a significant effect on customer loyalty at PT. Masterban Berkat Indonesia. The results of this study indicate that consumer behavior variables have more influence than discounts on customer loyalty at PT. Masterban Berkat Indonesia.

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1. Introduction

In modern times, transportation is one of the most important needs for most of the world's population. With the existence of transportation, it becomes easier for humans to travel the distance from one place to another. However, as it is known that both two- and four-wheeled transportation equipment requires what is called service or repair. Repair of transportation equipment is carried out in order to extend the service life of the transportation equipment.

In Indonesia, North Sumatra occupies the fifth position for the ranking of the most number of motorcycles per year 2019 with a total of 5,724,881 units (DetikOto 2021, accessed 05 November 2021). This can be profitable for motorcycle repair companies, especially in big cities like Medan. Although there are many consumers of motorcycle repair services in North Sumatra, a business does not escape the so-called problems, whether public or not. As is known, consumers in North Sumatra, especially Medan, often compare prices from one store to another. And with a discount, it can help consumers to get cheaper prices and can also help companies to get consumers. Discounts are: discounts that companies give to customers with the aim of attracting customers' attention. Discounts given can affect business success, especially during a pandemic such as: nowadays where almost all businesses are competing to give discounts to consumers to attract their attention.

In this study, the researcher wants to show how influential the discount given to the community can have an impact on company profits. For most of the people of North Sumatra, especially Medan, discounts are one of the things they like and sometimes even become the main factor sought by potential consumers



and consumers. But even with the discount, the consumer's behavior must also be considered by the company so that the discount strategy does not become a wasted effort.

Consumer behavior is the behavior displayed by consumers when they search for, buy, use, evaluate and spend products in order to meet their needs and wants. In order to become a more developed and advanced company, management needs to analyze consumer behavior properly first so that there are no mistakes that can have a bad impact on product marketing. Expected consumer behavior in a case like this is: consumer behavior that likes discounts. Consumer behavior obtained will be the same as expected. The higher the level of similarity, the higher the consumer loyalty that can be obtained.

Customer loyalty is a condition where customers or consumers regularly or continue to make purchases at a business. Customer loyalty is: one of the things that is very important for the company so that the company has a fixed sales figure and can predict sales in the future. This study will focus on analyzing the effect of discounts accompanied by consumer behavior on customer loyalty. Giving a discount that pleases customers can provide its own level of satisfaction for customers. With a sense of customer satisfaction, customer loyalty will also increase. Motor vehicle repair is one of the obligations of the owner or driver to maintain the vehicle and extend the service life of the vehicle. Repairs are carried out not only when the vehicle is damaged, but on a recommended routine schedule such as: oil change in the second month after the vehicle is used.

The owner or driver also needs to pay attention to the quality of repairs from a company so that the vehicle they own does not become more damaged so that a little insight from the owner about motorized vehicles is also needed. A superior company will survive in market competition and even thrive. In terms of price is one of the benchmarks for consumers to buy or not. Companies are also required not only to provide good quality products, but also to provide suitable prices for consumers.

PT. Masterban Berkas Indonesia is a company engaged in the sale of tires and repairs which is located at Jalan Prof. HM. Yamin No. 271 BC, Medan. For now, the company is facing the problem of customer loyalty because in recent years, the number of customers who make purchases is decreasing every year. This certainly has an adverse impact on the company's growth. In addition, the number of consumer purchases is also decreasing day by day where usually consumers can make purchases in large quantities, but for now there are very few purchases.

Based on the observations made, one of the causes of the decline is: discounts. Discounts are a form of promotion that can be applied to large and small companies. Consumers are very enthusiastic about the discount strategy even though the company's profit is not as big as when selling at normal prices. In accordance with the initial purpose of sales promotion is a form of short-term sales and aims to increase sales quickly. The problem is: companies almost never or are considered very rarely in giving discounts to consumers who have made frequent purchases so that in the end, consumers start switching to companies that provide discounts if consumers make purchases regularly.

Other factors that cause a decrease in consumer loyalty to make purchases are: consumer behavior. Consumer behavior is an action that is directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions. Consumer behavior is: dynamic, meaning that the behavior of a consumer, consumer group, or the wider community is always changing and moving all the time. The problem is: consumer behavior that often follows suggestions or recommendations from groups or friends when they want to buy products makes consumers often interested in buying from companies that are liked by consumers who recommend so that consumers who want to make purchases at the company. There are various considerations from consumers themselves that make themselves have a bad perception in their minds such as: a company that looks dirty. The consumer's view of the products offered by the company is also not good and there are limited displays of existing products to be shown to consumers. The company building is old and has not been renovated, and various other views make the consumer's impression of the company is not good and in the end they decide not to buy and look elsewhere.

