



Consumer Loyalty Analysis : Contribution of Commitment and Price

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ABSTRACT

This study aimed to determine the effect of Commitment and Price on Consumer Loyalty at PT. Almira Nusa Raya in Medan. This type of research data is data with a quantitative approach, research that is processed and analyzed to conclude in the form of numbers. In this study, the sample used was 42 companies. The data analysis technique used multiple regression tests bypassing the analysis prerequisite test. The results showed that commitment and price simultaneously positively and significantly affected consumer loyalty at PT. Almira Nusa Raya. The value of R square (R²) means that commitment and price influence consumer loyalty at PT. Almira Nusa Raya. While the rest is influenced by other factors originating from outside this research model such as distribution channels, trust, corporate image, customer satisfaction, location, consumer decisions, marketing strategies, consumer perceptions, and service quality.

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1. Introduction

Diesel fuel (BBM) is a very vital requirement in this modern era. The reason is that solar has an energy-carrying function that is the easiest to store and handle. Therefore, the diesel industry continues to grow amid the ebb and flow of world oil prices. The demand for diesel continues to grow from year to year. The era of free trade and openness coupled with super competition in the Asean Economic Community to become the solar supply sector for industry in the country has also shifted from a single supplier pattern to multiple suppliers. PT. The State Oil and Gas Company (Pertamina) is no longer the sole diesel supplier, but has been accompanied by other diesel suppliers from national and multinational private companies. This makes multi-supply free competition inevitable.

The government has specifically regulated the quality of industrial diesel in the country through the Decree of the Director General of Oil and Gas of the Ministry of Energy and Mineral Resources No. 3675K/24/DJM/2006 which was issued on March 17, 2006. This regulation states that diesel fuel marketed in Indonesia must meet the technical specifications according to the regulation. This is standardized so that consumers are not harmed in quality or quantity. With a wider range of specification parameters, diesel fuel providers have a free choice to play with the quality of their products and create increasing fierce competition. Facing this situation, companies must try to retain old customers and look for potential new customers because consumers are the company's source of income that affects business continuity.

Loyalty from consumers is very important to maintain the company's income level. Customer loyalty is a good attitude from consumers who will make purchases of products repeatedly. According to Suryati (2015) loyalty is a form of attitude such as a tendency to behave. This tendency is a choice from within the individual. Kotler and Keller in Lapasiang et al. (2017) explain that to achieve long-term relationships and create consumer loyalty, companies must PT. Almira Nusa Raya is a distribution agent from PT. Pertamina Patra Niaga, whose main focus is on distributing diesel fuel to end users, which in this case are industrial companies. This PT has an increasing number of consumers from year to year. The increase in the number of consumers reflects the existence of consumer loyalty which may be caused by the close commitment between the company and consumers or the prices offered by the company can satisfy consumers. This increase must be maintained by the company. In the above conditions, researchers want to see how far commitment and price can affect consumer loyalty.

According to Firmansyah (2019) consumer loyalty can be defined as a strong commitment to buy or subscribe to certain products or services in the future despite the influence of situations and marketing efforts that have the potential to cause behavioral changes. Consumer loyalty is also a combination of the possibility of customers to repurchase from the same supplier in the future and



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the possibility to buy the company's products or services at various price levels (Tjiptono & Diana, 2019). Based on the opinions of several experts above, it can be concluded that consumer loyalty is evidence of loyalty by making repeated purchases of a product or service consistently.

Commitment is formulated as a form of written or implied agreement to continue the relationship between two or more parties (Farida, 2012). According to Peelen & Rob (2013) commitment is an important component of relationship marketing and is an important measuring point to find out how much customer loyalty and frequency of purchases from a customer. From this understanding, it can be concluded that commitment is a relationship that needs to be maintained continuously, where each party is willing to work together to maintain this relationship. Price is the amount of money charged for a product or service, or the amount of value that customers exchange for the benefits of having or using a product or service (Kotler & Gary, 2016). Price is the exchange rate issued by the buyer to obtain goods or services that have use value and their services (Kurniawan, 2018). From the opinion above, it can be concluded that the higher the price of one. The product will reduce consumer buying interest and look for competitor products that are cheaper. Hypothesis testing using t-test (partial testing) and F-test (simultaneous testing). The research model used can be seen in the following figure:

2. Methods

The type of research that the author uses in this study is quantitative research with an associative approach which aims to determine the effect or relationship of an independent variable on the dependent or dependent variable so that the magnitude of the influence and its proximity can be known (Ambarita et al., 2020). The population in this study are consumers of PT. Almira Nusa Raya as many as 42 companies, the research sample was taken using the census technique, where the entire population was sampled in this study. The model used in this study is a multiple linear regression analysis model. The equation for multiple linear regression analysis is as follows:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information:

Y = Consumer Loyalty

X₁ = Commitment

X₂ = Price

a = Constant

b = Regression coefficient

e = Error

3. Results and Analysis

3.1 Research Result

a) Respondent Characteristics

The results of data collection conducted on 42 consumers from companies that were used as respondents obtained the characteristics of respondents based on the type of business, frequency of purchase, duration of purchase and number of purchases. The following characteristics of respondents will be described in the table below including:

TABLE 1
CHARACTERISTICS OF RESPONDENTS BY TYPE OF BUSINESS

Type of Businnes	Number of Respondents	Persentase (%)
UD (Usaha Dagang)	3	7,1%
CV (Persekutuan Komanditer)	3	7,1%
PT (Perseroan Terbatas)	35	83,4%
Koperasi	1	2,4%
Total	42	100%

Based on Table 1 above, it can be seen that the dominant consumer from PT. Almira Nusa Raya is a limited liability company with 35 consumers or 83.4% of the total respondents. Consumers with limited partnership types are 3 consumers or 7.1% of the total respondents. Consumers with the



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type of Trading Business as many as 3 consumers or 7.1% of the total respondents and consumers with the type of Cooperative business as many as 1 consumer or 2.4% of the total respondents. Thus, it can be seen that the company's dominant consumer is a Limited Liability Company because the company wants consumers who can make purchases in large quantities so that they often offer products directly to consumers with the type of business of a Limited Liability Company.

TABLE 2
KARAKTERISTIK RESPONDEN BERDASARKAN FREKUENSI PEMBELIAN

Frekuensi Pembelian	Purchase Frequency	Persentase (%)
< 4 Times a Month	7	16,7%
5 s/d 8 Times a Month	22	52,4%
> 8 Times a Month	13	30,9%
Total	42	100%

Based on Table 4.2 above, it can be seen that the dominant consumer at PT. Almira Nusa Raya is a consumer with a purchase frequency of 4 – 8 times a month as many as 22 consumers or 52.4% of the total respondents. Consumers with purchasing frequency above 8 times a month are 13 consumers or 30.9% of the total respondents and consumers who are still buying for the first time are 7 consumers or 16.7% of the total respondents. Thus the dominant consumer with a purchase frequency of 4 times - 8 times because the average consumer makes purchases in large quantities so that they can last a long time according to their needs.

b) Classic Assumption Test
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 a normally distributed residual. The test results can be seen in the following picture:

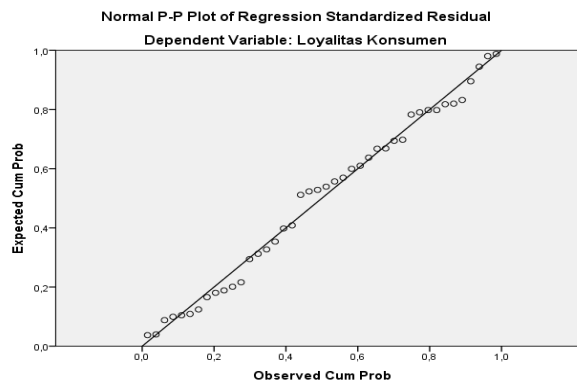


Figure 2. Normal Probability Plot of Regression

In Figure 2 above, it can be seen that the points approach the diagonal line. This indicates that the data are normally distributed and meet the assumptions of normality testing.

Multicollinearity Test

According to Ghozali (2016) multicollinearity testing aims to test whether the regression model found a correlation between independent (independent) variables. If there is an independent variable that has a tolerance value of more than 0.1, the VIF value is less than 10, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

TABLE 3
HASIL PENGUJIAN MULTIKOLINERITAS

Model	Collinearity Statistics		
	Tolerance		VIF
1 (Constant) Commitment		,943	1,060



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Price	,943	1,060
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In the table above, it can be seen that the correlation value for the Commitment and Price variables has a tolerance value (0.943) > 0.10 and a VIF value (1.060) < 10 so it can be concluded that the Commitment and Price variables do not have symptoms of multicollinearity.

c) Multiple Linear Regression Analysis

Regression analysis is used to measure the strength of the relationship between two or more variables, also shows the direction of the relationship between the dependent and independent variables (Ghozali, 2016). The results for testing multiple linear regression analysis can be seen in the following table:

TABLE 4
HASIL UJI ANALISIS REGRESI LINIER BERGANDA, Uji T, Uji F

Model		Unstandardized Coefficients		Uji t (Sig)	Uji f (Sig)
		B	Std. Error		
1	(Constant)	3,359	5,702	,559	0,000
	Commitment	,641	,184	,001	
	Price	,424	,171	,018	

Based on the above equation, the constant (α) = 3.359 shows the constant value, if the value of the independent variable (X1) is Commitment and the variable (X2) is Price is 0 then Consumer Loyalty is fixed at 3.359. The coefficient of X1(b1) = 0.641 indicates that the Commitment variable (X1) has a positive effect on Consumer Loyalty of 0.641. This means that every increase in the aspect of Commitment (X1) by 1 unit, then Consumer Loyalty will increase by 0.641. The coefficient of X2(b2) = 0.424 indicates that the price variable (X2) has a positive effect on Consumer Loyalty of 0.424. This means that every increase in the aspect of Price (X2) by 1 unit, then Consumer Loyalty will increase by 0.424.

3.2 Discussion

a) Test t and Test f

The partial test is used to determine the effect of each independent variable on the dependent variable (Ghozali, 2016). Based on Table 4 the results of the partial test above, it can be seen several things, namely the commitment variable (X1) it can be seen that the significant level is 0.001 < 0.05 so it can be concluded that there is a partially significant positive effect between Commitment to Consumer Loyalty at PT. Almira Nusa Raya. The results of research such as previous research conducted by Lapasiang (2017), where the results of the study show that the variables of trust and commitment partially have a positive and significant effect on Consumer Loyalty of PT. Pawnshop Karombasan Manado Branch.

While the price variable (X2) shows that the significant level is 0.018 < 0.05 so it can be concluded that there is a partially significant positive effect between Price on Consumer Loyalty at PT. Almira Nusa Raya. The results of this study are in line with research conducted by Winata (2017) where the results of the study indicate that the price and service quality variables partially have a positive and significant effect on Consumer Loyalty of the Emersia Hotel in Bandar Lampung.

According to Ghozali (2016) the simultaneous effect test is used to determine whether the independent variables simultaneously or simultaneously affect the dependent variable. In table 4 above, it can be seen that the significance value is 0.00 < 0.05 so it can be concluded that there is a significant and positive influence between commitment and price simultaneously on consumer loyalty at PT. Almira Nusa Raya. The results of this study are in line with previous research conducted by Abdullah et al (2016), where the results showed that the variable price and service quality simultaneously had a positive and significant effect on Consumer Loyalty of PT. Alakasa Extrusindo. This is also in line with Bulan's research (2016), where the results of the study show that the variable price and service quality simultaneously have a positive and significant effect on Consumer Loyalty.

b) Coefficient of Determination Test

A small value of R2 means that the ability of the independent variables in explaining the variation of the dependent variable is very limited). A value close to one means that the



independent variables provide almost all the information needed to predict the variation of the dependent variable. The results of the determination test can be seen in the table below:

TABLE 5
HASIL UJI KOEFISIEN DETERMINAN

Model Summary ^b		
Model	R	R Square
1	,615 ^a	,378

Based on the table above, the results of the test of the determinant coefficient above, it can be seen that the value of R Square (R²) or the coefficient of determination obtained is 0.378, meaning that the Consumer Loyalty variable can be explained by the Commitment and Price variables of 37.8% while the remaining 62.2% is influenced by factors -other factors that come from outside this research model such as distribution channels, trust, company image, customer satisfaction, location, consumer decisions, marketing strategies, consumer perceptions and service quality.

4. Conclusion

Based on the results of research and discussions that have been carried out, it can be concluded that commitment has a positive and significant influence partially on Consumer Loyalty at PT. Almira Nusa Raya. Price has a positive and significant influence partially on Consumer Loyalty at PT. Almira Nusa Raya. Simultaneously, Commitment and Price have a positive and significant effect on Consumer Loyalty at PT. Almira Nusa Raya. Based on the determinant coefficient test, it can be seen that the R Square (R²) value or the coefficient of determination obtained is 0.378, meaning that the Consumer Loyalty variable can be explained by the Commitment and Price variables of 37.8% while the remaining 62.2% is influenced by other factors originating from from outside this research model such as distribution channels, trust, corporate image, customer satisfaction, location, consumer decisions, marketing strategies, consumer perceptions and service quality.

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