The effect of marketing mix on customer loyalty in PT. Matrastama Maestro Perkasa

By

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THESIS ADVISER

RECOMMENDATION LETTER

This thesis entitled **"The effect of marketing mix on customer loyalty in PT. Matrastama Maestro Perkasa"** prepared and submitted by Yudhianto Tandi in partial fulfillment of the requirements for the degree of Bachelor Degree in the Faculty of Economics has been reviewed and found to have satisfied the requirements for a thesis fit to be examined. I therefore recommend this thesis for Oral Defense.

Cikarang, Indonesia, January 30, 2012

Acknowledged by,	Recommended by,
Irfan Habsjah, MBA, CMA	T. Manivasugen, MBA
Head of Management Study Program	Thesis Adviser

DECLARATION OF ORIGINALITY

I declare that this thesis, entitled **"The effect of marketing mix on customer loyalty in PT. Matrastama Maestro Perkasa"** is to the best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in a part, to another university to obtain degree

Cikarang, Indonesia, January 31 2012

Yudhianto Tandi

Acknowledgement

Let me start by thanking God for everything in my amazing life and I should thank God Almighty once again for the blessing such that I am able to complete this thesis. Obviously I wouldn't have completed this thesis without the help of the people around me especially. I would like to thank and express his gratitude to these wonderful individuals that played a great deal of helping, nurturing and showing the best way in their best perception:

1. My family that consists of: mother, father, sister, and my brother, for all their support, care, and love.
2. My Thesis Advisors; Mr. T Manivasugen, in-progress advisors - Mr. Suresh Kumar, and Mr Sonny Vinn Sutedjo. for all their guidance, support, suggestions. Thank you so much for listening and throwing in great advices in accomplishing the thesis.
3. My Colleagues in PT. Nutrifood Indonesia (CRA team) and PT. Matrastama Maestro Perkasa (Marketing team) for all the patience in helping me and giving their attention in the progress of completion of this thesis.
4. All of my friends in President University right from marketing batch 2008 to the "hi-and-bye" friends, I'm not going to say names here, you know who you are ☺ Honestly I wouldn't be who I am if it weren't for all of you.

Developing this thesis has given the author many good experiences. It allows the author to apply all the knowledge that has been learned during three years stay. It enhances the author's thinking skill as well as management and timing skill. It was very valuable experiences for the author.

Jakarta, January 30 2011

Yudhianto Tandi

Abstract

The aim of this research is to find out the relationship and influence of Marketing mix (4 P's; Product, price, place and promotion) collectively towards customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta. This research also finds out which of the marketing mix elements have the strongest influence and to see the influences of each marketing mix elements towards customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta.

A study location located in Jakarta area with total of 83 respondents which are made up of PT. Matrastama Maestro Perkasa customers. Using systematic random sampling technique, the result of multiple regression in f – test found that marketing mix elements (4P's) has effect in customer loyalty with the result of 6.397 with sig 0.000 < *alpha* 0.05 means there was significant effect between all independent variables (4P's) towards dependent variable (customer loyalty).

In t – test found that there was significant effect between product towards customer loyalty with t value result of 1.312 and significant t = 0.004, there was also significant effect between price towards customer loyalty with t value result of 1.298 and significant t = 0.004, no significant effect between place and customer loyalty due to t value result of -0.606 and significant t = 0.246 and there was significant effect between promotion towards customer loyalty with t result is t-value result which is 2.227 and significant t = 0.001.

The findings of this research concluded that other than place, the rest of the marketing mix elements of product, price and promotion simultaneously has significant effect in customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta. On the other hand the marketing mix element of place has negative influence on customer loyalty in the bedding products of PT. Matrastama Maestro Perkasa in Jakarta.

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SPSS	: Statistical Products and Solution Services
Etc	: et cetera
B2B	: Business to business
VIF	: Variance inflation Factor
PT	: *Perseroan Terbatas*

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CHAPTER I

INTRODUCTION

1.1. Background Study

As we all know that sleeping is a need and it must be fulfilled. The choice of sleeping however is something that can be chosen on. Whatever the choice is it definitely must suit the user liking and as always in this materialized world, suits the given monetary budget. Here in Jakarta, the capital of Indonesia, with its big market and consumerism in nature bedding industry is flourishing.

A simple illustration that shows market is evidently large can be seen through naming brands that are sold in the market. Since researcher is using bedding company, PT. Matrastama Maestro Perkasa, as the case studies. Researcher would like to name in particular bedding brands that can be found in the current Jakarta market; Astroland, Airland, Alga, Bigland, Central, Cindy, Comforta, Cosisoft, Dreamline, Dunlopillo, Elephant, Elite, Florence, Gudho, Koala , King Koil, Lady Americana, Musterring, Quantum, Revor, Spring Air, Serta, Romance, Simmons, Tempur, Therapedic, Uniland, Winner, Yuki, etc. 29 names of brands and still new brands are coming out with researcher missing out some brands on purpose.

These brands targets different price ranges thus going for different segments. Surely that many brands will cause confusion for the consumer and customers since there are so many brands to choose from. It is normal for a company to have a few brands at the same time with overlapping price between their brands. The current condition in the bedding industry at the moment is that the main distribution channel that companies sell their products is through the retailers/shops.

Retailers made up the main customers of the bedding companies and through them the companies survive or fall. Likewise, PT. Matrastama Maestro Perkasa majority

business exchange is B2B in nature and their intention is to win the customer loyalty. In many situations, end-users/consumers find themselves in a retailer/customer and end-users may find two different products that have approximately the same bedding specification but with different brands resulting in different price. Retailers will then recommend the brand that they have good relations with the company that produced them.

Customer loyalty here is the keyword for the recommendation of the product towards the end-user. The action of repeat purchase suggests the terminology of customer loyalty which is an indicator of customer retention. Attaining customer loyalty is not an easy task but when it is attained, repeat purchases will occur thus it means a sustainable profit for the bedding companies hopefully for a long time to come.

A theory that has been tested through time which is the marketing mix if used innovatively plays a great role in terms of creating an offer for the customer that is profitable, value-packed and often hard to turn down. Like every other companies, PT. Matrastama Maestro Perkasa, found its difficulties entering the market. Now they have their fair share list of loyal customer that does repeat buying and ensuring not only the survivability of the company but also the profitability for years to come. The importance of marketing mix should never be underestimated and in this thesis, researcher would like to discuss it.

1.2. Company profile

PT. Matrastama Maestro Perkasa wasestablishedinJakarta onJuly 8, 1995. Since 1996began to activelytake partin the business ofspring mattresses, somecommercialbrandsthat have beenpatentedinclude:Astroland, Cindy, Cosisoft, Revor andStarland. PT. Matrastama Maestro Perkasa products can be found in almost all area of Indonesia including the islands ofJava, Bali, Borneo, SulawesiandSumatra.

1.2.1. Company Facts

Company Name: PT. Matrastama Maestro Perkasa

Industry: Bedding

Company's Address: Kp. Pagaulan, Ds. Sukaresmi, Kec.Lemah Abang Cikarang - Bekasi
Phone: (021) 897 0570-71-72-73-74
Fax: (021) 897 0568

Company's Branches:

- JL. Taruna 11A Kopo Cibolerang - Bandung
  Phone / fax : (022) 543 0414

- Komplek Puri Anjasmoro BI M-75/1-2,- Semarang, Jawa Tengah
  Phone/fax: (024- 7609801)

- JL. Cargo Permai No. 138 Denpasar - Bali
  Phone/ fax : (0361) 272 5000

1.2.2. Company's vision and mission

PT. Matrastama Maestro Perkasa concentrateson aspring and latex mattressproducts that are manufactured usingsuperior quality coil springmaterial, latexmattressesthrough the use of high tech machinery.

PT. Matrastama Maestro Perkasa vision is striving to be the market leader in providing quality bedding and sleeping solutions to customers in the best of ways for comfortable, healthy and active lifestyle. The basic conceptsoftheir products are:

1. Quality through the excellencein the construction of products.

PT.Matrastama Maestro Perkasa is ensuringthe healthand comfort from the use of their bedding which are manufactured through the use of high tech machinery, superior quality spring and other high standards raw material thus providing a high level of satisfaction to the consumer.

2. Excellent service for the customer and consumer through the sound management and competent human resource.

   PT. Matrastama Maestro Perkasa is made up of professional and vigilant staffs that are willing to give their best in providing the best of solutions for customer and consumer.

1.3. Problem Identified

From the given background of the study, it has been illustrated the numbers of brand that are competing for customers in Jakarta market. The competitiveness of the bedding industry suggests the players in the industry to be able to get hold of their customers as long as possible and make them their loyal customer which induces repeat purchases thus sustainable profit.

There is a differentiation between a repeat purchase customer and one-off purchase customer. Repeat purchase customer refers to entity that purchases more than one time and the one-off customer would be entity that just purchased once. PT. Matrastama Maestro Perkasa has a total of 476 customers in Jakarta, 345 of them is a repeat purchase group while the rest 131of them is one-off customer group.

Judging from the data given above, approximately 27.5% is a one-off customer which is significant in number. Here in this study, researcher would like to find out whether the elements marketing mix of a product should be given more attention to create customer loyalty that in turn will results in repeat purchase from the potential and current one-off purchasers in the coming future.

1.4. Statement of the problem

The statements of the problem in this research are:

1. Is the any correlation between marketing mix and customer loyalty?
2. If correlation proven to exist, how strong is the correlation?
3. What is the strongest element of marketing mix that affects customer loyalty?

1.5. Research objectives

The research objectives are as follows:

1. Find out the correlation between ***Product*** towards customer loyalty

2. Find out the correlation between ***Price*** towards customer loyalty

3. Find out the correlation between ***Place*** towards customer loyalty

4. Find out the correlation between ***Promotion*** towards customer loyalty

5. Find out the correlation between Marketing mix (**Product, Price, Place and Promotion**) towards customer loyalty

1.6. Significant of the research

1.6.1. For the researcher

For the researcher, this thesis is a prerequisite and must be fulfilled as a part of achieving Bachelor Degree of Management. Furthermore this research is an active, hands-on analyzing and application of theories that we learnt during the study year

and eventually lead to having in-depth understanding and knowledge about the importance of marketing mix within the given situation of bedding industry.

1.6.2. For Academic Community

For the Academic community, this research will surely give contribution in terms of deeper knowledge about the importance of marketing mix in reality and hopefully especially useful for the future internees and employees that will participate in specific areas such as marketing department of the company that they are working for.

