



## The Influence of Product Quality, Promotion, and Customer Satisfaction on Consumer Loyalty at PT Divo Kreasi Indonesia

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### ABSTRACT

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The purpose of this study is to examine the effect of Product Quality, Promotion, and Customer Satisfaction on Consumer Loyalty at PT Divo Kreasi Indonesia. The phenomenon of an increase in the number of consumer complaints, the less attractive promotions offered, and the inaccuracy of service completion are the background of this research. The sampling method used was simple random sampling. The result of the research is Product Quality, Promotion, and Customer Satisfaction simultaneously have a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. Product quality, promotion, and customer satisfaction partially have a positive and significant effect on consumer loyalty at PT Divo Kreasi Indonesia.

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## 1. Introduction

The development of a country becomes a progress for that country and its people. Interior design is one indicator that can provide new innovations for a developing country. The development of technology and information that develops creates a new work and makes it a necessity in terms of the interior.

PT Divo Kreasi Indonesia is an interior design company that was founded in 2015. The decline in consumer loyalty to this company is marked by not achieving the company's targets which are often not achieved in the form of an increase in the number of consumer complaints, less attractive promotions offered, and inaccurate delivery times. Based on research in May 2019 where there were the highest complaints regarding product quality, the promotions used were limited to giving discounts, and in April 2019 15 customers stopped using the company's services.

The first factor is product quality. The quality of wallpaper products from PT Divo Kreasi Indonesia tends to be thinner for cheap wallpapers from Taiwan. There have been consumer complaints regarding the installation of wallpaper and the quality of the wallpaper offered to consumers from the company. The highest complaint occurred in May as many as 8 consumers. Some reasons are wallpaper that gets dirty, torn, glue opens and is difficult to clean when exposed to dust or dirt.

The second factor is promotion. Promotion is one of the activities that a company carries out to sell the products it markets by placing and certain arrangements so that consumers can easily see and find out what products the company sells, so that consumers can be interested and decide to make a purchase. More promotional activities use discounted prices offered by consumers.

The third factor is the occurrence of consumer dissatisfaction with services resulting in companies having difficulty finding new customers. In April, there were 15 customers who stopped using the company's services, while in December there were at least 2 customers because they were disappointed with the company's discount reduction policy, there were also those who were disappointed with the company's attitude in responding to them and the inaccuracy of service completion time. This results in fewer company customers from time to time.

Based on previous research, there are several things that show inconsistent results so that this research needs to be more researched and developed considering that the development of technology and information has led to increased competition in the business world to maintain customer satisfaction, resulting in consumer loyalty.



2. Research methodology

This research will be conducted at PT Divo Kreasi Indonesia which is located at Jalan Prof. HM Yamin, No. 222, Medan with the research time planned from March 2019 to July 2020. The sampling method used was simple random sampling and the approach used was a quantitative approach. The population in this study are consumers PT Divo Kreasi Indonesia which amounted to 144 consumers from June to December 2019 and the number of samples in this study were 106 consumers. The data analysis method used is multiple linear regression analysis. In this study, data collection related to the problems researched by researchers was carried out in a way. The questionnaire was distributed to respondents or company consumers, interviews were conducted to several company customers at the beginning of the study to find out about problems that occurred within the company. Researchers use this method to find information about company profiles, customer data, and also theories that can be used as research references. Primary data sources in this study in the form of interviews and the results of filling out questionnaires that were distributed to respondents. Secondary data sources in this study are also a documentation study.

According to Surjaweni (2014: 192), the validity test is used to determine the feasibility of items in a list of questions in defining a variable. If  $r_{count} \geq r_{table}$ , then the question is declared valid. If  $r_{hitung} < r_{tabel}$ , then the question is declared invalid. In determining the feasibility of an item to be used, a significance test of the correlation coefficient is usually carried out at the significance level (2-tailed) of 5% (0.05) and  $df = n - 2$  ( $30 - 2 = 28$ ) which is equal to 0.361, it means that an item is considered valid if it has a significant correlation to the total score.

