

EFFECT OF RELATIONSHIP MARKETING ON LOYALTY LEATHER CHEMICAL DIVISION PT. KARYAWIYOSA ABADI

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ABSTRACT

This study aims to determine the effect of relationship marketing on customer loyalty leather chemicals division PT. Karyawiyosa Abadi. Loyalty becomes a very important factor in encouraging the continuity of its business. According Jesri., At al, loyalty can be influenced by five variables trust, commitment, communication, conflict handling, and competence. The population in this study amounted to 115 customers, while the number of sample is 90 respondents. Data analysis was performed using SPSS 20.0. The results showed that the variables affecting the relationship of loyalty simultaneously and partially.

Keywords: loyalty, trust variable, commitment variable, communication variable, conflict handling variable, competence variable

INTRODUCTION

Business development in Indonesia is quite fast nowadays. Not only is information-based business, but trade and services. This is evident from the growth of Indonesian exports, which reached Indonesia's export value reached US \$ 14.48 billion, an increase of 2.48 percent in August 2014 compared to July 2014. Exports Similarly, if compared to August 2013 increased by 10.63 percent. (www.bps.go.id).

The export growth was supported by almost all sectors including leather goods and furs or so-called leathers and fur. Leathers itself can be a jacket, gloves and sports motorcycles, car seat or sofa, or that could be called upholstery, and more. Ministry of trade has increased the data is good enough for leathers sectors and fur.

Table 1. leathers and fur growth last 5 years in Indonesia

No	Sector	2009	2010	2011	2012	2013	Trend 2009-2013
1	Leather	178,4	246,4	292,1	324,7	338,1	16,81
2	Fur	1,1	1,2	1,3	2,6	2,2	22,96

The leather tanning industry is unique because this business is a blend of producing goods by using the creative arts. As a trading business, leather tanning industry produces crude becomes tanned leather that will be made shoes, jacket, gloves and so on to the consumer. In addition,

this business is also quite unique in that each tanning industry will produce different results. It is caused by a touch of art that is different from the businesses with other business people.

In running a tannery or leather tanning industry, there are three main suppliers, raw skin obtained from slaughterhouses, general chemicals such as titanium dioxide (TiO₂), Sodium Bicarbonate, and so on, as well as specialty chemicals (auxiliaries) and dyestuff. One of the specialty chemical supplier and auxiliaries in Indonesia is PT. Karyawiyosa Abadi.

PT. Karyawiyosa Abadi is a company engaged in the distribution of chemicals for textiles and leather tanning since 1991. The company became the sole agent of one of the chemical industry of textiles and tanneries of Europe. Competition in the sale of leather tanning chemicals are very tight because after the agreement of China-Asean Free Trade Area in 2004 made a lot of leather tanning chemicals manufacturer with limited quality into Indonesia with a very low price. In addition, the amount of leather tanning industry is limited, only by 67 industrial upper middle and 240 registered domestic industry in Indonesia Tanning Association makes PT. Karyawiyosa Abadi trouble finding additional new customers. In addition, the level of competition is getting tougher and the number of products from China, Taiwan, and Thailand which have very cheap prices, also influence sales of PT. Karyawiyosa Abadi stagnant the last 5 years. According to data from the association's official website tannery, in 2014 the number of suppliers of chemical tanning company as much as 29 or as many as 43.28% of the number of medium-large leather industries listed.

With the very tight competition, brand loyalty in the use of products that use the primary focus. No exception to the PT. Karyawiyosa Abadi, loyalty becomes very important asset in maintaining sales and to increase sales further.

Loyalty itself according Dharmmesta in Martini (2013: 12-13) is a behavioral response that is able to purchase and revealed continuously by decision makers to pay attention to one or more alternative brand of a number of similar brand and is a function of the psychological processes. However, it should be emphasized that it is different from re-purchasing behavior, customer loyalty include aspects of feeling in it.

PT. Karyawiyosa Abadi need to apply the concept of relationship marketing where according smith Relationship Marketing (2011: XXV) will make potential customers aware of products and services, business positioning in the mind of the customer as the obvious choice, and help the company build a profitable relationship with their lifetime. With business competition that occurs at chemical distributor tannery, the concept of relationship marketing is a very interesting study because by knowing how the quality of a relationship given by PT. Karyawiyosa Abadi, the loyalty of the tanning industry will be formed.

Table 2. Number of PT. Karyawiyosa Abadi's Customer by Year

No	Pelanggan berdasarkan Tahun	Jumlah
1	2000 – 2001	50
2	2002 – 2003	67
3	2004 – 2005	81
4	2005 – 2010	125
5	2011 – 2015	121

With the data mentioned above, then do research on the extent of the relationship PT. Karyawiyosa Abadi with customers so that the customers become loyal to the products offered. for that relationship marketing is indispensable in PT. Karyawiyosa Abadi.