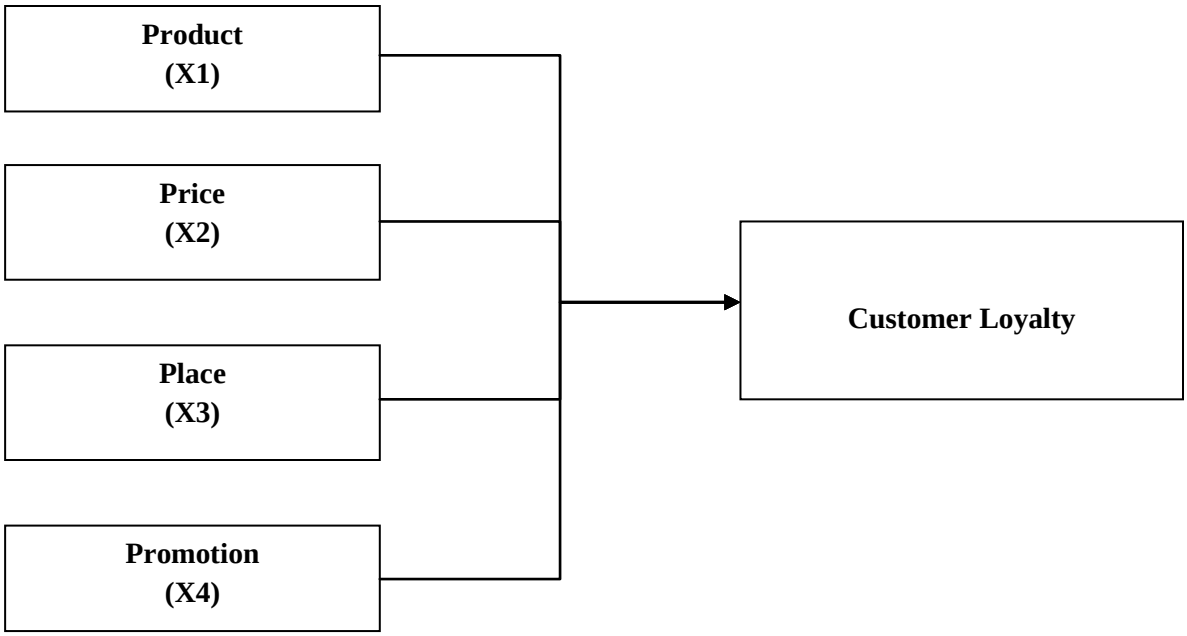
1.6.3. For the company

For the Company, the end-result of this research can be used as reference for gaining in depth knowledge and realize the importance of marketing mix of a product and help them creating customer loyalty in the coming of times.

1.7. Theoretical Framework

The theory that will be used in this thesis will be based on the marketing mix. Marketing mix is made up of 4 elements and they are; Product, Price, Place and Promotion. Each of these elements is believed to have and influence towards customer loyalty.

Figure 1.1 Theoretical Framework



Source: Self constructed

1.8. Scope and Limitations of study

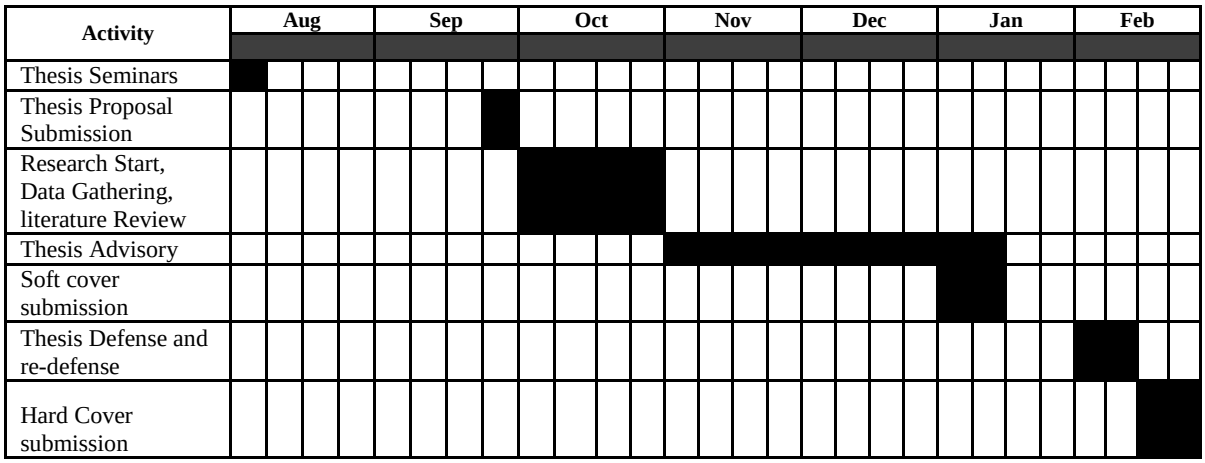
This study is trying to understand the relationship between marketing mix and customer loyalty for PT. Matrastama Maestro Perkasa and points which is the most influential element of marketing mix. Its limitations are as explained below.

1.8.1. Setting of the study

Study is only conducted in Jakarta area and the location of the company is in the outskirt of Jakarta area which is Cikarang.

1.8.2. Time Frame

Figure 1.2 Research Time line



Source: Self constructed

1.9. Assumptions and Hypothesis

It is assumed that marketing mix (Product, Price, Place and Promotion) is influential to customer loyalty for bedding products. Other elements such as people, process, and physical evidence are excluded.

1.10. Definition of terms

- Retailer

  Retailer is defined as a business enterprise that sells goods and services directly to the final consumer for his or her personal, non-business use (Chin Tiong Tan, Phillip Kotler, Siew Meng Long, and Swee Hon An, 1999).

- Marketing Mix

  Is the set of controllable tactical marketing tools – product, price, place and promotion – that the firm blends to produce the response it wants in the target market (Gary Armstrong and Philip Kotler, 2010).

- B2B

  Are the markets where one business markets and sells products and services for an organization's use or to sell on to other businesses for their own use (Ray White, 2004).

- Customer Loyalty

  A deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1997).

CHAPTER II

LITERATURE REVIEW

2.1. Past research

There is past research done by Yu-Te Tu, Shean-Yuh Lin, Yu-Yi, and ChangChungyu Institute of Technology Keelung, Taiwan, which is entitled: "***Relationships among Service Quality, Customer Satisfaction and Customer Loyalty in Chain Restaurant***" Chain restaurant is one of the fastest growing restaurants in the food service industry.

In America, Service industry contributes about 60% of the annual GDP and 70% of new jobs. According to the statistics of Executive Yuan of Taiwan, the service industry contributes over 70% of the annual GDP in 2008. The ultimate goal for companies is to build customer loyalty. With loyal customers, companies can reduce the operating cost and acquisition expenses. An improvement of 5 percent in customer retention leads to an increase of 25 percent to 75 percent in profit. It costs more than five times as much to obtain a new customer than to keep an existing one.

This initial study was from relevant literature, then set up research structure and hypotheses. Survey was employed, and respondents were from the customers of Taoban in Taiwan. There were 182 usable questionnaires to analyze descriptive statistics, reliability, validity, and SEM model. The research found that servicequality significantlyaffects customer satisfaction, and customer satisfaction has strong impact on customer loyalty for the sample.

Therefore, firms have to specifically focus on these factors in order to build a long-term and mutually profitability relationship with a customer and create loyalty as competitive advantages in the market.

The second past research is done by Dr. Shankar a/l Chelliah, of Universiti Sains Malaysia and Chin Kok Kwon of Open University of Malaysia, which is entitled "***A Study of the Relationship Between Marketing Mix and Customer Retention for Herbal Coffee In Malaysia***" In the study, the major problem faced in the Tongkat Ali coffee industry is the ease of market entry which is characterized by many new players frequently entering the market. The industry is highly competitive and the producers are faced with the dilemma of whether to continue to produce and sell at low profits or compete with the many players in the fierce environment as they seek to identify and determine the causes and factors that will lead to increased customer retention to guarantee profits.

The purpose of this research is to study the relationship between marketing mix and customer retention for Tongkat Ali coffee.

In other words, the study will attempt to identify and link the cause and effect relationship between marketing mix and customer retention for Tongkat Ali coffee. Therefore, many questions need to be answered. Questions such as: "What are the product's attributes sought by consumers?","Who are the people that consume the product?","When and where do they consume it?","How frequent?","What factors affect repurchase decisions?", and"Why do they continue to consume?"

For answers, a survey was conducted on 200 Tongkat Ali coffee drinkers. The findings revealed that product attributes and promotional activities have a positive relationship with customer retention. Price and place do not have a relationship with customer retention. Customer preference, positive customer experience, satisfaction and lasting customer loyalty are factors that impact the relationship between marketing mix and customer retention.

2.2. Marketing Mix

Taken straight from netmba.com with a slight adjustment; the history of the term "marketing mix" became popularized after Neil H. Borden published his 1964 article, *The Concept of the Marketing Mix*. Borden then began using the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients".

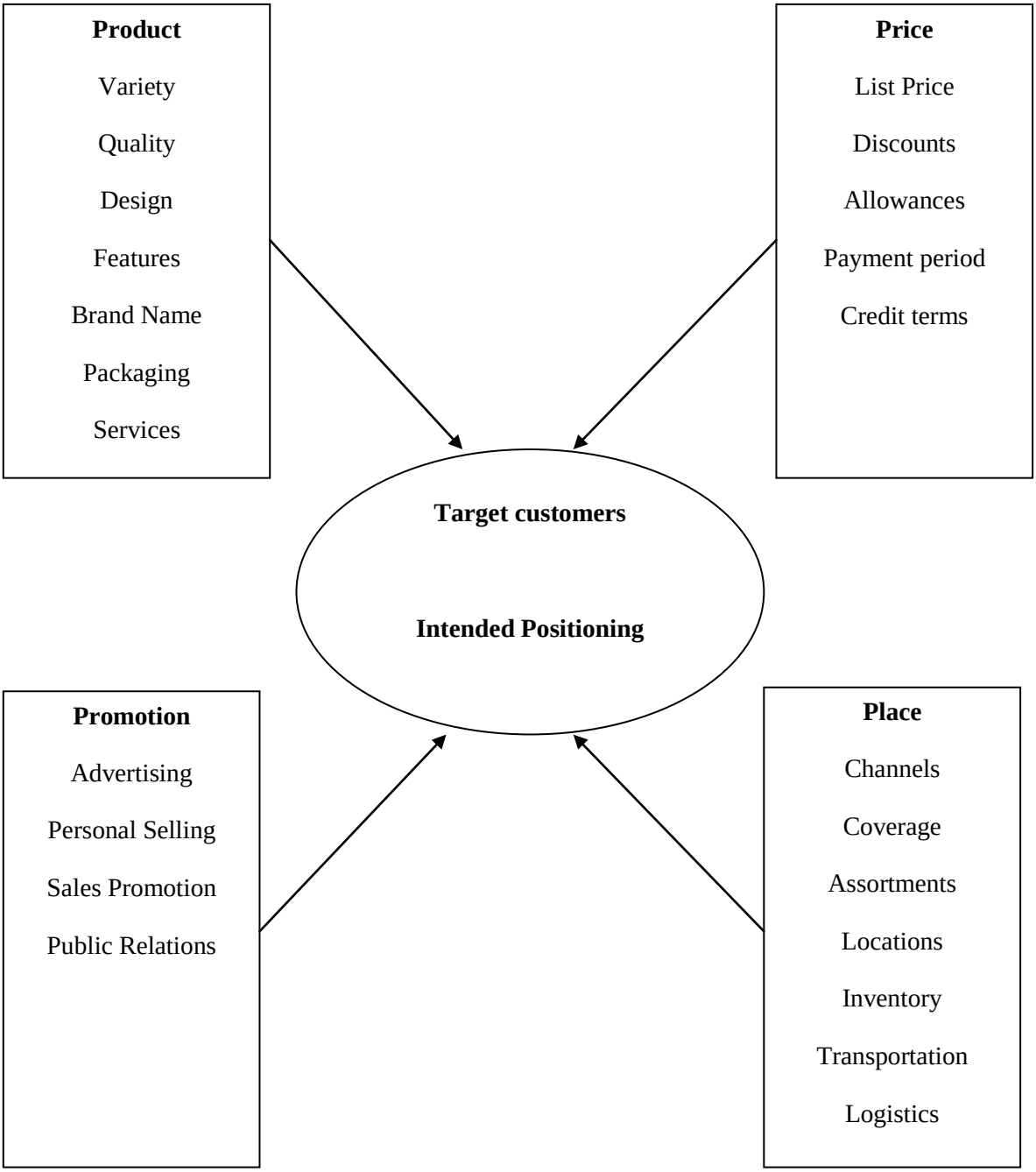
The ingredients in Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four categories that today are known as the 4 P's of marketing.