According to Sujarweni (2014: 192), the reliability test (reliability) is a measure of the stability and consistency of the respondent in answering questions related to the constructs of questions which are the dimensions of a variable and arranged in a questionnaire form. The questionnaire is reliable or unreliable using Alpha Cronbach. The questionnaire is reliable if Cronbach's alpha is  $> 0.60$  and not reliable if it is equal to or below 0.60. Hypothesis testing used in this study is to use multiple linear regression analysis. The regression model used is as follows:

Table 1. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,639	2,080		1,268	.208
Product quality	.226	.081	.246	2,794	.006
Promotion	.179	.059	.268	3,017	.003
Satisfaction	.200	.079	.229	2,526	.013

Source: Primary data, 2020 (processed data)

$$Y = 2,639 + 0,226 X_1 + 0,179 X_2 + 0,200 X_3 + e$$

The explanation of the multiple linear regression above is:

- a) Constant 2,639  
If product quality, promotion and satisfaction are constant, then customer loyalty on amounting to 2,639 units.
- b) Product quality regression coefficient 0.226  
Each one unit increase in product quality will increase consumer loyalty by 0.226 units assuming the other variables are constant.
- c) Promotion regression coefficient 0.179  
Each promotion increase of one unit will increase consumer loyalty by 0.179 units assuming the other variables are constant.
- d) The satisfaction regression coefficient was 0.200  
Every increase in satisfaction by one unit will increase consumer loyalty by 0.200 units assuming the other variables are constant.

A. Hypothesis Determination Coefficient

Koefficient of determination (R<sup>2</sup>) is used to determine the percentage change in the dependent variable (Y) caused by the independent variable (X).



**Table 2.**  
Determination Coefficient Test  
**Model Summary b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.524a	.275	.254	6.22898

- a. Predictors: (Constant), Satisfaction, Product Quality, Promotion  
b. Dependent Variable: Loyalty

Source: Primary data, 2020 (processed data)

The coefficient of determination test results can be seen from the Adjusted R Square value of 0.254, this means 25.4% that customer loyalty can be explained by product quality, promotion and satisfaction while the remaining 74.6% (100% - 25.4%) is explained by other variables not examined in this study. (other variables are mentioned)

### B. Simultaneous Hypothesis Testing (Test F)

The F test is used to determine the effect of the independent variables on the dependent variable together. In this study, Fcount will be compared with Ftable at the significance level ( $\alpha$ ) = 5%.

**Table 3.**  
Simultaneous Test (Test F)  
**ANOVA b**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1501,372	3	500,457	12,898	.000a
	Residual	3957,619	102	38,800		
	Total	5458,991	105			

- a. Predictors: (Constant), Satisfaction, Product Quality, Promotion  
b. Dependent Variable: Loyalty

Source: Primary data, 2020 (processed data)

Table 3. Degree of freedom 1 ( $df_1$ ) =  $k - 1 = 4 - 1 = 3$ , and degrees of freedom 2 ( $df_2$ ) =  $nk = 106 - 4 = 102$ , where  $n$  = number of samples,  $k$  = number of variables, then the value of F table at the level of confidence significance of 0.05 is 2.69. The test results show that the value of F count ( $12.898 > F$  table (2.69) and a significance probability of  $0.000 < 0.05$ , meaning that simultaneously Product Quality, Promotion, and Customer Satisfaction have a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia.

### C. Partial Hypothesis Testing (t test)

The t test is used to determine whether there is a significant (significant) relationship or influence between the independent variables partially on the dependent variable.

**Table 4.**  
Partial Test (t test)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,639	2,080		1,268	.208
	Product quality	.226	.081	.246	2,794	.006
	Promotion	.179	.059	.268	3,017	.003
	Satisfaction	.200	.079	.229	2,526	.013

Source: Primary data, 2020 (processed data)

The t-table value for the 0.05 probability in degrees of freedom ( $df$ ) =  $106 - 4 = 102$  is 1.983. Thus the results of partial hypothesis testing can be explained as follows:

- The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.794 > 1.983$  and the significant obtained was  $0.006 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, namely partially Product Quality has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia.
- The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $3.017 > 1.983$  and the significant obtained was  $0.003 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, that is partially Promotion has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia.
- The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.526 > 1.983$  and the significance obtained was  $0.013 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, namely

partially Consumer Satisfaction has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia.

