



RESEARCH ARTICLE

Factors That Determine Customer Loyalty Towards Bear Brand Milk Drink in The City of Banda Aceh

Syamsul Rizal¹ | Ismail^{2*}

^{1,2*}Akademi Keuangan dan Perbankan Nusantara

Correspondence

² Akademi Keuangan dan Perbankan Nusantara
Email: ismail@akubanknusantara.ac.id

Funding information

Akademi Keuangan dan Perbankan Nusantara

Abstract

Consumer attitudes are very determining in making decisions to buy a product. A person's attitude towards product attributes can vary due to beliefs and evaluations of the attributes of the product. Apart from that, there are other factors that also influence what will ultimately determine their interest in buying a product. To find out and analyze differences in consumer attitudes towards product attributes. To obtain information and data in this research the author conducted field research, namely research on buyers of health milk drinks in the form of pure Bear Brand milk. The research object is regarding customer or consumer loyalty towards Bear Brand milk drinks in Banda Aceh City. The research results show that Bear Brand milk is good for health if consumed regularly. Consumers buy Bear Brand milk; this is indicated by the Sig value. t in all attributes of consumer attitudes towards Bear Brand milk products studied is worth $>$ from $\alpha = 0.05$ (The test results obtained show that having knowledge for health in consuming Bear Brand milk with the main consideration being more visible is for health. Or in other words it is used as a pure milk drink shows an overall positive effect on maintaining health.

Keywords

Factors determining Customer Loyalty of Bear Brand Milk Drinks

1 | INTRODUCTION

A company will gain a lot of benefits if it has a good product in the wider community, which will indirectly help the company in marketing their products. When prospective buyers decide which product to choose, prospective buyers will be carried away consciously or unconsciously by their perception of an image. This image can be in the form of an image of a particular product, a particular company, a particular shop and so on. In this case, the company must have quality and advantages in its products and have a service that is always ready to respond to customer complaints. Basically, if you look at it from a marketing aspect, the goal of a business is to make customers feel satisfied with the products and services provided. Creating customer satisfaction can provide several benefits, including a harmonious relationship between the company and customers, providing a good basis for repeat purchases, creating customer loyalty, and forming a word-of-mouth recommendation that will benefit the company. One of the methods used by companies to face competition is by developing marketing strategies that can create, maintain, and increase customer satisfaction, either by offering quality products at competitive prices or by comparing products, prices, places, promotions with closest competitors, or with other methods that lead to achieving business goals and can also provide higher satisfaction scores to customers. Today's customers have much greater and more diverse value demands, considering that today's market offers a variety of choices of goods or services that they can purchase. So, sellers are required to provide acceptable product quality. This is also necessary to build a product because the brand is one of the assets to achieve this goal. Brands are usually more synonymous with names, terms, signs, symbols, designs, or combinations thereof that identify a product/service produced by a company. Nowadays brands have become a complex concept and are a prestigious asset for companies. During increasingly competitive market competition, providing satisfaction to customers and being able to educate customers to create loyalty to a brand is the key to success. Customer loyalty is created because of satisfaction with a company's product brand. Whether customers are loyal to a company brand or not really depends on the ability of company management to manage the factors that influence customer loyalty to that brand. (Griffin, 2003:35) stated that growing loyal customers does not happen in a day, a week, a month or even a year, because it is a step-by-step development that takes a long time. This process is carried out over a certain period, with attention given to each stage of growth. Each stage has specific needs. By recognizing each stage and meeting those specific needs, companies have a greater opportunity to convert buyers into loyal customers or clients. If a company has satisfied and loyal customers, it is an opportunity to get new customers.

2 | LITERATURE REVIEW

Understanding Brand

Kotler & Armstrong (2001: 277) define a brand as follows: "A brand is a name, rule, name, symbol, or design, or a combination of all of them with the aim of identifying goods or services from a seller or group of sellers and to differentiate them. from competing products and services". According to Susanto (2004: 297). A brand is "a name, logo or other symbol that is distinctive to identify goods or services from a seller or a particular group of sellers, so that they are different from goods and services produced by competitors". According to Lamb, Hair, Mc Daniel (2001: 421). A brand is: "A name, term, symbol, design or a combination of the four, which identifies the seller's product and differentiates it from competitors' products." According to Kotler & Susanto (2001: 575) a brand is: A name, term, sign, symbol, design or a combination of these things, which is intended to identify the goods or services of one or a group of sellers and to differentiate them from competing products." Meanwhile, according to Simamora (2007: 437) a brand is "everything that identifies the seller's goods or services and differentiates them from other goods and other services" according to Buchari (2002: 105) a brand is: a sign or symbol that provides the identity of a particular good/service which can be in the form of words, images, or a combination of both.