In the current time, marketing mix defined by popular marketing guru Philip Kotler as the set of controllable tactical marketing tools – product, price, place and promotion – that the firm blends to produce the response it wants in the target market (Gary Armstrong and Philip Kotler, 2010).

Marketing mix is also defined by E. Jerome McCarthy who originally developed the mnemonic of 4P as a combination of controllable factors at a marketer’s command to satisfy a target market. In short, the marketing mix consists of everything a firm can do to influence the demand for its product (Gary Armstrong and Philip Kotler, 2010).

Here is a model of marketing 4 P's of the marketing mix.

Figure 1.3 Four P's of the Marketing Mix model.



Source: Kotler

As it can be interpreted from the definition of marketing mix, its elements are controllable by the firm itself and an effective marketing program requires the mixture of all the marketing mix elements into an integrated marketing program designed to achieve the company's marketing objectives delivering value to customers (Gary Armstrong and Philip Kotler, 2010).

More in-depth elaboration of the 4 P's is done in the study within part 2.2.1 – 2.2.4.

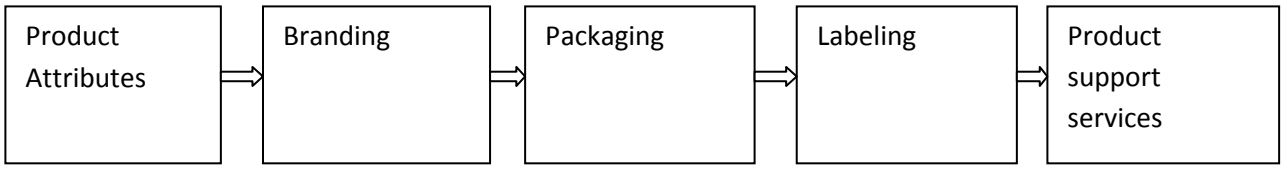
2.2.1. Product

Simple definition of a product is the goods-and-services combination the company offers to the target market (Gary Armstrong and Philip Kotler, 2011). Taken from the same authors that gives another definition of a product yet it is more specific it goes like this – anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

Supporting statement taken from websitemarketingplan.com with a slight adjustment, product doesn't have to only to be a physical item at its core. Products can be service-based, a business, a brand, or an idea that catches your attention so that you want to buy it because it will solve a problem that you are having at that moment.

Theoretically speaking, a product could be anything that can benefit from marketing.Given figure 1.4 explains that a particular product that you bought is actually a mixture of attributes that go beyond the tangible item itself and nowadays as marketing develops it includes services.

Figure 1.4 Individual Product Decisions model



Source: Kotler

For example, service aspects (such as warranties, patronage of waitresses serving your food, delivery, or customer support, etc.) or prestige / image elements (purchasing a Hugo Boss rather than a Versace, for example). Therefore benefits of a product should be communicated well to the buyer and delivered through the attributes such as quality, features, and style and design.

2.2.2. Price

The amount of money customers must pay to obtain the product (Gary Armstrong and Philip Kotler, 2010). Kotler et al (2009) suggested the element of Price includes factors such as list price, discount, allowance, payment period, and credit term. It is also defined by Ray Wright as the value (usually measured in monetary terms) at which the seller agrees to sell a product or service to the buyer and the value at which the buyer agrees to purchase (Ray Wright, 2004). Price is an integral part of the marketing mix and should never be discussed and set in isolation as it was suggested by Ray Wright in Business-in-Business Marketing (2004) that the idea of price can be set according to internal costing and external costing. Meaning price must not always only reflects the cost internally (production cost, overhead cost, etc) but also reflects the external cost point of view (customer perceived value of the product, type of product, market valuation in monetary terms, channels of distribution, etc).

2.2.3. Place

The element of Place in marketing mix includes all company activities that make the product available to target consumers (Gary Armstrong and Philip Kotler, 2010). In addition, Kotler et al (2009) also pointed the element of Place in marketing mix includes the factors such as channel, coverage, assortments, location, inventory, and transport.

2.2.4. Promotion

Activities that communicate the merits of the product and persuade target customer to buy it. (Gary Armstrong and Philip Kotler, 2010) Finally, the elements of Promotion were the different activities, such as sales promotion, advertising, sales force, and public relationship (Kotler et al, 2009). Promotion is an element in the marketing mix which is also important because it is a means of communication to the customer to promote product awareness, product knowledge, product attributes and benefits and persuade the customer to buy the product. It provides the stimulus to which customers' will response.

2.3. Customer Loyalty

Researcher found that there are many definitions of customer loyalty, one source defined customer loyalty as the different feelings create an individual's overall attachment to a product, service, or organization (Fornier, 1994). Customer loyalty can also be defined as - a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior(Oliver,1997).

Customer loyalty can be classified as brand loyalty, service loyalty, and store loyalty (Dick & Basu, 1994). Customer loyalty is a strategy that creates mutual rewards to benefit firms and customers (Reichheld & Detrick, 2003). One benefit is that firms can increase the revenue. With loyalcustomers, companies can maximize their profit because loyal customers are willing to (1) purchase morefrequently; (2) spend money on trying new products or services; (3) recommend products and services to others; and (4) give companies sincere suggestions (Reichheld & Sasser, 1990). Thus, loyalty links the success and profitability of a firm (Eakuru & Mat, 2008).

CHAPTER III

METHODOLOGY

3.1. Research Method

There are two methods that can be used in this research and they are: qualitative method and quantitative method. If researcher needs to know what happened, or how often things happened, quantitative method would do it. On the other hand, to understand the different meanings that people place on their experiences often requires research techniques that delve more deeply into people's hidden interpretations, understandings, and motivations therefore qualitative edges quantitative in this area. Qualitative research is designed to tell the researcher how (process) and why (meaning) things happen as they do.

The definition of qualitative method itself is the interpretive techniques that seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain phenomena (Donald R. Cooper and Pamela S. Schindler, 2006). The controversy of qualitative method often arises due to being too subjective and susceptible to human error and bias in data collection and interpretation.

Quantitative method is defined as the precise count of some behavior, knowledge, opinion, or attitude. Quantitative method answer questions related to how much, how often, how many, when, and who. In Quantitative method the theory that the researcher made is put into test thus requiring the researcher maintain a distance from the research so as not to bias the results.

As explained by Donald R. Cooper and Pamela S. Schindler, focus of research in qualitative understands and interpretation while quantitative is describing, explaining and predicting. The researcher involvement in qualitative is high due to the fact that

researcher is participant or in some cases catalyst. In quantitative method however, the researcher involvement is limited and controlled to prevent bias. In this particular study, the researcher applies quantitative method in order to build and test the theory of the relationship between marketing mix with customer loyalty.

3.2. Research Instrument

3.2.1. Data Collection

To produce accurate, valid and objective-met data for this study, researcher needs to do appropriate data collection. The two methods done in this research for data collection are; primary and secondary data which will be elaborated next.

3.2.2. Primary data

Primary data is defined as data that the researcher collect to analyze specific problem at hand of the research question. In this study, the primary data is collected by the means of survey questionnaire. The collected data is then further analyzed using SPSS V.16.0 (Statistical Products and Solution Services).

Survey is defined as a structured questionnaire given to a sample of population and designed to specific information from respondent (Mahotra and Pearson, 2002). Scale is formed that has member and / brief description associated with each category (Mahotra and Pearson, 2002). Hence, the questionnaires are done in such a way of a likert scale:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

The questions set in the questionnaire are set in likert scale like the figure below

Table 3.1 Likert Scale

No.	**Questions**	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

Source: Self constructed

SPSS is an acronym for Statistical Products and Solution Services (SPSS) is a computer program used for survey authoring and deployment, data mining, text analytics, statistical analysis, and collaboration and deployment (batch and automated scoring services).

3.2.3. Secondary data

Secondary data defines as data that originally collected to address a problem. Secondary research is required in the preliminary stages of research to determine what is known already and what new data are required

1. Library Research

The purpose of the collected literature review from sources such as books, thesis examples, journals and literature from the library is to create an analytical thinking and to support any descriptions in research background.

2. Various reports, past research material published by the publisher or internet.

Any important data which is related to the research that supports the researcher in the research background.

3.3. Statistical package

3.3.1. Validity test

Validity itself is defined as a characteristic of measurement concerned with the extent that a test measures what the researcher actually wishes to measure; and that differences found with a measurement tool to reflect true differences among participants drawn from a population (Mahotra and Pearson, 2002).