According Krisdianto (2011), relationship marketing is very interesting to study because of the concept of marketing has grown very rapidly where it is now marketing concept no longer focusing on the product, but the concept of a consumer-focused marketing. Thus, the concept of relationship marketing will provide something different for the leather tanning industry in the use of products from PT. Karyawiyosa Abadi. Referring to previous research, relationship

marketing has an influence on customer loyalty. Gunawan (2012: 54) states that the relationship marketing variables affect customer loyalty to the trust of the most influential variables.

To that end, it is necessary to do research on how much influence the relationship marketing on customer loyalty, which are the most influential variables and that had no effect. PT. Karyawiyosa Abadi can improve less significant variables that influence loyalty so that the overall variables can affect the loyalty evenly. Additionally PT Karyawiyosa Abadi standards valid assessment of the relationship with the customer and then PT. Karyawiyosa Abadi can determine the right strategy, according Ndubisi & Gee (2005) in Jesri. et. al. (2013: 305-306) study was conducted by using an indicator of trust, commitment, communication, conflict handling, and competence.

Problem Statement

1. Is the trust variables affect customer loyalty in leather chemicals division at PT. Karyawiyosa Abadi?
2. Is the commitment variables affect customer loyalty in leather chemicals division in PT. Karyawiyosa Abadi?
3. Is the communication variables affect customer loyalty in leather chemicals division at PT. Karyawiyosa Abadi?
4. Is the conflict handling variables affect customer loyalty in leather chemicals division in PT. Karyawiyosa Abadi?
5. Does competence variables affect customer loyalty in leather chemicals division at PT. Karyawiyosa Abadi?

LITERATURE REVIEW

Relationship Marketing

The concept of relationship marketing was first introduced in 1986 by Dr. Leonard Berry contained in the book Smith (2011: XXIV) which explains that relationship marketing is how to attract, maintain, and enhance customer relationships.

According to Smith (2011: XXV), customer relationship will make potential customers aware of the products and services offered, business position in their mind as an obvious choice, and help build profitable relationships with their lifetime.

According to Kotler quoted from Elsandra and Rahayu (2013: 127) relationship marketing is the process of formation, maintenance, and improvement of close relationships with customers

According Heruwasto (2009: 49-52), so that the company continues to be able to grow and survive, the approach used by marketing relationship marketing is always updated. In this concept of relationship marketing, marketing is no longer enough just to emphasize product quality factors that are owned and after-sales service provided by the company, but also have to build relationships of friendship to all parties that contributed to the creation of value. Customer relationship indicator is divided into five, namely how the level of trust, commitment, communication, conflict handling, and competence.

Indicator of Relationship Marketing

According Ndubisi & Wah in Jesri. et. al. (2013: 305-306) measuring instrument relationship marketing are as follows:

(1) Trust

According to Wong and Shoal quoted in Jesri. et. al. (2013: 305-306), the trust shows how the relationship of each person, the extent to which they can promise something and others believe him. In this study, the safety variables were measured of trust by factors such as good quality products, timeliness in prescribing and samples, to the behavior of salespeople PT. Karyawiyosa Abadi.

(2) Commitment

According to Rashid quoted in Jesri. et. al. (2013: 305-306), the commitment is the intention to continue or maintain relationships with others. In this study the variables of commitment can be measured by looking at the good relationships with customers, trying to fulfill what was promised and how the leather chemical division PT. Karyawiyosa Abadi can be aligned and consistent with customer needs and flexibility.

(3) Communication

According Ranjbarian and Barari quoted in Jesri. et. al. (2013: 305-306), the communication is all the exchange of information both formally and informally that makes the information meaningful and timely between buyers and sellers. In this study the communication is measured by factors such as good communication with customers, salespeople are able to explain the products well and provide accurate information about the products offered

(4) Conflict Handling

According Ndobisi & Wah cited in Jesri. et. al. (2013: 305-306), the handling of conflict is defined as the process of minimizing the negative result of the involvement of something. In this study the handling of conflicts measured by factors such as responsible if there is any damage, willing to listen to complaints, and the ability to provide solutions to the problems encountered.

(5) Competence

According to Smith and Barclay cited in Jesri. et. al. (2013: 305-306), the competence defined by perceptions of each party's number of relationship skills, abilities, and knowledge required by the opposing party functions effectively. In this study, competence is measured by factors such as having competence in the field, has the ability to analyze customer needs, and has the ability to conduct trials.

Loyalty

In general, loyalty means fidelity. Fidelity itself arises not because of compulsion, but appear as individual consciousness to ever experience gained while consuming a product or service. In the context of a business relationship, so dealing with customer loyalty. Where the company will get a sustainable increase in sales if you have a number of loyal customers.

