

Influence of Integrated Marketing Communication on Customer Loyalty Survey at CV. Fashion Ponokawan Village, Krian District, Sidoarjo Regency, East Java Province”, Indonesia

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ABSTRACT

This research was conducted at CV. Fashion Sidoarjo, the purpose of this research is to determine the effect of integrated marketing communication on the Fashion brand on customer loyalty. Integrated marketing communication as the independent variable (X) while customer loyalty as the dependent variable (Y). The method used in this research is quantitative using a descriptive research approach and verification using the Structural Equation Model (SEM) using Partial Least Square (PLS). The sampling technique used is non-probability sampling and purposive methods. With 91 samples as respondents taken from customers of Fashion brand products. From the results of the study, the results of integrated marketing communications have a positive and significant effect on customer loyalty by 74.1%.

1. INTRODUCTION

The increase in the export value and income of footwear entrepreneurs in Indonesia is not in line with what has happened to craftsmen and footwear entrepreneurs, especially in the Sidoarjo area, East Java. Craftsmen and shoe entrepreneurs in Sidoarjo experienced a decline in turnover, sales turnover which was initially able to reach 1.2 billion to only 100 million per month (TEMPO.COM: 2017). This phenomenon makes researchers interested in conducting research and finding something that affects leather craftsmen in Sidoarjo. Because with decades of experience it should not be easy to experience a very drastic decline in turnover. The competition in the shoe industry in Indonesia is currently very fast, not only from within the country but also from abroad. Problems regarding declining sales and companies going bankrupt have become commonplace. Many companies start using extreme marketing methods to drive sales but without doing market research and the company ends up losing money. CV. Fashion is located in Ponokawan Village, Sidoarjo Regency, East Java Province. It is engaged in fashion, namely leather shoes with the Fashion brand. Founded by H. Madechan's predecessor in 1939, in 1980 H. Madechan registered the company with the Sidoarjo Department of Trade and Industry, and now the company has been led by the second generation, Junaidi, since 2011. Many companies start using extreme marketing methods to drive sales but without doing market research and the company ends up losing money. CV. Fashion is located in Ponokawan Village, Sidoarjo Regency, East Java Province. It is engaged in fashion, namely leather shoes with the Fashion brand. Founded by H. Madechan's predecessor in 1939, in 1980 H. Madechan registered the company with the Sidoarjo Department of Trade and Industry, and now the company has been led by the second generation, Junaidi, since 2011. Many companies start using extreme marketing methods to drive sales but without doing market research and the company ends up losing money. CV. Fashion is located in Ponokawan Village, Sidoarjo Regency, East Java Province. It is engaged in fashion, namely leather shoes with the Fashion brand. Founded by H. Madechan's predecessor in 1939, in 1980 H. Madechan registered the company with the Sidoarjo Department of Trade and Industry, and now the company has been led by the second generation, Junaidi, since 2011.

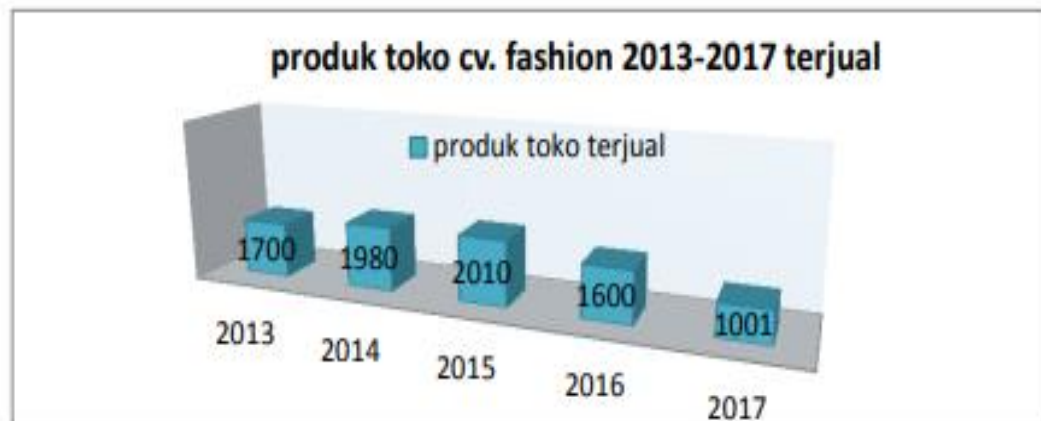


Figure 1. Store Sales Data CV. Fashion Year 2013-2017 Source: Fashion brand store bookkeeping