In Validity Test, researcher uses Pearson's correlation coefficient. Pearson's correlation coefficient formula is a particular formula used to test the items (within the questionnaires) validity. The equation goes like this:

$$r = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{\lfloor n(X^2) - (\sum X)^2 \rfloor [n(\sum Y^2) - (\sum Y)^2]}}$$

Where:

n	:	The number of paired observation
$\sum x$	:	The x variable summed
$\sum y$	:	The y variable summed
$\sum x^2$	:	The x variable squared and the squares summed
$(\sum x)^2$	:	The variable x summed and the sum squared
$\sum y^2$	:	The y variable squared and the squares summed
$(\sum y)^2$	:	The y variable summed and the sum squared
$\sum xy$	:	is the sum of the product of x and y

The result, "***r***", symbolizes the estimate of strength of linear association and its direction between interval and ratio variable; based on sampling data and varies over a range of +1 to -1; the prefix (+, -) indicates the direction of relationship (positive or inverse), while the number represents the strength of relationship (the closer to 1, the stronger the relationship; 0 = no relationship); and the "***p***" represents the population correlation (Mahotra and Pearson, 2002).

Validity testing must be done before processing the data for further study. The questionnaire question valid if the "***r***" computation is bigger than "***r***" table. Based on the calculation, the result for pre-test questionnaires that contains 28 items (28 questions) with 30 respondents, the mean correlation coefficient between variables or ***r*** = 0.296.

It means that according to corrected item-total correlation table, if r result is greater than r table, the variable is valid. If r result is smaller than r table, the variables are not valid.

Table 3.2 Obtained validity correlation

Questions Number	Corrected Item-Total Correlation
1	.629
2	.558
3	.657
4	.595
5	.648
6	.434
7	.605
8	.455
9	.565
10	.657
11	.449
12	.706
13	.269
14	.460
15	.595
16	.511
17	.198
18	.662
19	.482
20	.648
21	.434
22	.706
23	.354
24	.662
25	.351
26	.404
27	.498
28	.333

3.3.2. Reliability test

Reliability is a characteristic of measurement concerned with the accuracy, precision and the consistency; a necessary but not sufficient condition for validity. (if the measure is not reliable, it cannot be valid). Therefore in this study, the researcher seeks the validity firstly then the reliability test comes next. The method for measuring a reliability of an instrument is a Cronbach Alpha coefficient formula:

$$\alpha = \frac{k.r}{1 + (k - 1)r}$$

Where

α : instrument reliability's coefficient

r : mean correlation coefficient between variables

k : number of manifest variables that form the latent variables

The reliability coefficient value from the measurement tools values from 0 to 1. The value which is close to 1 explains the reliability is better. (Revelle, W. & McDonald, R, 2006).

Figure 3.3 Table of internal consistency of Cronbach Alpha

Cronbach's alpha internal consistency	
α ≥ .9	Excellent
.9>α≥8	Good
.8 > α ≥7	Acceptable
.7 > α ≥6	Questionable
.6 > α ≥5	Poor
.5 > α	Unacceptable

Source: Revelle, W. & McDonald, R.

Reliability test came out as follows:

Variables	Cronbach Alpha	Results
Product	0.742	Reliable
Price	0.792	Reliable
Place	0.650	Reliable
Promotion	0.755	Reliable
Customer Loyalty	0.615	Reliable

Source: SPSS primary data

3.3.3. Multiple Regression

Multiple Regression is a statistical tool used to develop a self-weighing estimating equation that predicts values for a dependent variable from the values of independent variable (Mahotra and Pearson, 2002). The researcher use multiple regression as the function to understand the functional relationships between the independent variables (product, place, price and promotion) and dependent variable (customer loyalty) to see what might be causing the variation in the dependent variable. It results into an equation of*standard*partial regression coefficients:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Where:

Y = Dimension of customer loyalty

a = Constant

$x_1 ... x_4$ = Regression Coefficient

X_1 = Dimension score of product

X_2 = Dimension score of price

X_3 = Dimension score of place

X_4 = Dimension score of promotion

Lawrence,Glenn,& Guarino (2005) stated that there are 3 assumption test for regression models and they are normality test, multicolinearity test, and heteroscedasticity test. The three assumptions will be elaborated further for the study below.

1) Normality test

   Normality test indicates that variables of interest have a normal distribution.

2) Multicolinearity test

   Multicolinearity test is when more than two independent variables are highly correlated.(Mahotra and Pearson, 2002)

3) Heteroscedasticity test

   The possible existence of heteroscedasticity is a major concern in the application of regression analysis, including the analysis of variance, because the presence of heteroscedasticity can invalidate statistical tests of significance that assume the effect and residual (error) variances are uncorrelated and normally distributed.A good regression model, if there are no homoscedasticity and heterosdasticity exist. (Lawrence, Glenn, and Guarino, 2005).

3.3.4. F test and T test

In this study, researcher applied ***f*** test and t test by using SPSS software. F test is used to see whether the variables are independent collectively that can influence dependent variable. In this test the hypothesis is as such:

$H_0 : \beta_1 = \beta_2 = \beta_3 = \beta_4 = 0$

H_i : at least one of β_i is not zero,where i = 1,2,3,4

For this test the researcher will use $\alpha = 0.10$ level of significant.

t test is to see the influence of each independent variable in regression model towards the dependent variable. Researcher intent was to find out which dimension has the

most powerful influence toward customer loyalty. For this test each independent variable will be test underlying hypothesis with significant standard α = 0.10

3.4. Population and sampling

The population of the research will be taken from customers of PT. Matrastama Maestro Perkasa in Jakarta which are 476 customers.

The sample will select from population. In this kind of research, the researcher prefers using margin error 0.1 (10%). Its meaning the level of error is 10% and the research has 90% confidence level.

Ariola. Et. Ad (2006) in her book Principles and Methods of Research (eds.); 2006 explained that tofind the sample size population when it is not possible to study an entire population; a smaller sample is taken using a random sampling technique. Slovin's formula allows a researcher to sample the population with a desired degree of accuracy. It gives the researcher an idea of how large his sample size needs to be to ensure a reasonable accuracy with the formula (Slovin, 1960) as follows:

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

$$n = \frac{N}{1+Ne^2} = \frac{476}{1+476(0.1)^2} = 82.6$$

Where:

n = Sample size

N = Population size

e = Tolerable error

3.4.1. Actual sampling size

From the calculation of actual computation of sample above which is 82.6 will be rounded up thus result for the sample population is 83 respondents.

3.4.2. The respondents

Total number of respondents from Jakarta area is 83:

1. Customers from Jakarta area
2. Age 18 – 50 and above
3. Male and Female

3.5. Testing the hypothesis

It is assumed that:

Ho_1 : **Product**has no influence on customer loyalty for bedding product.

$H1_1$: **Product**has influence on customer loyalty for bedding product.

Ho_2 : **Price** has no influence on customer loyalty for bedding product.

$H1_2$: **Price** has influence on customer loyalty for bedding product

Ho_3 : **Place** has no influence on customer loyalty for bedding product

$H1_3$: **Place** has influence on customer loyalty for bedding product

Ho_4 : **Promotion** has no influence on customer loyalty for bedding product

$H1_4$: **Promotion** has influence on customer loyalty for bedding product

Ho_5 : **Marketing mix** hasno influence on customer loyalty for bedding product

$H1_5$: **Marketing mix** has influence on customer loyalty for bedding product

3.6. Limitations

There are a few limitations to be noted in this study and they are:

- Product: This study is done for bedding products only
- Place: This study is done in the area of Jakarta only
- This study only uses the Marketing Mix of 4P which are product, price, place and promotion.

CHAPTER IV

ANALYSIS OF DATA

4.1. Respondents profile

In this part the researcher provides the extensive report of the result of the study. Report includes a full analysis of the data acquired from the respondents. Researcher will also analyze the relationship between marketing mix and customer loyalty in accordance to the variables: product, price, place and promotion.

Table 4.1 Respondent Age Profile

No	Age	Respondents n=83	
		f	%
1	Under 20 Years old	0	0
2	20 years old – 30 years old	17	20.5
3	31 years old – 40 years old	32	38.5
4	41 years old – 50 years old	23	27.7
5	Above 50 years old	11	13.3
Total		83	100%

Source: Self constructed

According to the table above, majority of the respondents 38.5% are in the 31-40 years old age range, 23respondents – 27.7% are in the 41 years old – 50 years old age range, 17 respondents –20.5% are in the 20 years old – 30 years old age range, 11respondents– 13.3% are in the above 50 years old range. Interpreting from the data above explained that the (38.5%) majority customers of PT. Matrastama Maestro

Perkasa are people whom are working force. If PT. Matrastama Maestro Perkasa would consider applying marketing mix in the future it's better if it is designed for this age range.

Table 4.2 Respondent Gender Profile

No	**Gender**	Respondents	
		n=83	
		f	%
1	Male	83	100
2	Female	0	0
Total		83	100%

Source: Self constructed

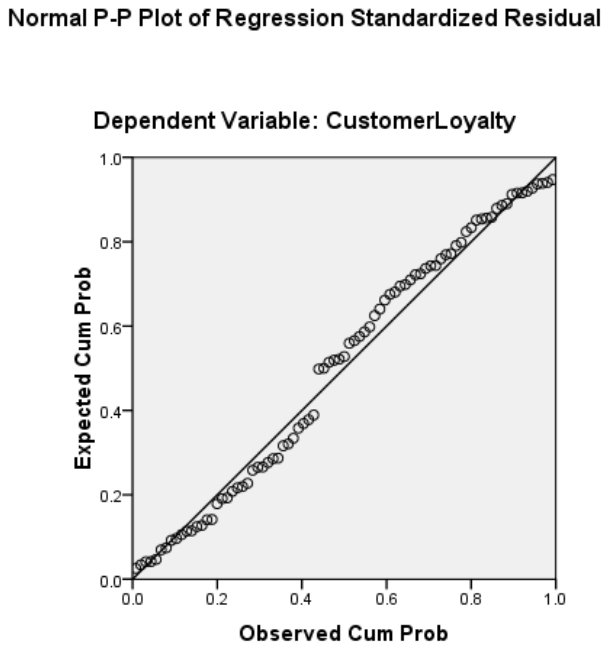
Interpreting from the table above, 100% of the customers are male who owns a retailer (toko). Surprisingly, Male, is the dominant gender of owners of retailers of furniture shop that buys bedding product from PT. Matrastama Maestro Perkasa.

4.2. Model evaluation

4.2.1. Normality test

It shows from the table 4.3 given below that it is normally distributed because the dots will plot along an approximately straight line drawn through the middle half of the points. From the following figures, the normal probably plot of regression standardizes residual with product, price, place and promotion as the independent variables and customer loyalty as the dependent variable has the tendency to make a straight line drawn through the middle. Therefore the researcher can safely conclude that the data has followed a linear relationship model and the standardizes deviation has followed the normal standardized distribution

Table 4.3 P-Plot of Regression Figure.