Brand Loyalty

The definition of brand loyalty according to Lamb, Hair, Mc Daniel (2001: 424) is: "Consistent preference for one brand over other brands". Meanwhile, according to Simamora (2007: 439) brand loyalty is: "a reference to the level of commitment of customers to a particular brand". According to Simamora (2007: 439) loyalty can be measured in three stages:

- a. Brand recognition (Brand Recognition)
- b. Brand preference (Brand Preference)
- c. Brand bigotry (Brand Insistence)

Customer loyalty

Customer loyalty is a greeting word from English "loyalty" which means fidelity, fidelity or allegiance is an important part of loyalty in everyday life. Matutina (2000:60) loyalty (loyalty) that someone demands or gives to someone is valid and should be passing due to something a certain level of obedience and loyalty to carrying out the organization's program.

Mowen (2001:531) says that product loyalty is the level at which a customer maintains a positive attitude towards the product, has a commitment to the product in the future. The customer definition provides insight that is important for understanding why companies should create and maintain customers and not just attract buyers. This definition comes from the word Custom, which is defined as "making something a habit or habitual" and "practicing a habit". According to Griffin (2003:31) a customer is someone who has become accustomed to buying from you. Habits are formed through frequent purchases and interactions over a period. According to Schnaars (2000) customer loyalty will also create satisfaction for customers, in this case it will be divided into four categories, namely Failures, Advanced loyalty, Defectors and Successes.

Forms of Customer Loyalty

According to Loudon (2000:564) there are four forms of loyalty, based on a study of repeat purchases of 9 products in Chicago, the four forms of loyalty are:

1. Undivided loyalty
Shown by families who purchased product A in the order: A A A A A.
2. Divided loyalties
Shown by families who purchased products A and B in the following order: AB AB AB.
3. Unstable loyalty
Unstable loyalty is shown by families who buy product A and product B in the following order: AAA BBB
4. No loyalty
There is no loyalty shown by at least those who buy products A, B, C, D, E and F in the following order: A, B, C, D, E and F.

Loudon (2000:565) there are several indications to explain loyalty problems, these indicators include:

1. Socio-economic, demographic, and psychological variables are variables that are related to product loyalty but tend to be specific products compared to general products.
2. Loyalty behaviour from large informal groups will influence the behaviour of members of other groups.
3. There are several consumer characteristics that are related to store loyalty which will then lead to product loyalty.
4. Product loyalty is a positive relationship to observe risks and variables of market structure such as expansion of distribution networks and market share of dominant brands.

Factors That Determine Customer Loyalty

1. Product benefits

According to Kotler (2002:449) Product benefits are services or basic benefits that are purchased by customers. A hotel guest buys "rest and sleep." Buyers of drilling tools, buy "holes". Marketers must view themselves as providers of benefits. Kotler (2002:306) also adds that buyers can be classified according to the benefits they are looking for. One of the most successful benefit segments, was reported by Haley, who studied the toothpaste market. Haley's research revealed four segments of benefits: economic, medicinal, cosmetic and taste. Each group of benefit seekers has its own demographic, behavioural and psychographic characteristics. For example, those seeking protection against tooth decay have large families, are heavy toothpaste users, and are conservative. Each segment also likes certain brands. The toothpaste company could use the discovery to better focus its existing brands and to launch new brands.

2. Product size

Physical products vary in their potential for differentiation. Many products can be differentiated based on the shape, size, model, or physical structure of a product. Note the many forms that products such as aspirin may take. Even though Aspirin is essentially a commodity, it can be differentiated based on dose size, shape, outer layer, functional period and so on.