Based on the above background, the researcher is interested in conducting research with the title of the thesis: "The Effect of Discounts and Consumer Behavior on Customer Loyalty of PT. Masterban Blessing Indonesia." The discount indicator is a price reduction consisting of: Cash discount Given because the buyer pays in cash., Trade discount Given to retailers, Quantity pieces Given to buyers who buy one or several kinds of goods in large quantities or repurchase, Seasonal cut Given for buying goods not in season.

The following are some indicators that influence consumer behavior, namely Social Factor, The role of a person's social status will show the position or position of the person in a social group. Social factors include reference groups, roles, family, and social status. What is meant by reference groups are all groups that have an indirect or direct influence on the attitudes and behavior of certain people. Cultural Factor, In addition to social factors, there are also cultural factors that are very important for consumer behavior. Because culture is the most basic determinant. Each culture consists of several sub-cultures that show more special socialization to its members. Sub-culture includes several things such as Religion, Tribe, Race for its members. Personal Factor, The decision to buy or not an item or product will be very influential and influenced by personal factors. Characteristics include several aspects such as occupation, economy, personality, and self-concept, as well as the lifestyle of the buyer. Psychological Factors, The beginning of someone to understand the behavior of a consumer is the presence of external stimuli which include technology, politics, economics, and culture. The task of a marketer is to observe what happens in a consumer's consciousness between the final purchase decision and external purchase stimuli.

Loyalty can be measured based on the following indicators: Choice Sequence, The order of choice method or also called the repeat purchase pattern is widely used in research using other consumer daily agenda panels. Proportion of Purchase, In contrast to choice sequences, this method examines the proportion of total purchases in a particular product group. Preferences, This method measures loyalty by using psychological commitment or preference statements. In this case, loyalty is considered as a positive attitude towards a particular product, often described in terms of intention to buy. Commitment is more focused on the emotional or feeling component. Commitment occurs from the purchase linkage which is the result of ego involvement with the brand category. The ego involvement occurs when a product is closely related to values.

2. Method

2.1. Location and Time

The research locations are: PT. Masterban Berkat Indonesia, whose address is at Jalan Prof. HM. Yamin No. 271 BC, Medan. Research time is planned from October 2021 to June 2022.

2.2. Population and Sample

The population that will be used are: all customers who buy products at the company as many as 133 customers and using the Slovin formula as a sampling technique in this study are 100 customers.

2.3. Data Collection Method

Collecting data through a questionnaire is done by asking questions to parties related to the problem. To assess respondents' responses, the author uses the Likert scale which uses several question items to measure individual behavior by responding to 5 choice points on each question item.

2.4. Validity and Reliability Test

The data obtained needs to be tested for its accuracy and reliability so that the results of data processing can be more precise and accurate. Therefore, it is necessary to know how high the validity and reliability of the measuring instrument (instrument) used. Based on the research, each variable of the questionnaire item that was tested for validity, all the questionnaires had met the valid criteria and were eligible to be used as a questionnaire in further research. While in reliability test, all variable questionnaire item is reliable and can be used as instrument.

3. Result and Discussion

3.1 Normality Test

The residual normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed. There is some method to do the normality test such as histogram graphic, normal probability plot of regression graphic and one sample Kolmogorov Smirnov statistic.

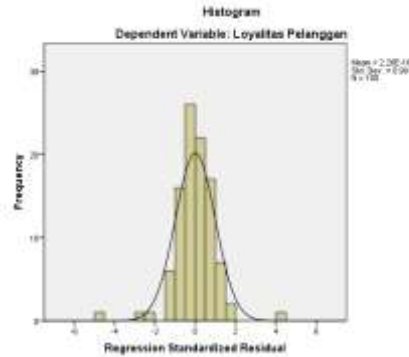


Figure 1. Histogram Graphic

Based on the picture above, it can be seen that the line forming a bell, not going left or right. This shows that the data is normally distributed and meets the assumptions of normality.