Source: SPSS primary data

4.2.2. Multicolinearity test

Coefficients[a]

Table 4.4 Multicolinearity Table

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product	.713	1.403
	Price	.851	1.176
	Place	.778	1.025
	Promotion	.601	2.664

Source: SPSS primary data

Multicolinearity does not reduce the predictive power or reliability of the model as a whole, at least within the sample data themselves; it only affects calculations regarding individual predictors. Multicollinearity Test does it to see the value of tolerance and the value of inflation factor (VIF). (Lawrence, Glenn, and Guarino, 2005). Tolerance is an indication of the percentage of variance in the predictor that cannot be accounted for by the other predictors, hence very small values indicate that a predictor is redundant, and values that are less than 5 may results in further investigation.

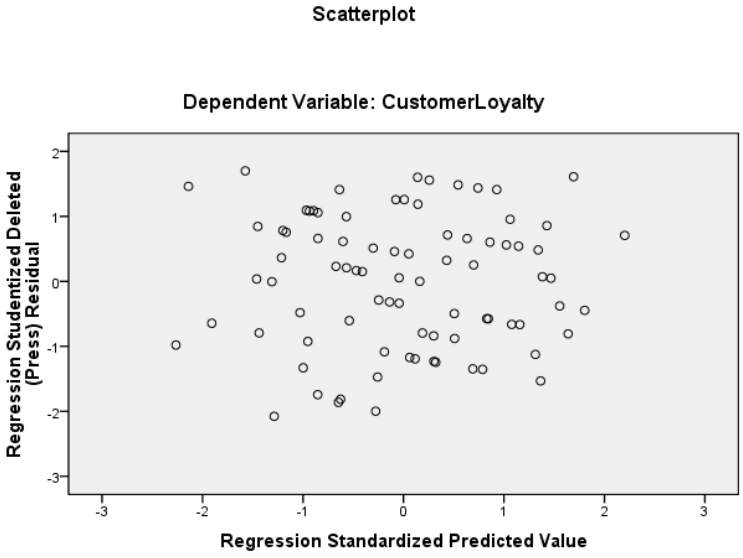
A Tolerance close to 1 means there is little Multicolinearity, whereas a value close to 0 suggests that Multicolinearity may be a threat. This is referred to as the problem of Multicolinearity, which points out the problemas the independent variables become higher correlated, it becomes more and more difficult to determine which

independent is actually influential on dependent variable (in this case; customer loyalty). Another indicator is,is the value ofVIF, if the value ofVIF> 5then itindicatesthe existence ofmulticollinearity.Therefore in order for the data to pass the multicolinearity test, it has to pass both tolerance and VIF.

From the table 4.4, the tolerance result of Product is .713, Price is .851, Place is .778 and Promotion which is .601 all of which means are still within the tolerance level. The best value for the tolerance is close to 1, the results point out that it is close to 1 and it passed the tolerance level.From VIF result from Product is 1.403, Price is 1.176, Place is 1.025 and Promotion which is 2.664. All of the results of VIF are below the value of 5 and also the tolerance level is close to 1 therefore it is concluded that multicolinearity does not exist between the independent variables.

4.2.3. Heteroscedacity

Table 4.5 Heteroscedasticity table



Source: SPSS primary data

The existence of heteroscedasticity is a concern in regression analysis, including the analysis of variance, because the existence of heteroscedasticity can invalidate statistical tests of significance that assume the effect and residual (error) variances are uncorrelated and normally distributed.(Lawrence, Glenn, and Guarino, 2005).

From the table 4.5 it shows that data are normally distributed since the points are spread and did not make a pattern. If the points have tendencies to make a pattern it means the data are not normally distributed and considered to be heteroscedasticity. In general it is suggested that the points better spread between values -2 to 2. In this case from the given figure 4.5, the points spread between – 2 to 2 and did not make a pattern thus researcher can conclude that it has the tendencies of homoscedasticity and normally distributed.

4.3. Analysis and interpretation

4.3.1. Regression and model result

Table 4.6 Coefficient of correlation R and Determination (R Square)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.459[a]	.467	.319	.64362	1.608

a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: CustomerLoyalty

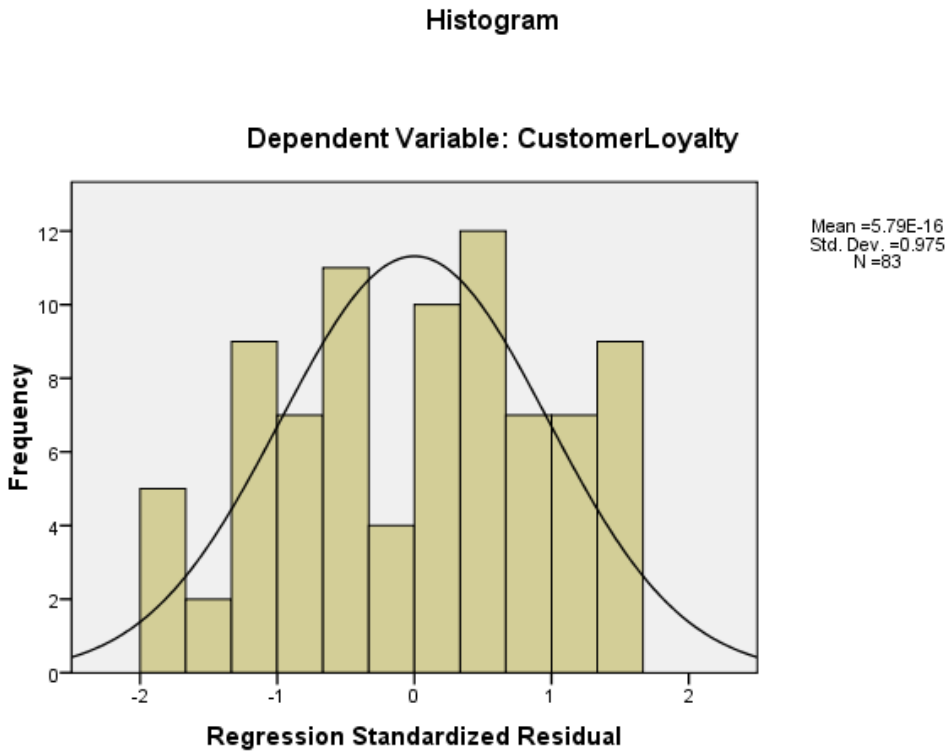
Source: SPSS primary data

From the table given above, the coefficient of correlation (R) of the regression model is 0.459 which means there is relationship between the product, price, place and promotion to customer loyalty. The strength of the relationship between product, price, place and promotion to influence customer loyalty is mediocre .

The coefficient of determination (R2) is .467, which means only 46.7% variability in the dependent variable customer loyalty can be explained by the variability in product, price, place and promotion. The rest will be explained by other variable (factors). Other variable factors in this study are not mentioned and further study may need to be done.The adjusted R2 is 0,319 (smaller than R2) with 0.64362 standard error of estimate.

4.3.2. Determination coefficient

Table 4.7Research Data Disseminating



Source: SPSS primary data

Table 4.8 The Significant of Marketing mix towards customer loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.918	.773		3.774	.000
	Product	.257	.196	.170	1.312	.004
	Price	.334	.149	.106	1.298	.004
	Place	-.113	.186	.075	.606	.246
	Promotion	.404	.182	-.314	2.227	.001

a. Dependent Variable: CustomerLoyalty

Source: SPSS primary data

The purpose of using multiple regressions is to understand the functional relationships. the result is an equation containing *standard* partial regression coefficients with the function as: .

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e}$$

Based on values from the table, theresults of the regressionequationwill be obtainedas follows :

$$\mathbf{Y = 2.918 + 0.257X1 + 0.334X2 - 0.113X3 + 0.404X4 + e}$$

4.3.3. F test

The result of F test which to find out the correlation of all variable consist of Product (X1), Price (X2), Place (X3) and Promotion (X4) towards customer customer loyaltyof bedding products in Jakarta has the outcome as such:

Table 4.9 All independent variables towards customer loyalty

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.316	4	.579	6.397	.000[a]
	Residual	32.311	78	.414		
	Total	34.627	82			

a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: CustomerLoyalty

Source: SPSS primary data

In thetable4.9, F value is 6.397 withsig 0.000<*alpha*0.05,so it canbe concludedthat themarketing mix of simultaneously givesignificantinfluenceon customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta.

4.3.4. T test

To prove the initial hypothesis about the influence of each promotion as an independent variable to customer loyaltyofbedding products of PT. Matrastama Maestro Perkasa in Jakarta as the dependent variable, t test is performed to determine the significant level of influence of each element of marketing mix.

4.3.4.1. Product and customer loyalty

The result of t test which to find out the correlation of variable consist of product (X1) towards customer loyalty of bedding product in Jakarta has the following result:

Table 4.10a Product towards Customer Loyalty

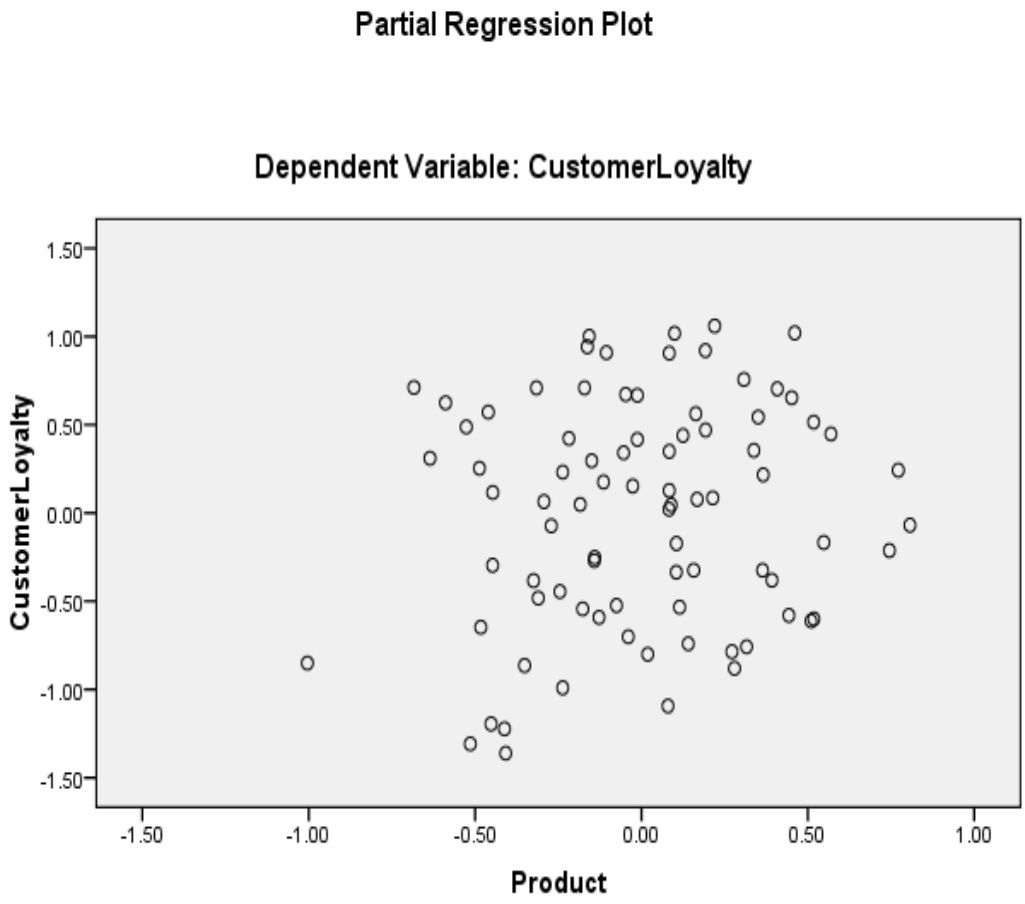
Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Product	.257	.196	.170	1.312	.004

a. Dependent Variable: CustomerLoyalty
Source: SPSS primary data

As shown in the table 4.10a, shows product (X1) hasweak effectincustomer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta however it is still proven that it has positive correlation between this variable and customer loyalty. This is showed by the t-value result which is 1.312 and significant t = 0.004In this study also explained that the product effect correlated positively with the bedding product and customer loyalty which is B = 0.257 means that if product engagement rate from the marketing mix increases by 1 unit,the customer loyalty in bedding product also increased by 0.257 units.