Store sales data from CV. Fashion as shown in the picture above in 2017 experienced a decline in sales and the visitors at the store also decreased from the store's sales bookkeeping recap. Even though in 2016 there were 50 shoppers per day, in 2017 there were only 10 customers per day on average. CV. Fashion for now can only survive with a decline in sales. CV marketing communication problems. Fashion is, there are no advertisements regarding Fashion leather shoes on social media, then lack of sales promotion, The researcher visited the store to see the discount promotion posted as if it had been worn out and looked like it had been in the same place for months. This is thought to be the influence of the decline in turnover and loss of customer loyalty because customers are no longer interested in coming and buying fashion brand leather shoes. From the description of the background that has been put forward by the researcher, the researcher is interested in taking the theme "The Effect of Integrated Marketing Communication on Customer Loyalty survey on CV. Fashion Ponokawan Village, Krian District, Sidoarjo Regency, East Java Province", Indonesia. Research Objectives: 1. To examine the effect of brand image on customer loyalty CV. Fashion in Sidoarjo. 2. To examine the effect of integrated marketing communications on customer loyalty CV. Fashion in Sidoarjo. 3. To examine the effect of brand image and integrated marketing communication CV. Fashion in increasing customer loyalty either partially or simultaneously in the Sidoarjo area.

LITERATURE REVIEW

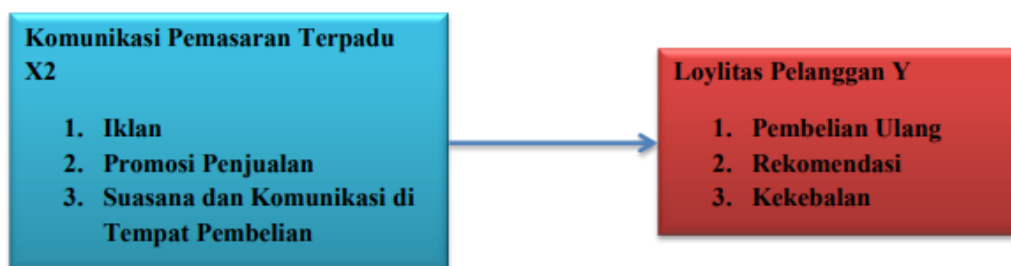
Integrated Marketing Communications.

Shrimp (2003: 321) A communication process that consists of planning, creating, integrating and implementing various forms of marketing communications (such as advertising, sales promotions, events) that are carried out regularly to prospects and target consumers of a product or brand. Integrated marketing communication in order to encourage the effectiveness and efficiency of marketing communications itself consists of eight main communication models Kotler and Keller (2016:600), including: 1. Advertising, 2. Sales promotion, 3. Events and experiences, 4. Public relations. and publicity, 5. Direct marketing and interactive marketing 6. Sales personnel, Of the six dimensions that support the integrated marketing communication variable, in this study only use 3 dimensions, namely advertising, promotion and sales atmosphere in the store.

Customer loyalty

Tjiptono (2011:23) Loyalty is a situation where consumers have a positive attitude towards the product or producer and are accompanied by a consistent pattern of repeat purchases. Griffin (2010:04) Consumers are said to be loyal or loyal if consumers show buying behavior on a regular basis. Loyal customers are an important asset for the company because they can control the profitability of a product or service company. Dimensions of loyalty according to Griffin (2005:31) can be seen from the characteristics possessed by loyal customers, 1. Make regular purchases (make regular repeat purchases), 2. Buy outside the product/service line (purchases lines), 3. Recommend to people other (refers other), 4. Demonstrate immunity from the attractiveness of similar products from competitors (demonstrates immunity to the full of the competition).

Framework



RESEARCH METHODS

Types and Sources of Data Primary data The source of data in this study was obtained from the results of direct research in the field (primary data). Primary data were obtained through interviews and questionnaires on management and customers of leather shoes produced by CV Fashion. Secondary data Secondary data is data related to the variables of integrated marketing communication (X), and customer loyalty (Y) CV Fashion. The data was obtained from the internet, information from books and journals related to research. This secondary data is needed in order to support the truth of the primary data.

Determination of Population and Sample

The population and sampling technique are determined as follows: 1. Population: Sugiyono (2016:80). In this study, the target population was fashion brand leather shoes customers who shopped for leather footwear located on Jalan Ponokawan, Krian District, Sidoarjo Regency, during 2017, totaling 1001 customers. 2. Sample: According to Sugiyono (2016: 116. In this study the researcher used the slovin method. How to determine the sample size with the slovin method as follows:

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

Information:

n = Sample Size

N = Population Size

e2 = Error tolerance limit. Based on the explanation above, the sample size in this study can be determined as follows:

$$n = \frac{1001}{(1001)(0,1)^2 + 1} = 91$$

So it is known that the calculation for the sample with an error rate of 10% is 91 people.