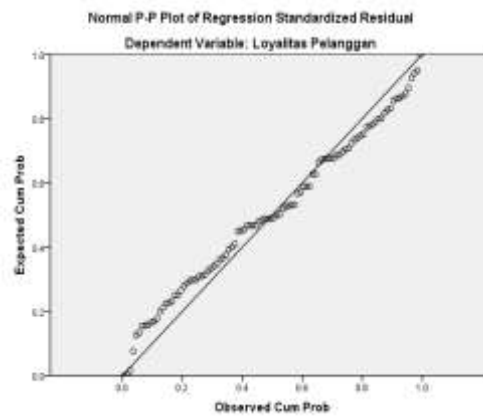


Figure 2. Normal Probability Plot of Regression Graphic

Based on the picture above, it shows that the data (dots) spreads around the diagonal line and follows the diagonal line. So from this figure it is concluded that the regression model residuals are normally distributed.

Table. 1
One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	4.18377915
Most Extreme Differences	Absolute	.092
	Positive	.070
	Negative	-.092
Kolmogorov-Smirnov Z		.925
Asymp. Sig. (2-tailed)		.360
a. Test distribution is Normal.		
b. Calculated from data.		

Based on the table above, the results of the Kolmogorov-Smirnov normality test prove that the significant value is greater than 0.05, namely 0.360, it can be concluded that the data is classified as normally distributed.

3.2 Multicollinearity Test

Multicollinearity is a condition in the regression model where there is a perfect or near perfect correlation between independent variables where a good regression model should not have a perfect or nearly perfect correlation between the independent variables. The commonly used test method is to look at the Tolerance and Variance Inflation Factor (VIF) values in the regression model where the VIF value is less than 10 and has a Tolerance value of more than 0.1

Table. 2
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Discount	.745	1.343
	Consumer Behavior	.745	1.343

Based on the table above show that all the variables have a tolerance value more than 0.1 and VIF value less than 10 which can be concluded that there is no problem found in multicollinearity test.

3.3 Heteroscedasticity Test

Heteroscedasticity is a condition where in the regression model there is an inequality of variants from the residuals from one observation to another where a good regression model does not occur heteroscedasticity.

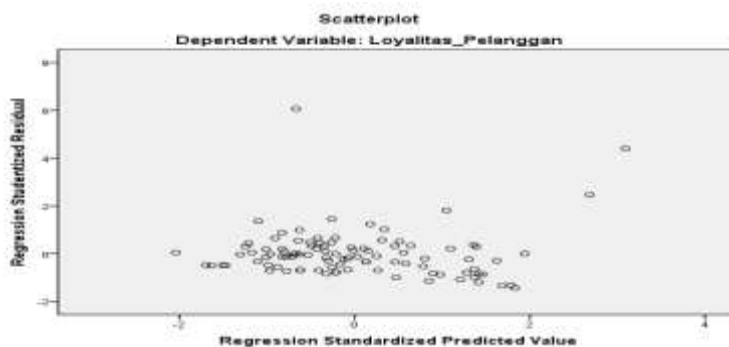


Figure 3. Scatterplot Graphic

Based on the scatterplot graph presented, it can be seen that the dots spread randomly and do not form a clear pattern and are spread either above or below zero on the Y axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict achievement based on the input of the independent variable. The following is a glejser test which can be seen in the table below:

Table. 3
Glejser Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.472	1.757		3.683	.000
	Discount	-.117	.060	-.223	-1.955	.053
	Consumer Behavior	-.018	.068	-.030	-.260	.795

a. Dependent Variable: Customer Loyalty
Source: Research Result, 2022

Based on the table above, it can be seen that the significance value of the two variables is greater than 0.05 so that it can be stated that there is no problem with heteroscedasticity testing.

3.4 Multiple Linear Regression Analysis

Multiple regression analysis is an analysis to determine whether there is a significant influence between two or more independent variables on one independent variable



Table. 4

Multiple Linear Regression Analysis Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7.101	2.481		2.862	.005	
	Discount	.461	.084	.468	5.466	.000	.745
	Consumer Behavior	.356	.096	.319	3.722	.000	.745

$$Y = 7,101 + 0,461 + 0,356 + e$$

Based on the above equation, it can be described as follows:

- The constant (α) = 7.101 indicates a constant value, if the value of the independent variable (X1) is: discounts and the variable (X2) is: consumer behavior is worth 0, then customer loyalty is: still worth 7.101.
- The coefficient X1(b1) = 0.461 indicates that the discount variable (X1) has a positive effect on customer loyalty by 0.461. This means: every 1 unit increase in the value of the discount (X1), the value of customer loyalty will increase by 46.1%.
- The coefficient X2(b2) = 0.356 indicates that the consumer behavior variable (X2) has a positive effect on customer loyalty by 0.356. This means: every 1 unit increase in the value of consumer behavior (X2), the value of customer loyalty will increase by 35.6%.