3. Product durability

The durability or durability of a product is a measure of the expected operating life of a product under normal and/or severe conditions and is a valuable attribute for certain products. Buyers will usually go for vehicles and kitchen equipment that have a high reputation for being durable. However, this rule is subject to several conditions. The extra price should not be excessive. Furthermore, the product must not be affected by technological obsolescence, as is the case with personal computers and video cameras.

4. product price

Price is the only marketing mix element that generates revenue, other elements generate costs. Selling price is one of the most flexible marketing elements. Prices can be changed quickly, unlike product features and distribution agreements. At the same time, determination and competition are also the number one problem facing companies. However, many companies do not handle pricing well. The most common mistakes are pricing that is too cost-oriented, prices are revised too often to take advantage of market changes, prices are set independently of the rest of the marketing mix rather than

from the intrinsic elements of the market positioning strategy. And prices do not vary enough for various products, market segments, and time of purchase.

5. Brand of company products

A brand is a term, sign, symbol, design, or combination of these things, which is intended to identify goods or services from one or a group of sellers to differentiate them from competitors' products.

Research Hypothesis

From a 95% confidence level the research hypothesis can be described as follows:

Ho1: There is no influence of product benefits in determining customer loyalty for Bear Brand milk drinks in Banda Aceh City.

Ha1: There is an influence of product benefits in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ho2: There is no influence of product size in determining customer loyalty for Bear Brand milk drinks in Banda Aceh City.

Ha2: there is an influence of product size in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ho3: There is no product durability in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ha3: there is an influence of product durability in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ho4: There is no influence of product price in determining customer loyalty for Bear Brand milk drinks in Banda Aceh City.

Ha4: there is an influence of product price in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ho5: There is no influence of the company's product brand in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

Ha5: There is no influence of the company's product brand in determining customer loyalty for Bear Brand milk drinks in the city of Banda Aceh.

To test the hypothesis, the F test and t test are used. F test to find out whether the five factors together have a significant effect on customer loyalty with the following conditions:

- If the calculated F value > F table, then Ha is accepted, otherwise Ho is rejected.
- If the calculated F value < F table, then Ha is rejected, otherwise Ho is accepted.

Next, the t test is used to determine whether each factor partially has a significant effect on customer loyalty with the following conditions:

- If the calculated t value > t table, Ha is accepted, otherwise Ho is rejected, then the factor concerned is partially considered to have a significant effect.
- If the calculated t value < t table, Ha is rejected, otherwise Ho is accepted, then the factor concerned is partially considered to have a significant effect.

4 | RESULT

Consumer factors that have high dynamics require extra attention, especially for many Indonesian consumers who have minimal income levels due to the still unstable domestic economy. Basically, the price of products is still considered affordable for the lower middle class (Rp. 2000 / 250 ml). However, the mindset of the "few luxury goods" category must be eradicated through appropriate marketing segmentation techniques, for this reason there needs to be some kind of education through social activities or promotions that can further attach the image of the brand name to the public. The taste of existing products is quite suitable for the Indonesian tongue with the right flavour variants. However, there is still a need for re-learning for researchers at PT. Ultrajaya to develop new fruit flavoured offerings, such as coconut or other fruit that has a unique taste. Apart from that, packaging innovation still needs to be considered. Bottle packaging with various sizes is considered to still have a more practical factor compared to using box packaging (cardboard). By using bottle packaging, consumers who are traveling do not need to worry about having to finish the contents and can immediately close the bottle so they can drink it again soon.

Reliability Test Results

Table. 1 R Reliability of Research Variables (Alpha)

No	Variable	Average Score	Number of Items	Alpha Value	Reliability
1	Customer loyalty (y)	4,192	4	0,664	Reliable

2	Company product brand (X ₁)	3,920	3	0,871	Reliable
3	Product benefits (X ₂)	4,020	3	0,801	Reliable
4	Product price (X ₃)	3,820	3	0,631	Reliable
5	Product size factor (X ₄)	3,909	4	0,641	Reliable
6	Product durability (X ₅)	3,503	3	0,679	Reliable
7	Attachment to the product (X ₆)	3,980	2	0,610	Reliable
8	Product reliability (X ₇)	4,200	2	0,724	Reliable

Source: Primary Data 2023 (processed)