Cumulative plot of product against customer loyalty in the view of partial regression will produce the following graph:

Table 4.10b Product towards Customer Loyalty



Source: SPSS primary data

In this research, the result was shown by the Scatter Plot from table 4.10b, the points were spread, did not make a pattern, and it leans towards homoscedasticity and normally distributed.

4.3.4.2. Price and customer loyalty

The second result of t test to find out the correlation of variable of Price (X2) towards customer loyaltyofbedding products of PT. Matrastama Maestro Perkasa in Jakarta as the dependent variable has the following result:

Table 4.11a Price towards Customer Loyalty

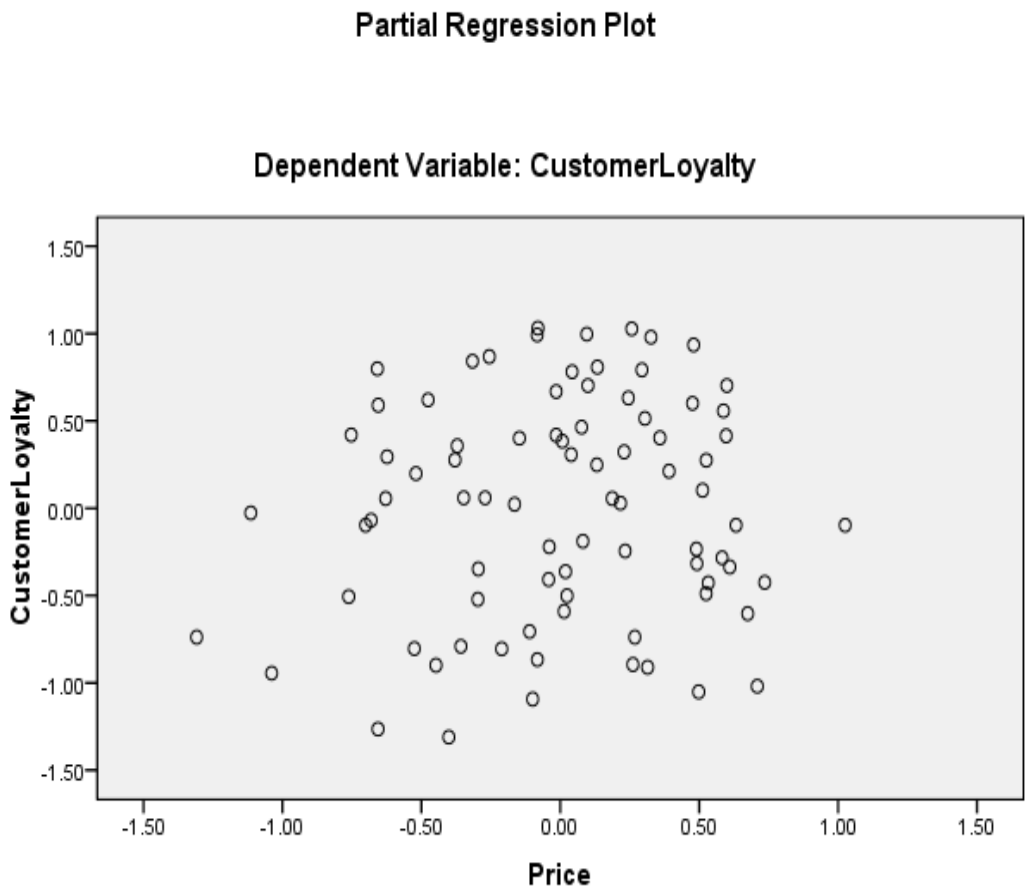
Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Price	.334	.149	.106	1.298	.004

a. Dependent Variable: CustomerLoyalty
Source: SPSS primary data

The table 4.11a shows price (X2) hasweak effecttowardscustomer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta however it is still proven that it has positive correlation between this variable and customer loyalty. This is shown by the t-value result which is 1.298 and significant t = 0.004. It is also shown that the product effect correlated positively with the customer loyaltywhich is B = 0.334 means that if price engagement rateincreases by 1 unit,the customer loyalty in bedding product also increased by 0.334 units.

Cumulative plot of price against customer loyalty in the view of partial regression will produce the following graph:

Table 4.11b Price towards Customer Loyalty



Source: SPSS primarydata

The result was shown by the Scatter Plot, the points were spread, did not make a pattern, and it leans towards homoscedasticity and normally distributed.

4.3.4.3. Place and customer loyalty

Next is the result of t test which to find out the correlation of variable Place (X3) towards customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta has the following result:

Table 4.12a Place towards Customer Loyalty

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Place	-.113	.186	-.075	-.606	.246

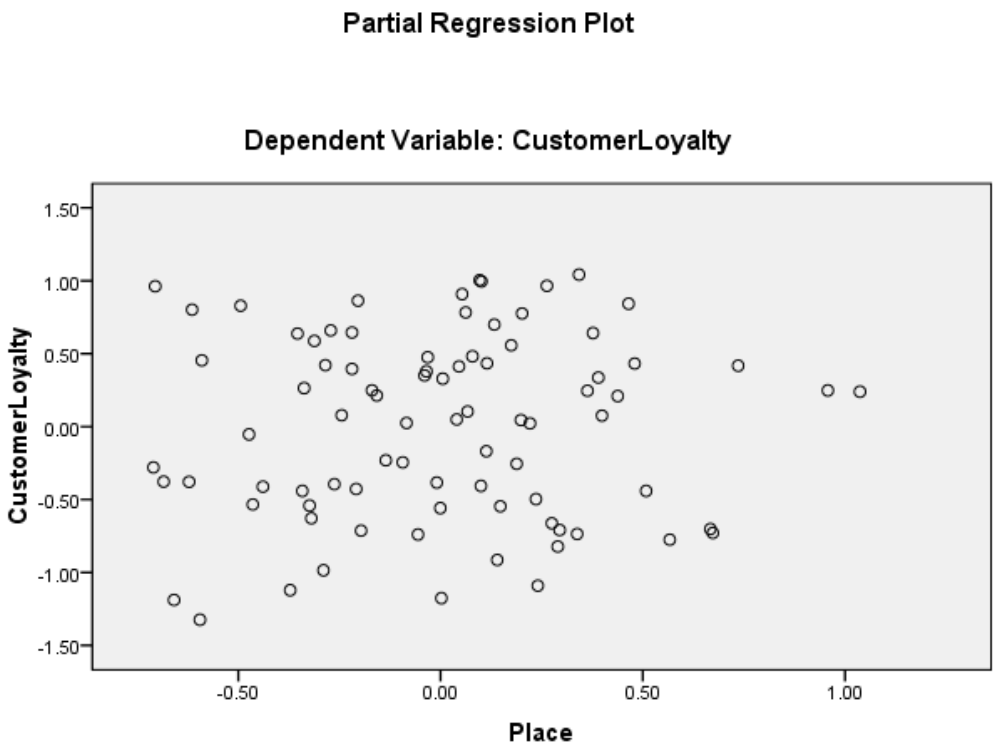
Dependent Variable: CustomerLoyalty

Source: SPSS primary data

Table 4.12a, showsPlace (X3) has no significant effect in the customer loyalty because of t value result which is -0.606 and significant t = 0.246. It is also shown that the place effect correlated negatively and insignificantly weak with the customer loyaltywhich is B =-.113 means that if place engagement rateincreases by 1 unit,the customer loyalty in bedding productdecreases by 0.113 units.

Cumulative plot of place towards customer loyalty in the view of partial regression will produce the following graph:

Table 4.12b Place towards Customer Loyalty



Source: SPSS primary data

Based on the table 4.12b the data are normally distributed, the points spread each other and not made a pattern. This is valid and further explain that there was an insignificant negative relationship between place and the customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta.

4.3.4.4. Promotion and customer loyalty

Last but not least, of t test which to find out the correlation of variable Promotion (X4) towards customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta has the following result:

Table 4.13a Promotion towards Customer Loyalty

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Std. Error	Beta		
Promotion	.404	.182	-.314	2.227	.0.001