Definition of loyalty are also many delivered by experts, according Hurriyati (2010: 127) is committed customer loyalty to survive in depth to re-subscribe or re-purchase of products or services consistently disaggregated in the future despite the influence of the situation and the efforts of stimulants has the potential to cause a change in behavior. Meanwhile, according to Kotler and Keller (2012: 127) loyalty is a deeply held commitment to buy back a large selection of products or services in the future.

In this study, loyalty can be seen by factors such as willingness to buy back the products offered, recommending products that are sold to colleagues, and make the products of PT. Karyawiyosa Abadi as primary.

RESEARCH METHODS

Research approach

The research approach used by the author is the causal approach. According Istijanto (2009: 31) Causal research is research that has the main purpose to prove causality or influence the relationship of the variables studied.

Research methods that will be examined is the author of a quantitative approach. According Martono (2010: 117) approach a quantitative method is a method of research conducted by collecting data in the form of numbers or numerical, then these data in the analysis to obtain scientific information.

Population

According Sukardi (2010: 53) are all members of the population of humans, animals, events, or objects that live together in one place for analysis conclusions. The population in this study are all consumers who have used tanning chemical of PT. Karyawiyosa Abadi during the last 10 years regularly every month. On this study, population was 115 industries.

Sample

Understanding the sample according Mardalis (2009: 55) is an example of some individuals who become the object of research. In a study it was not necessary to examine all the individuals in the population because it will be a lot of cost and time. By researching the majority of the population, it is expected that the results can be able to describe the relevant population. On This study sample calculated by slovin calculation

$$n = \frac{N}{1 + Ne^2}$$
$$n = \frac{115}{1 + 115 (0.05^2)} = 90 \text{ Responden}$$

Data Analysis

Data analysis was performed using multiple linear regression. According Kuncoro (2009: 235) linear regression can directly see the influence of the independent variable on the dependent variable. Model of multiple linear regression analysis in this study is the variable Y as the dependent variable and the variable X as independent variables.

The shape of the multiple linear regression equation used in this study are as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Hypothesis Testing with Individual Significance test (t-test)

According Kuncoro (2009: 238) Statistical test t on purpose to show how big the influence of an independent variable on the dependent variable

Hypothesis Testing with Simultaneous Significance test (F-test)

According Kuncoro (2009: 239), F statistical test aims to demonstrate an independent variable have influence together with the dependent variable

Coefficient of Corellation

According Sugiyono (2009: 228) correlation coefficient aims to find the relationship and prove the hypothesis of relationship between two variables when both variables of data in the form of interval or ratio.

Coefficient of Determination

According Kuncoro (2009: 240) coefficient of determination aims to assess how high the ability of a research model to explain the variation of the independent variables, where great value is zero coefficient up to one.

FINDING

Data Validity

Table 5.10 shows the validity of the test results variables trust, commitment, communication, conflict handling, competence, and loyalty as well as the significance of each item statement. On the validity of the test results above, all of the items have a value statement validity below 0.05 so that all items declared valid statement.

Table 3. Validity Test

Variabel	Indikator	r pearson	signifikansi	Keterangan
<i>Trust (X1)</i>	1	0.746	0.000	Valid
	2	0.870	0.000	Valid
	3	0.601	0.000	Valid
<i>Commitment (X2)</i>	1	0.727	0.000	Valid
	2	0.809	0.000	Valid
	3	0.732	0.000	Valid
	4	0.574	0.000	Valid
<i>Communication (X3)</i>	1	0.770	0.000	Valid
	2	0.809	0.000	Valid
	3	0.790	0.000	Valid
<i>Conflict Handling (X4)</i>	1	0.690	0.000	Valid
	2	0.817	0.000	Valid
	3	0.788	0.000	Valid
<i>Competence (X5)</i>	1	0.825	0.000	Valid
	2	0.771	0.000	Valid
	3	0.795	0.000	Valid
Loyalitas (Y)	1	0.821	0.000	Valid
	2	0.826	0.000	Valid
	3	0.897	0.000	Valid

Data Reability

Table 5.11 below shows that the variables of trust, commitment, communication, conflict handling, competence, and loyalty has a Cronbach alpha value greater than 0.6 so it can be proved that all the variables in this study is reliable.