Validity Test Results

Table 2. Validity Test Results

Variable	Question Items	R value Calculate	R table value	Information
Customer loyalty	A1	0,766	0,195	Valid
	A2	0,750	0,195	Valid
	A3	0,739	0,195	Valid
	A4	0,564	0,195	Valid
Company Product Brand	F4	0,879	0,195	Valid
	F2	0,908	0,195	Valid
	F3	0,892	0,195	Valid
Product Benefits	B2	0,867	0,195	Valid
	B4	0,907	0,195	Valid
	B3	0,779	0,195	Valid
Product Price	E2	0,821	0,195	Valid
	E3	0,687	0,195	Valid
	E1	0,785	0,195	Valid
Product Size	C3	0,654	0,195	Valid
	C2	0,778	0,195	Valid
	C4	0,669	0,195	Valid
	C1	0,684	0,195	Valid
Product Durability	D3	0,877	0,195	Valid
	D2	0,750	0,195	Valid
	D4	0,709	0,195	Valid
Interest in the product	F1	0,907	0,195	Valid
	B1	0,797	0,195	Valid
Product Reliability	D1	0,879	0,195	Valid
	E4	0,892	0,195	Valid

Source: Primary Data 2023 (processed)

Multicollinearity Testing

Multicollinearity is tested by looking at the VIF (Variance Inflating Factor) of each independent variable on the dependent variable. If the VIF < 10 and the tolerance value is > 0.01 then it can be said that there is no multicollinearity or non-multicollinearity (Gujarati 1999: 157).

Table 3. Independent Variable VIF Value

Variable	Tolerance	VIF	Information
Company product brand	0,823	1,216	Non multicollinearity
Product benefits	0,747	1,338	Non multicollinearity
Product price	0,902	1,109	Non multicollinearity
Product size	0,922	1,084	Non multicollinearity
Product durability	0,936	1,068	Non multicollinearity
Attachment to the product	0,789	1,268	Non multicollinearity
Product reliability	0,890	1,123	Non multicollinearity

Source: Primary Data 2023 (processed)

Discussion

These seven factors influence customer decisions, including loyalty to Bear Brand milk drink products. The results of the research show that product price and product reliability show a negative influence on customer loyalty for Bear Brand milk beverage customers in the city of Banda Aceh, while the company's product brand, product benefits, product size, product durability and attachment to the product have a positive influence on beverage customer loyalty. Bear Brand milk in the city of Banda Aceh. This can be seen from the regression coefficient values for each variable which can be shown in the following table:

Table 4. Influence of Independent Variables on Bear Brand Milk Customer Loyalty

Variable Name	B	Standard Error	t-count	t-table	Sig.
Constant	2,041	0,488	4,184	1,9840	0,000
Company product brand	0,152	0,056	2,698	1,9840	0,008
Product benefits	0,112	0,066	1,706	1,9840	0,091
Product price	-0,059	0,065	-0,904	1,9840	0,368
Product size	0,056	0,074	0,752	1,9840	0,454
Product durability	0,117	0,055	2,111	1,9840	0,037
Attachment to the product	0,181	0,062	2,933	1,9840	0,004
Product reliability	-0,005	0,062	-0,078	1,9840	0,938
Koefisien Korelasi (R) = 0,560a	a. Predictors: (constant), company product brand, product benefits, product price, product size, product durability, attachment to the product, and product reliability.				
Koefisien Determinasi (R ²) = 0,314	b. Dependent variable: customer loyalty to Bear Brand drinks.				
Adjusted (R ²) = 0,314					
F-Count = 6,014					
F-Table = 2,191					
Sig.F = 0,000a					

Source: Primary Data 2023 (processed)