Sampling technique

The sampling technique used in this study is a non-probability sampling method. Techniques that provide opportunities for the population in accordance with the criteria the researcher wants. Using the purposive sampling technique, the determination of the sampling was taken randomly but still paying attention to certain criteria, Sugiyono (2016: 81). Validity test Validity test is to measure the validity or validity of a questionnaire. Knowing the error or instrument by using the product moment correlation technique as follows:

$$r_{xy} = \frac{N \sum xy - (\sum x)(\sum y)}{\sqrt{(N(\sum x^2) - (\sum x)^2)(N(\sum y^2) - (\sum y)^2)}}$$

Information:

rx_y = Correlation coefficient between variable X and Variable Y

N = Number of Subjects

x² = Sum of the squares of X . values

y² = Sum of the squares of Y . values

$(\sum x)^2$ = Sum of X values then squared

$(\sum y)^2$ = Sum of Y values then squared

With Criteria: 1. If r count r table (two-party test with sig 0.05) the instrument or question items have a significant correlation with the total score (declared valid). 2. If r count r table (two-sided test with sig 0.05) the instrument or question items are not significantly correlated with the total score (invalid). Using SPSS 21.00 tools. The results of processing the validity questionnaire data from 91 research samples, obtained validity values for each statement item as follows: The product moment table correlation value (r table) was 0.206. From the table above, it can be seen that all items r count are greater than r table, so it can be said that the statement items that have been put forward are valid.

Reliability Test.

Reliability testing aims to determine the reliability of the questionnaire. In testing the reliability, the steps taken are the same as the steps for testing the validity. Because the output of both appears simultaneously. The reliability of a variable construct is said to be good if it has a Cronbach's Alpha value > 0.70 Supriyanto and Machfudz (2010: 197). With the following formula:

$$r_{ii} = \frac{k}{k-1} \left(1 - \frac{\sum ab^2}{at1} \right)$$

Information:

Rii : Instrument reliability

k : The number of questions

ab2: Number of item variants

The results of the reliability tests conducted on all items of this study indicate that all items have a reliability coefficient value of Cronbach's Alpha > 0.70 , so it can be said that all statement items are reliable.

Variable Measurement

This study uses the Linkert Sugiyono (2017:93) measurement scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. In research, social phenomena have been specifically determined by researchers, hereinafter referred to as research variables.

Analysis Design and Hypothesis Testing

Estimation. At this stage the values of β , γ , and δ found in the fourth step are estimated using the SmartPLS 3.0 program. Resampling with Bootstrapping is used for basic development in estimation based on Ghozali (2006:1). Produce 1). Estimates produce weight estimates, 2. Estimates for the inner and outer models, 3. Estimates of means and location parameters (constant).

Model Fit Test.

The model fit test on Structural Equation Modeling through the Least Square Party approach consists of two types, namely the measurement model and the structural model fit test.

Hypothesis test.

Hypothesis is a statement about the population that needs to be tested for truth. To perform the test, it is done by taking samples from the population. The hypothesis test in describing the three research variables statistically is as follows:

- a. Structural Model = 2 + Description: = Variable Endogenous Construct (Customer Loyalty) = Coefficient of direct influence between Exogen Latent Variable (Integrated Marketing Communication) and Endogenous Latent Variable (Customer Loyalty) 2 = Variable Exogen Construct (Marketing Communication) Integrated) = Effect of other factors on the Endogenous Latent Variable (Customer Loyalty).

- b. The effect of integrated marketing communication (ξ_2) on customer loyalty (η) was tested using statistical t-test as follows: Statistical Hypothesis $H_0 = 0$ Integrated Marketing Communication did not affect customer loyalty of leather shoes brand Fashion produced by CV. Fashion in Sidoarjo. $H_1: 0$ Integrated Marketing Communication has an effect on customer loyalty of fashion brand leather shoes produced by CV. Fashion in Sidoarjo.

RESULTS AND DISCUSSION

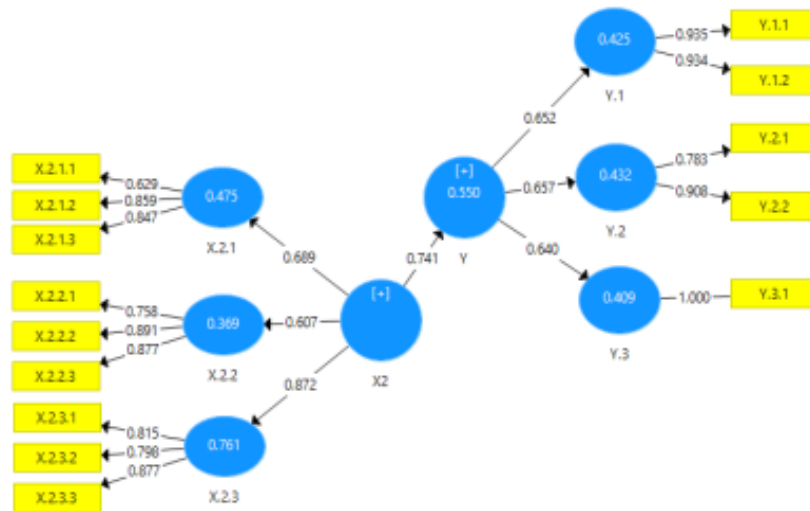


Figure 1 Path Coefficient of Effect of Integrated Marketing Communication (X2) on customer Loyalty (Y) Source: Outer Output Results Partial Least Square Model (2018).