### 3. Discussion result

#### 3.1. The Influence of Customer Satisfaction on Consumer Loyalty

The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.794 > 1.983$  and the significance obtained was  $0.006 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, namely that partially Consumer Satisfaction has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. The results of this study are in line with research conducted by Bangun (2016) which states that product quality has a positive and significant effect on consumer loyalty. According to Sunyoto (2014: 104), if consumers hear of a product with a well-known and well-established brand name, there is no need to doubt it, consumers just have to choose a product with what specifications to buy, whether the physical size is large or small, quality, color, price, shape. Consumers consider packaging, product facilities, and other competing products in deciding product purchases. One of the factors in purchasing decisions is thought to be the quality of the product which is thought to also cause a decline in purchasing decisions. The quality of wallpaper products from PT Divo Kreasi Indonesia tends to be thinner for cheap wallpapers from Taiwan. There have been consumer complaints regarding the installation of wallpaper from the company and the quality of the wallpaper offered to consumers. The highest complaint occurred in May as many as 8 consumers. Some reasons are wallpaper that gets dirty, torn, glue opens and is difficult to clean when exposed to dust or dirt. The highest complaint occurred in May as many as 8 consumers. Some reasons are wallpaper that gets dirty, torn, glue opens and is difficult to clean when exposed to dust or dirt. The highest complaint occurred in May as many as 8 consumers. Some reasons are wallpaper that gets dirty, torn, glue opens and is difficult to clean when exposed to dust or dirt.

#### 3.2. Promotion Effect towards Consumer Loyalty

The results of the calculation of hypothesis testing partially obtained  $t_{value_{count}} > t_{table}$  or  $3.017 > 1.983$  and the significance obtained was  $0.003 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, that is partially Promotion has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. The results of this study are in line with research conducted by Efnita (2016) which states that promotion has a positive and significant effect on consumer loyalty. Malau (2017: 107), one of the promotional programs is a loyalty program. Loyalty programs are promotional tools used to encourage and reward repeat purchases by acknowledging every purchase made by consumers and offering a premium as an accumulated purchase. Promotion is one of the promotional activities carried out by companies to sell the products they market by placing and certain arrangements so that consumers can easily see and find out what products the company sells, so that consumers can be interested and decide to make a purchase. Promotional activities mostly use discount prices offered by consumers.

#### 3.3. The Effect of Consumer Satisfaction towards Consumer Loyalty

The results of the calculation of hypothesis testing partially obtained  $t_{value_{count}} > t_{table}$  or  $2.526 > 1.983$  and the significance obtained is  $0.013 < 0.05$ , means that  $H_a$  is accepted and  $H_o$  is rejected, namely that partially Consumer Satisfaction has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. PT Divo Kreasi Indonesia the occurrence of customer dissatisfaction with services resulted in the company having difficulty finding new customers. In April, there were 15 customers who stopped using the company's services, while in December there were at least 2 customers who stopped because they were disappointed with the company's discount reduction policy, there were also those who were disappointed with the company's attitude in responding to them and the inaccuracy of service completion. This results in fewer company customers from time to time. Yuniarti (2015: 240) consumer loyalty is not formed in a short time, but through a learning process and based on the results of consumer experiences from consistent purchases over time. Promotion is one of the promotional activities carried out by companies to sell the products they market by placing and certain arrangements so that consumers can easily see and find out what products the company sells, so that consumers can be interested and decide to make a purchase. If it is in line with expectations, this buying process keeps repeating itself, it is said that there has been consumer loyalty. If from his experience consumers do not find a satisfying brand, he will not stop to try other brands until he gets a product or service that meets the criteria they set.

### 4. Conclusion

The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.794 > 1.983$  and the significance obtained was  $0.006 < 0.05$ . It means that partially Consumer Satisfaction has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. The results of the calculation of the partial

hypothesis testing obtained  $t_{count} > t_{table}$  or  $3.017 > 1.983$  and the significant obtained was  $0.003 < 0.05$ , means that Promotion has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. The results of the calculation of the partial hypothesis testing obtained  $t_{count} > t_{table}$  or  $2.526 > 1.983$  and the significance obtained was  $0.013 < 0.05$ . It means that partially Consumer Satisfaction has a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. The test results show that the value of  $F_{count}$  ( $12.898$ )  $> F_{table}$  ( $2.69$ ) and a significance probability of  $0.000 < 0.05$ , meaning that simultaneously Product Quality, Promotion, and Consumer Satisfaction have a positive and significant effect on Consumer Loyalty at PT Divo Kreasi Indonesia. .

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