Based on the results of the computer output via the SPSS program as seen in the table above, the following multiple regression equation is obtained:

$$Y = 2,041 + 0,152 X_1 + 0,0112 X_2 + (-0,059) X_3 + 0,056 X_4 + 0,117 X_5 + 0,181 X_6 + (-0,005) X_7$$

From the equation above, the regression coefficient values for each factor used as the independent variable for the research do not all show positive values. This means that the product price and product reliability factors do not have a positive (negative) effect, while the company's product brand, product benefits, product size, product durability and product attachment have a positive effect on customer loyalty for Bear Brand drinks. Among the seven factors used in the research, the factor that has the greatest influence on customer loyalty for Bear Brand drinks is the attachment factor to the product, indicated by the b6 regression coefficient value of 0.181. This figure can be interpreted that for every one-unit increase in the attachment factor with the product, it will influence an increase in customer loyalty for Bear Brand drinks by 0.181. On the other hand, the factor with the smallest (negative) influence is the product reliability factor with a regression coefficient b7 of -0.005. This figure can be interpreted as meaning that every one-unit increase in the product reliability factor will influence the increase in customer loyalty for Bear Brand drinks by -0.005. Thus, the influence of product reliability factors on customer loyalty for Bear Brand drinks is very small and even positive, when compared with the influence of product attachment factors. The results of data processing also show a correlation coefficient (R) of 0.560. This figure is not close to 1.00 so it can be interpreted that the relationship between the dependent and independent variables on customer loyalty for Bear Brand drinks in the city of Banda Aceh is not strong. Furthermore, the coefficient of determination (R²) value of 0.314 can be interpreted as 0.314 percent of the loyalty level of Bear Brand drink customers in the city of Banda Aceh which is influenced by the factors mentioned above. The remaining 68.6 percent (1-31.4) is influenced by factors other than these seven factors.

5 | CONCLUSIONS AND FUTURE WORK

From the results of the research and discussion presented in the previous chapter, several conclusions can be drawn, and the following suggestions are given.

1. There are five variables in the research, namely product benefits, product size, product durability, product price and company product brand. When the factor analysis was carried out, seven variables emerged, namely the

- company product brand variable, product benefit variable, product price variable, product size variable, product durability variable, product attachment variable and product reliability.
2. Product price and product reliability factors do not have a positive (negative) effect, while the company's product brand factor, product benefit factor, product size factor, product durability factor and product attachment have a positive effect on customer loyalty for Bear Brand milk drinks in the city of Banda Aceh. The factor that has a greater influence on customer loyalty is the product attachment factor, with a regression coefficient b_6 of 0.181. On the other hand, the factor with the least influence on customer loyalty is the product reliability factor with a regression coefficient b_7 of -0.005.
 3. The coefficient of determination (R^2) is 0.314, indicating that these seven factors have an influence on customer loyalty for Bear Brand milk drinks in the city of Banda Aceh by 31.4 percent and the remaining 68.6 percent is influenced by factors other than these seven factors.
 4. The correlation coefficient (R) is 0.560. This figure is not close to 1.00, so it can be interpreted that the relationship between these seven factors and customer loyalty for bear brand milk drinks in the city of Banda Aceh can be said to be not strong.
 5. The results of statistical testing show that the calculated F value is 6.014, while the F table value at the 95 percent confidence level shows a figure of 2.191 because the calculated F value is greater when compared to the F table value ($6.014 > 2.191$), so the H_a hypothesis is accepted, whereas the H_o hypothesis is rejected. which means the company's product brand factor, product benefit factor, product price factor, product size factor, product durability factor, product attachment factor and product reliability factor simultaneously have a significant effect on customer loyalty.
 6. Partially, the company's product brand factor, product durability factor and product attachment factor have a significant effect on customer loyalty. This is because the calculated t value for the company's product brand is 2.698, the product durability factor is 2.111, and the product attachment factor is 2.933, which is greater than the t table value at the 95 percent confidence level which shows a figure of 1.9840. Meanwhile, product benefit factors, product price factors, product size factors, and product reliability factors do not have a significant effect on customer loyalty. This is because the calculated t value for the product benefit factor is 1.706, the product price factor is -0.904, the product size factor is 0.752 and the product reliability factor is -0.078, smaller than the t table value at the 95 percent confidence level which shows a figure of 1,9840.