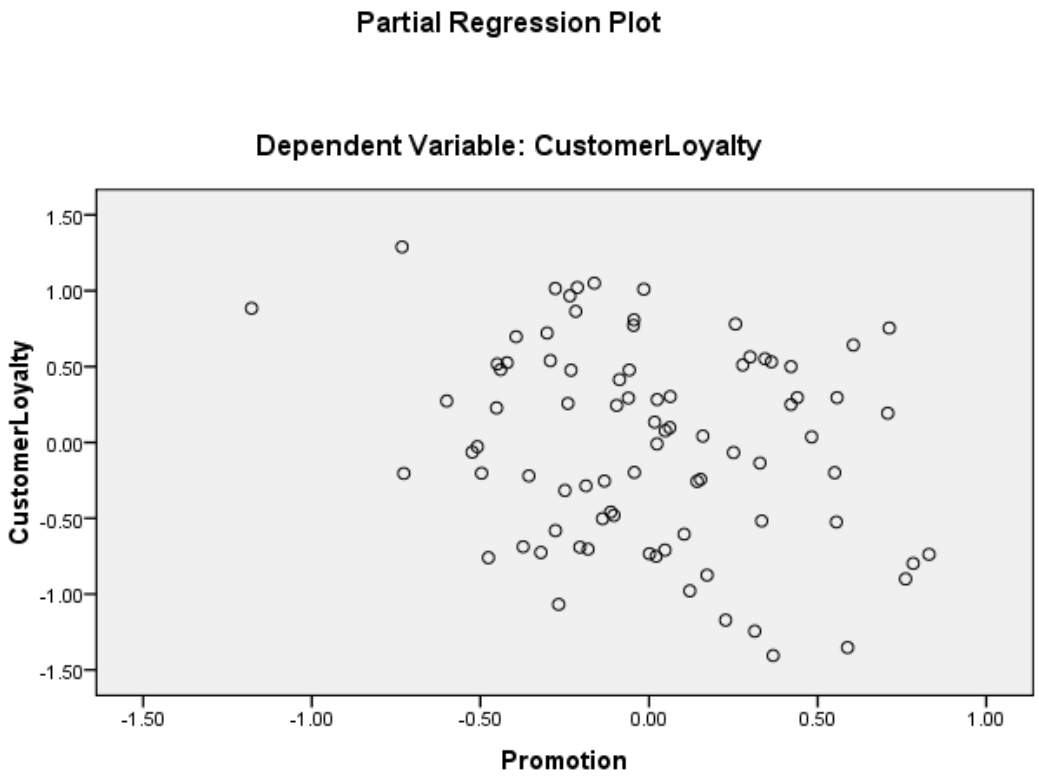
Dependent Variable: CustomerLoyalty

Source: SPSS primary data

The table 4.13a above shows promotion (X4) hasweak effecttowardscustomer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta however it is still proven that it has positive correlation between this variable and customer loyalty. This is showed by the t-value result which is 2.227 and significant t = 0.001. It is also shown that the promotion effect correlated positively with the customer loyaltywhich is B = 0.404 means that if promotion engagement rate increases by 1 unit,the customer loyalty in bedding product also increased by 0.404 units.

Cumulative plot of price against customer loyalty in the view of partial regression will produce the following graph:

Table 4.13b Promotion towards Customer Loyalty



Source: SPSS primary data

Based ontable 4.13b the data are normally distributed, the points spread each other and not made a pattern. This is valid and further explain that there was weak positive relationship between promotion and the customer loyalty of bedding products of PT. Matrastama Maestro Perkasa in Jakarta.

CHAPTER V

CONCLUSION AND RECOMENDATION

5.1. Conclusion

1) From the data analysis, researcher concluded that the element of marketing mix, 4Ps; product, price, place and promotion, collectively still gives a positive correlation to customer loyalty. Though it is weak, the company is still safe to innovatively create an offer from the basis of 4P's to increase the customer loyalty of bedding products in Jakarta.
2) It is found that from the results of the t test, the weakest correlation of the 4 element of marketing mix is place in the case of customer loyalty of bedding product of PT. Matrastama Maestro Perkasa in Jakarta. It is insignificantly negatively correlated and the company may fare well in not focusing so much on the element of place.
3) Two of the element of marketing mix which are; Price and Promotion are stronger compared to product and place. The researcher recommends the company to focus on these two aspects for better competitive advantage in the market and influencing the customer loyalty.
4) The strongest element of the marketing mix in influencing customer loyalty would be promotion and researcher suggested that the company should be active in this element of marketing mix.

5.2. Recommendation

5.2.1. For the Researcher

This study is done using 4P's and the researcher may find it beneficial to expand to the use of 7P's of marketing mix. Since the marketing has evolved through time and new findings from future studies based on 7P's can give better reading in future cases. Study is also done only in Jakarta area and on other areas might give different findings than this study found.

The study can also be more specific in order to attain a more precise answer. Researcher may want to focus the study on one P of each of the marketing mix which gives better explanation of each element in marketing mix influence on customer loyalty of bedding products.

5.2.2. For the company

PT. Matrastama Maestro Perkasa is considered as the top 10 company in bedding industry and it may serve them well to hire more human resource especially in marketing major to do marketing research and also analyze their performance in accordance to scientific founding from the use of such study in the future.

Promotion and Pricing strategy of their bedding products can be done innovatively in accordance to the finding from this study. It also should be noted that since the majority of the customers are male, promotion can be designed to capture the interest of this specific gender. Study the behavior of the customers especially male may help in creating an offer to induce a first purchase and contributes to customer loyalty in the hope for repeat purchase in the future.

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Appendices

Appendix B: Questionnaire and Result

1. Identity of Respondent

   Instruction

The confidentiality answer from the respondents will be guaranteed. Answer the following questions clearly.

- Gender : 1) Male 2) Female
- Age : … … … … … … … … … … … … … … … … … … …

2. Survey – Questionnaire will be used by PT. Matrastama Maestro Perkasa

   Instructions

a. Questions in this section provides an option with code 5,4,3,2,1 and you are given the opportunity to choose 1 (one answer). The code of each answer is:

   1. = Strongly disagree

   2 = Disagree

   3 = Regular Only

   4 = Agree

   5 = Strongly Agree

Please ◯ (circle) your answer clearly

No.	**Questions**	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Product	1	2	3	4	5
1	I will re-purchase the same bedding product to re-sell because of the many features.	1	2	3	4	5
2	I will re-purchase the same bedding product to re-sell because of the brand.	1	2	3	4	5

3	I will re-purchase the same bedding product to re-sell because of the great quality.	1	2	3	4	5
4	I will re-purchase the same bedding product to re-sell because of the aesthetics design.	1	2	3	4	5
5	I will re-purchase the same bedding product to resell because of the great packaging.	1	2	3	4	5
6	I will re-purchase the same bedding product to re-sell because of the easy after sales service.	1	2	3	4	5
	Price					
7	I will re-purchase the same bedding product to re-sell because of it allows me a higher profit margin.	1	2	3	4	5
8	I will re-purchase the same bedding product to re-sell because of the premium pricing	1	2	3	4	5
9	I will re-purchase the same bedding product to re-sell because of the lowest price.	1	2	3	4	5
10	I will re-purchase the same bedding product to re-sell because of the quick delivery	1	2	3	4	5
11	I will re-purchase the same bedding product to re-sell because of lower price	1	2	3	4	5
12	I will re-purchase the same bedding product to re-sell because of the easy order process	1	2	3	4	5
	Place (Distribution)					
13	I will re-purchase the same bedding product to re-sell because of the near distance between my shop and the producer	1	2	3	4	5
14	I will re-purchase the same bedding product to re-sell because I find many of the same bedding product in many retailers	1	2	3	4	5
15	I will re-purchase the same bedding product to re-sell because the same bedding product is difficult to find around my area	1	2	3	4	5

16	I will re-purchase the same bedding product to re-sell because of good brand name around my area	1	2	3	4	5
17	I will re-purchase the same bedding product to re-sell because of accessibility of the producer	1	2	3	4	5
18	I will re-purchase the same bedding product to re-sell because of the quick delivery	1	2	3	4	5
	Promotion					
19	I will re-purchase the same bedding product to re-sell because of the free gimmicks given.	1	2	3	4	5
20	I will re-purchase the same bedding product to re-sell because of the free upgrade of the product.	1	2	3	4	5
21	I will re-purchase the same bedding product to re-sell because of the many printed-ads found in magazines.	1	2	3	4	5
22	I will re-purchase the same bedding product to re-sell because of the radio advertisement.	1	2	3	4	5
23	I will re-purchase the same bedding product to re-sell because of the website.	1	2	3	4	5
24	I will re-purchase the same bedding product to re-sell because of the billboards put up.	1	2	3	4	5
	Customer Loyalty					
25	Product design is influential for my future purchase	1	2	3	4	5
26	Price level is influential for my future purchase	1	2	3	4	5
27	Distribution of goods is influential for my future purchase	1	2	3	4	5
28	Promotion activities is influential for my future purchase	1	2	3	4	5

Appendix C: VALIDITY AND RELIABILITY

1. Validity Test

Critical Value for Pearson's

N = Number of Pair	Significance of Level	
	5%	10%
15	0.482	0.412
16	0.468	0.400
17	0.456	0.389
18	0.444	0.378
19	0.433	0.369
20	0.423	0.360
25	0.381	0.323
30	0.349	0.296

Questions Number	Corrected Item-Total Correlation
1	.629
2	.558
3	.657
4	.595
5	.648
6	.434
7	.605
8	.455
9	.565
10	.657
11	.449
12	.706
13	.269
14	.460
15	.595
16	.511
17	.198
18	.662
19	.482
20	.648

21	.434
22	.706
23	.354
24	.662
25	.351
26	.404
27	.498
28	.333

Validity test result
Source: Statistical Product and Solution Services v16

2. Reliability Test

Cronbach's alpha internal consistency	
$\alpha \geq .9$	Excellent
$.9 > \alpha \geq 8$	Good
$.8 > \alpha \geq 7$	Acceptable
$.7 > \alpha \geq 6$	Questionable
$.6 > \alpha \geq 5$	Poor
$.5 > \alpha$	Unacceptable

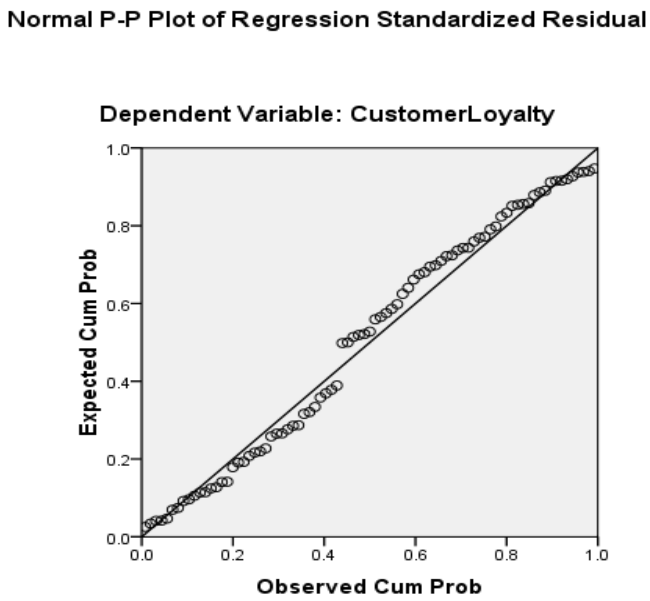
Cronbach alpha internal consistency

Variables	Cronbach Alpha	Results
Product	0.742	Reliable
Price	0.792	Reliable
Place	0.650	Reliable
Promotion	0.755	Reliable
Customer Loyalty	0.615	Reliable

Reliability test result

Appendix D : Multiple Regression

1. Normality Test



2. Multicollinearity Test

Coefficients[a]