The entire value of the loading factor shown in Figure 1 is above 0.5, then each dimension and indicator is declared valid to be a measuring tool for integrated marketing communication variables (X2) and customer loyalty (Y).

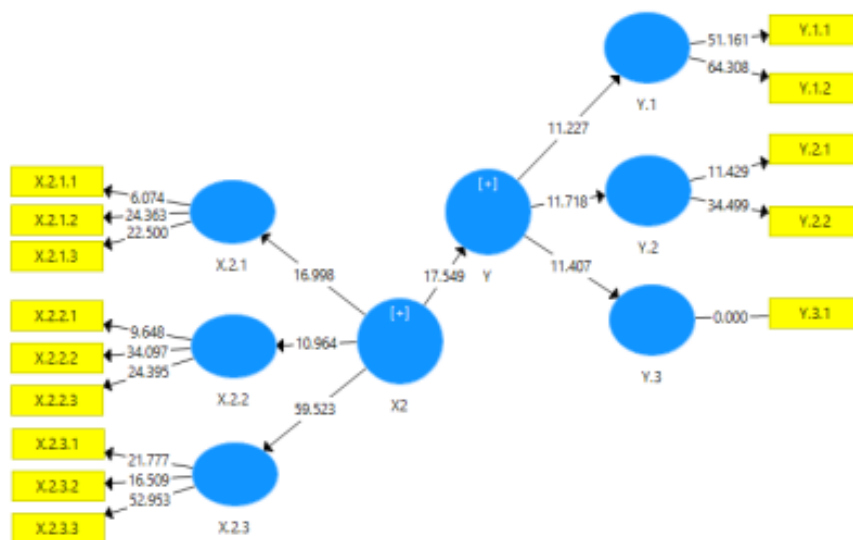


Figure 2. t-statistics The Effect of Integrated Marketing Communication (X2) on Customer Loyalty (Y) Source: Partial Least Square Output Results.

Figure 2 shows $t\text{-statistics} > t\text{-table}$ ($17,549 > 1,96$) which states that integrated marketing communication (X2) has a significant effect on customer loyalty (Y) on fashion shoe product customers in Sidoarjo.

Table 1 Effect of Integrated Marketing Communication (X1) on Customer Loyalty (Y)

Variable	r-squar e	H0	Conclusion	Variable	t- Statisti cs	t- table	Origin al sample
X against Y	0.550	rejecte d	Positive and negative	X against Y	17,549	1.96	0.741

In table 1 it can be seen that integrated marketing communication (X) has a positive and significant effect on customer loyalty (Y) because the t-statistical value is greater than t table ($17,549 > 1.96$) then H0 is rejected and the hypothesis (H1) is accepted. Because the criteria for acceptance of the hypothesis (H1) if $t\text{-statistics} > t\text{-table}$. In this study, the contribution of brand image to customer loyalty is 0.550 or 55.5%. The original sample value of 0.741 shows the contribution of the integrated marketing communication variable to customer loyalty for Fashion brand shoes in Sidoarjo by 74.1%, the remaining 25.9% is influenced by factors not observed by researchers.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Through the results of calculations and analyzes that have been carried out, the researchers draw the following conclusions: 1. Integrated marketing communications CV. Fashion has a positive and significant effect on customer loyalty in Sidoarjo. Shows that the better the integrated marketing communication that is carried out, the more customer loyalty for the Fashion brand shoe product in Sidoarjo.

Suggestion

From the results of research conducted, researchers draw conclusions and provide suggestions to CV. Fashion as follows: In terms of maintaining marketing communications for the Fahion brand, the company is expected to strengthen the delivery of the Fashion brand by conducting broader marketing and using the internet.

Academic Advice.

For further research, it is expected to add variables because things that can influence the decline in a company's turnover in terms of marketing will continue to develop following the times and problems at one time cannot be used as a full reference. It is also hoped that further research will be carried out in different areas so that it can be known more broadly the factors that affect the decline in turnover of leather shoe manufacturers in each region, whether customer patterns have the same trend and influence or not.

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