3.5 Coefficient Determination

Analysis of determination or also called R Square symbolized by R² is used to determine the magnitude of the influence of the independent variable (X) together on the dependent variable (Y) where the smaller the coefficient of determination, this means the effect of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the coefficient of determination is closer to number 1, then the effect of the independent variable on the dependent variable is getting stronger. Thus, if coefficient determination is 0, this indicates that there is no percentage contribution of influence given by the independent variable to the dependent variable. However, if the coefficient of determination is 1, then there is a contribution that the independent variable gives to the dependent variable is perfect.

Table. 5

Coefficient Determination Test

Model	R	Model Summary ^b		
		R Square	Adjusted R Square	Std. Error of the Estimate
1	.686 ^a	.471	.460	4.227

a. Predictors: (Constant), Consumer Behavior, Discount

b. Dependent Variable: Customer Loyalty

Based on the table above, the value of the Adjust R Square (Adjusted R²) or the coefficient of determination that has been correlated with the number of variables and sample size so as to reduce the element of bias in the event of additional variables or additional sample size obtained is: 0.460. This means that the influence of discounts and consumer behavior on customer loyalty is: 46% and the remaining 54% is influenced by other factors originating from outside this research model such as: service quality, customer satisfaction, pricing, promotional activities and others.

3.6 Simultaneous Hypothesis Test (F Test)

F test or regression coefficient test is used to determine whether simultaneously the independent variable has a significant effect on the dependent variable. In this case, to find out whether simultaneously the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 5%. The criteria for evaluating the hypothesis in this F test are:

H₀ Accepted if: F_{count} < F_{table}, H_a Accepted if: F_{count} > F_{table}



Table. 6
ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1542.263	2	771.132	43.165	.000 ^a
	Residual	1732.897	97	17.865		
	Total	3275.160	99			

a. Predictors: (Constant), Consumer Behavior, Discount

b. Dependent Variable: Customer Loyalty

Source: Research Result, 2022

3.7 Partially Hypothesis Test (t Test)

The t test or partial regression coefficient test is used to determine whether partially the independent variable has a significant effect on the dependent variable or not. In this case, to find out whether partially the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 0.05 and a two-sided test. The criteria for evaluating the hypothesis in this t test are:

H₀ Accepted if: $t_{count} < t_{table}$

H_a Accepted if: $t_{count} > t_{table}$

Table. 7
ANOVA Test

Model		T	Sig.
1	(Constant)	2.862	.005
	Discount	5.466	.000
	Consumer Behavior	3.722	.000

Based on the table above, it can be seen that:

- a. In the Discount variable (X1) it can be seen that the value of t_{count} (5.466) > t_{table} (1.984) with a significance of $0.000 < 0.05$ so it can be concluded that there is a significant positive effect between discounts on customer loyalty of PT. Masterban Berkas Indonesia so that H₁ is accepted.
- b. In the consumer behavior variable (X2), it can be seen that the value of t_{count} (3.722) > t_{table} (1.984) with a significance of $0.000 < 0.05$ so it can be concluded that there is a significant positive effect between consumer behavior on customer loyalty of PT. Masterban Berkas Indonesia so that H₂ is accepted.

4 Conclusion

The conclusions that researchers can draw from the results of this study are as follows Discounts have a positive and significant effect on Customer Loyalty of PT. Masterban Indonesia Medan. Consumer Behavior has a positive and significant impact on Customer Loyalty of PT. Masterban Indonesia Medan. Discounts and Consumer Behavior have a significant effect on Customer Loyalty of PT. Masterban Indonesia Medan. The coefficient $X1(b1) = 0.461$ indicates that the discount variable (X1) has a positive effect on customer loyalty by 0.461. This means: every 1 unit increase in the value of the discount (X1), the value of customer loyalty will increase by 46.1%. The coefficient of $X2(b2) = 0.356$ indicates that the consumer behavior variable (X2) has a positive effect on customer loyalty by 0.356. This means: every 1 unit increase in the value of consumer behavior (X2), the value of customer loyalty will increase by 35.6%. The value of Adjust R Square (Adjusted R²) or the coefficient of determination that has been correlated with the number of variables and sample size so as to reduce the element of bias in the event of additional variables or additional sample size obtained is: 0.460. This means that the influence of discounts and consumer behavior on customer loyalty is: 46% and the remaining 54% is influenced by other factors originating from outside this research model such as: service quality, customer satisfaction, pricing, promotional activities and others.



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