REFERENCES

- [1] A.B Susanto. Dkk (2004). Value Marketing. Penerbit Quantum Bisnis dan Manajemen, Jakarta Selatan.
- [2] Alma, Buchari (2002). Manajemen Pemasaran dan Pemasaran Jasa, Penerbit Alfabeta, Bandung.
- [3] Arikunto, Suharsimi (2002) Prosedur Penelitian Suatu Pendekatan Praktek, Edisi Revisi, Rineka Cipta, Jakarta.
- [4] Dick dan Basu (2001). Manajemen Pemasaran Jasa : Teori dan Praktek, Edisi Pertama. Salemba Empat, Jakarta.
- [5] Engel, James.F, Ronger D.Blackwell, Paul W. Miniard (2001). Perilaku Konsumen, Edisi Empat, Jilid Satu, Bina Rupa Aksara, Jakarta.
- [6] Gozali, Imam (2003). Aplikasi Analisis Multivariate Dengan Program SPSS, Edisi 1, Semarang.
- [7] Griffin, Jill (2003). Customer Loyalty : Menumbuhkan dan Mempertahankan Kesetiaan Pelanggan. Penerbit Erlangga, Jakarta.
- [8] Gujarati, Damodar (1999), Ekonometrika Dasar. Cetakan ke Empat, Alih Bahasa : Drs.AK.Sumarno Zein,MBA,Erlangga,Jakarta.
- [9] Kotler, Philip dan A.B Susanto (2001). Manajemen Pemasaran di Indonesia. Buku II,Penerbit Salemba Empat, Jakarta.
- [10] Kotler, Philip (2002). Manajemen Pemasaran. Penerbit PT.Ikrar Mandiri Abadi, Jakarta.
- [11] Kotler, Philip dan Gary, Amstrong (2001). Prinsip-prinsip Pemasaran, Edisi ke Delapan,Erlangga, Jakarta.
- [12] Lamb, Hair, McDaniel (2001). Pemasaran. Buku I, Penerbit Salemba Empat, Jakarta.

- [13] Loudon, David L dan Albert J, Della Bitta, (2000). Customer Behavior, Edisi ke lima, Mc Graw Hill Book Co Singapura.
- [14] Malhotra, Naresh K (2005). Riset Pemasaran Pendekatan Terapan. Edisi Bahasa Indonesia, Jilid I, Edisi ke Empat, Penerbit PT Indeks Kelompok Gremedi, Jakarta.
- [15] Ma'aruf, Jasman J (2005). Riset perilaku konsumen: niat membeli melalui internet. Penerbit Program Magister Manajemen Pasca Sarjana Universitas Syiah Kuala.
- [16] Matutina, at.al. (2000). Loyalitas Pelanggan. Edisi Kedelapan, Salemba Empat, Jakarta.
- [17] Mowen, Jc. Dan M.Minor, (2001). Perilaku Konsumen. Jilid I Penerbit Erlangga. Jakarta.
- [18] Ni gusti,Made Antara (2005). Faktor-faktor yang menentukan loyalitas pelanggan terhadap merek the botol sosro di kota denpasar. Jurnal Program Studi Agribisnis, Jurusan Sosial Pertanian Fakultas Pertanian Universitas Udayana.
- [19] Simamora, Henry. (2007). Manajemen Pemasaran Internasional. Jilid II, Edisi II, Penerbit Rineka Cipta, Jakarta.
- [20] Simamora, Bilson (2004), Riset Pemasaran (Falsafah, Teori dan Aplikasi), Penerbit PT Gremedia Pustaka Utama, Jakarta.
- [21] Sugiyono (1999). Metode Penelitian Bisnis. Jilid I, Penerbit CV, Alfabeta, Bandung.
- [22] Sukardi (2003). Metodologi Penelitian Pendidikan, Edisi Pertama, Penerbit PT Bumi Aksara, Jakarta.
- [23] Schnaars, Steven P. (2000). MARKETING Strategi: A Customer Driver Approach. New York, The Free Press.
- [24] Sheth, et.al (2000). Is Relationship for Everyone? Euopen Journal of marketing, Vol 34-4-10, 2000. Golis, Cristhoper e. menjual Dengan Empati. Gremedia Pustaka Utama, Jakarta.
- [25] www.mix.co.id

How to cite this article: Rizal, S., & Ismail. (2023). Factors That Determine Customer Loyalty Towards Bear Brand Milk Drink in The City of Banda Aceh. *Indonesian Journal Economic Review (IJER)*, 3(2), 80-87. <https://doi.org/10.59431/ijer.v3i2.231>