Table 4. Reliability Test

Variabel	Item	Cronbach's Alpha	Keterangan
<i>Trust (X₁)</i>	Mampu menyediakan produk dengan kualitas yang baik	0.616	Reliabel
	Ketepatan waktu dalam pemberian resep dan sampel		Reliabel
	Perilaku tenaga penjual memberikan kepercayaan pada pelanggan		Reliabel
<i>Commitment (X₂)</i>	Tenaga penjual mampu menjaga hubungan baik dengan pelanggan	0.676	Reliabel
	Berusaha memenuhi apa yang telah dijanjikan		Reliabel
	Memiliki hubungan yang selaras dengan pelanggan		Reliabel
	Memiliki tingkat fleksibilitas yang baik dengan pelanggan		Reliabel
<i>Communication (X₃)</i>	Tenaga penjual mampu bersikap ramah terhadap pelanggan	0.695	Reliabel
	Tenaga penjual mampu menjelaskan produk dengan baik		Reliabel
	Tenaga penjual mampu memberikan informasi yang akurat kepada		Reliabel

	pelanggan		
Conflict Handling (X4)	Bertanggung jawab saat ada kerusakan barang yang dijual	0.648	Reliabel
	Bersedia mendengarkan keluhan dari pelanggan		Reliabel
	Kemampuan memberikan solusi terhadap masalah yang dihadapi		Reliabel
Competence (X5)	Tenaga penjual memiliki kompeten di bidangnya	0.711	Reliabel
	Memiliki kemampuan menganalisa kebutuhan pelanggan		Reliabel
	Memiliki kopetensi melakukan uji coba pada skala lab pelanggan		Reliabel
Loyalitas (Y)	Akan terus membeli produk-produk PT. Karyawiyosa Abadi	0.796	Reliabel
	Akan merekomendasikan produk-produk PT. Karyawiyosa Abadi kepada rekan		Reliabel
	PT. Karyawiyosa Abadi akan menjadi pilihan utama		Reliabel

Multiple Linear Regression using SPSS 20.0

Table 5. Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.922 ^a	.851	.842	.21475	1.728

- a. Predictors: (Constant), Rata-rata Competence, Rata-rata Trust, Rata-rata Commitment, Rata-rata Conflict Handling, Rata-rata Communication
- b. Dependent Variable: Rata-rata Loyalitas

Table 6. t Test of Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.482	.230		-2.096	.039
Rata-rata Trust	.151	.085	.144	1.783	.078
Rata-rata Commitment	.472	.121	.401	3.887	.000
Rata-rata Communication	.093	.126	.090	.734	.465
Rata-rata Conflict Handling	.218	.123	.207	1.768	.081
Rata-rata Competence	.176	.095	.170	1.854	.067

- a. Dependent Variable: Rata-rata Loyalitas

Based on the above table it is known that the value of R is obtained for 0922 indicate that the relationship marketing relationship that includes trust, commitment, communication, conflict handling and competence loyalty tannery chemicals division PT. Karyawiyosa Abadi classified as very strong.

R Square value obtained for 0851, meaning that the effect of relationship marketing that includes trust, commitment, communication, conflict handling and competence loyalty tannery chemicals division PT. Karyawiyosa Abadi amounted to 85.1% and the remaining 14.9% is influenced by factors other than a trust, commitment, communication, conflict handling and competence.

in this study, the F test is generated by 95 710 at a significance level of 0.000. These results indicate that the resulting level of significance was of <0.05 so it can be concluded that all variables of relationship marketing affecting customer loyalty together and also the t test above, it appears that only the commitment variables that have a significant effect on loyalty. while the four other variables have no significant effect.

CONCLUSION

There is the influence of relationship marketing and loyalty components as seen from the results of multiple linear regression analysis between the components of relationship marketing is trust, commitment, communication, conflict handling, and competence as an independent variable (X) and customer loyalty as the dependent variable (Y). This conclusion was drawn after seeing the value of multiple correlation coefficient of 0.922 while the coefficient of multiple determination is equal to 0851. This shows that the influence of relationship marketing variables have enough positive effect on loyalty at 92.2%. Relationship marketing variables that affect loyalty explained 85.1% while the remaining 14.9% is explained by other variables.

There is a relationship between relationship marketing and loyalty overall. It is concluded from the results of the F test shows that the value of 95.710 F test with a significance of 0.000, which indicates if the significant value <0.05 then there is a significant relationship between relationship marketing with customer loyalty tannery chemicals division PT. Karyawiyosa Abadi.

There is a relationship between the components of a partial relationship marketing and loyalty. T test in multiple linear regression analysis showed partial correlation between the five components of relationship marketing and loyalty. From the results of the analysis showed that the commitment has the highest impact on loyalty followed by competence, trust, and conflict handling. While communication has an influence on the loyalty of the lowest.

From the results of multiple linear regression analysis as a whole can be concluded that the relationship marketing can lead to customer loyalty tannery chemicals division PT. Karyawiyosa Abadi so that it can be applied and further enhanced in an effort to achieve the goal of increasing sales through customer loyalty. Relationship marketing component that has a dominant influence on consumer loyalty back tannery chemicals division PT. Karyawiyosa Abadi is a commitment that is more emphasis on creating long-term relationships between PT. Karyawiyosa Abadi with customers.

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