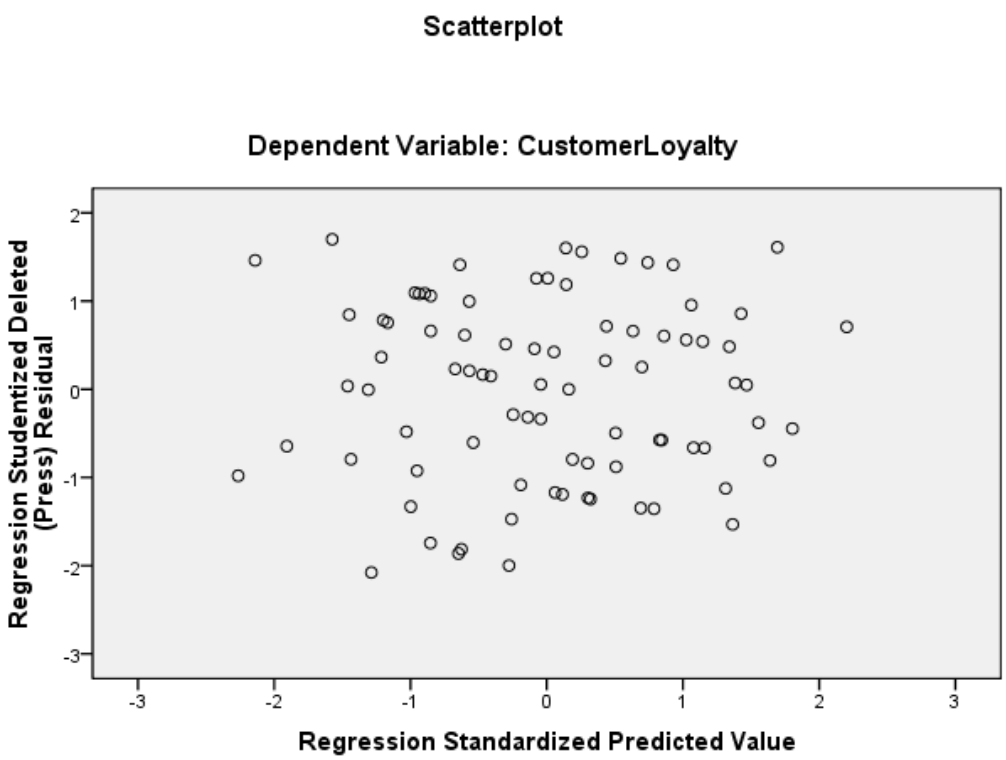
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Product	.713	1.403
	Price	.851	1.176
	Place	.778	1.025
	Promotion	.601	2.664

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.918	.773		3.774	.000
	Product	.257	.196	.170	1.312	.004
	Price	.334	.149	.106	1.298	.004
	Place	-.113	.186	.075	.606	.246
	Promotion	.404	.182	-.314	2.227	.001

a. Dependent Variable: CustomerLoyalty

3. Heteroscedasticity Test



4. Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.459[a]	.467	.319	.64362	1.608

a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: CustomerLoyalty

5. ANOVA

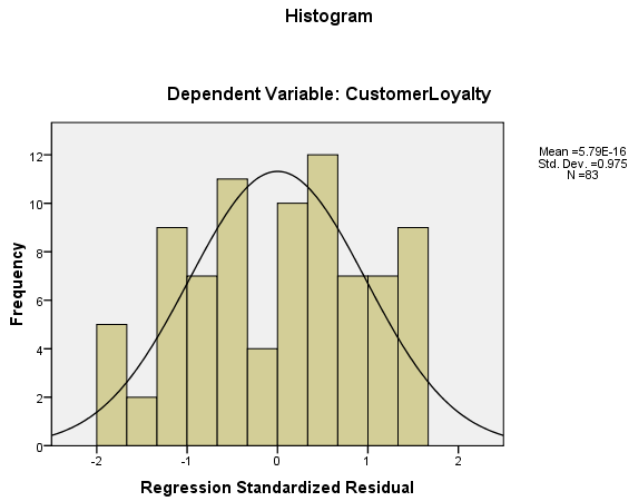
ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.316	4	.579	6.397	.000[a]
	Residual	32.311	78	.414		
	Total	34.627	82			

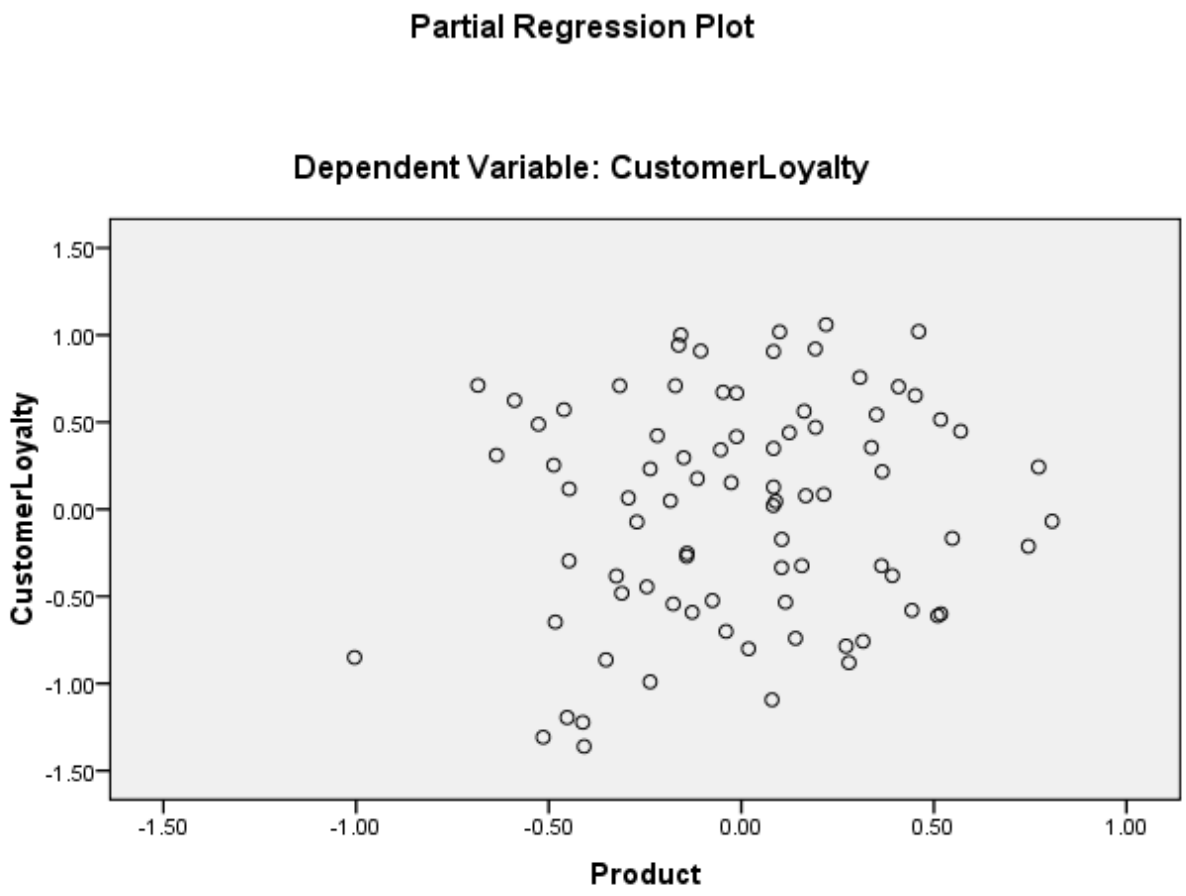
a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: CustomerLoyalty

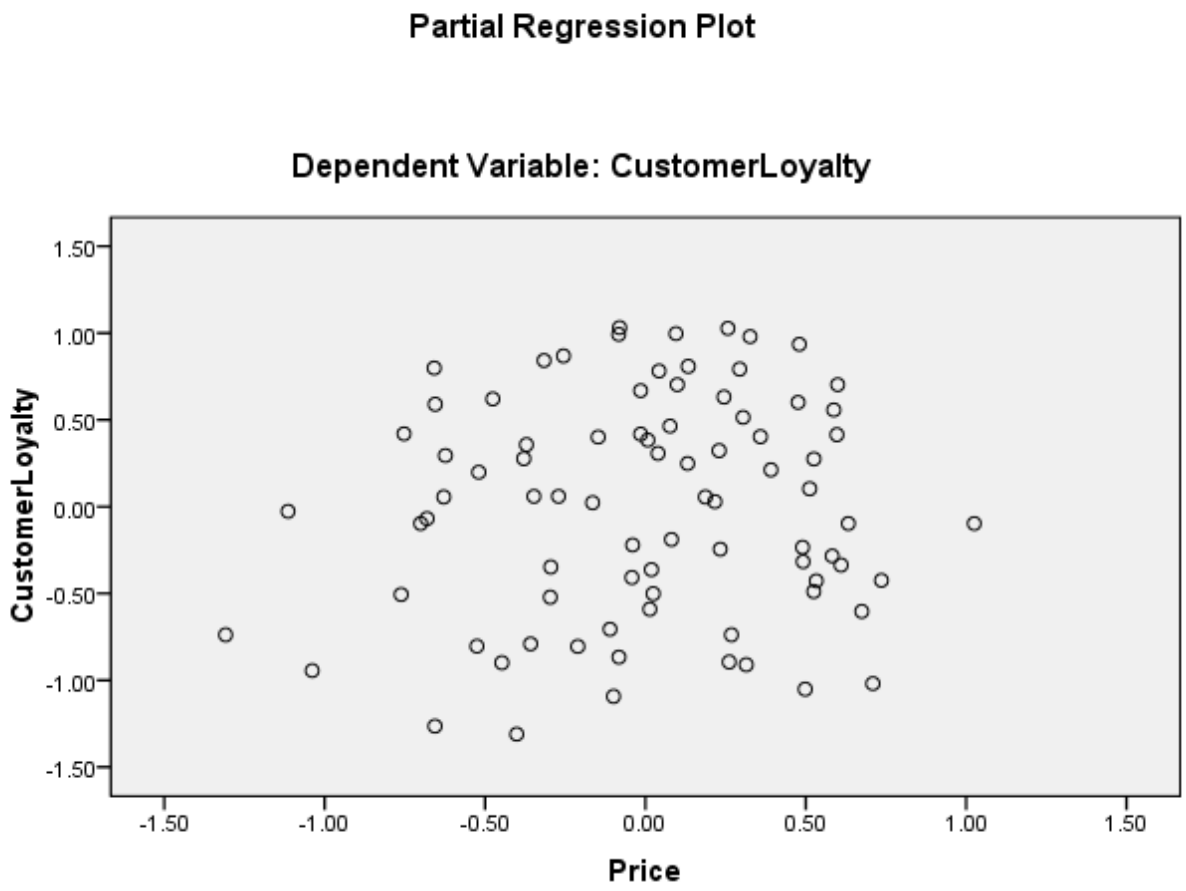
6. Histogram



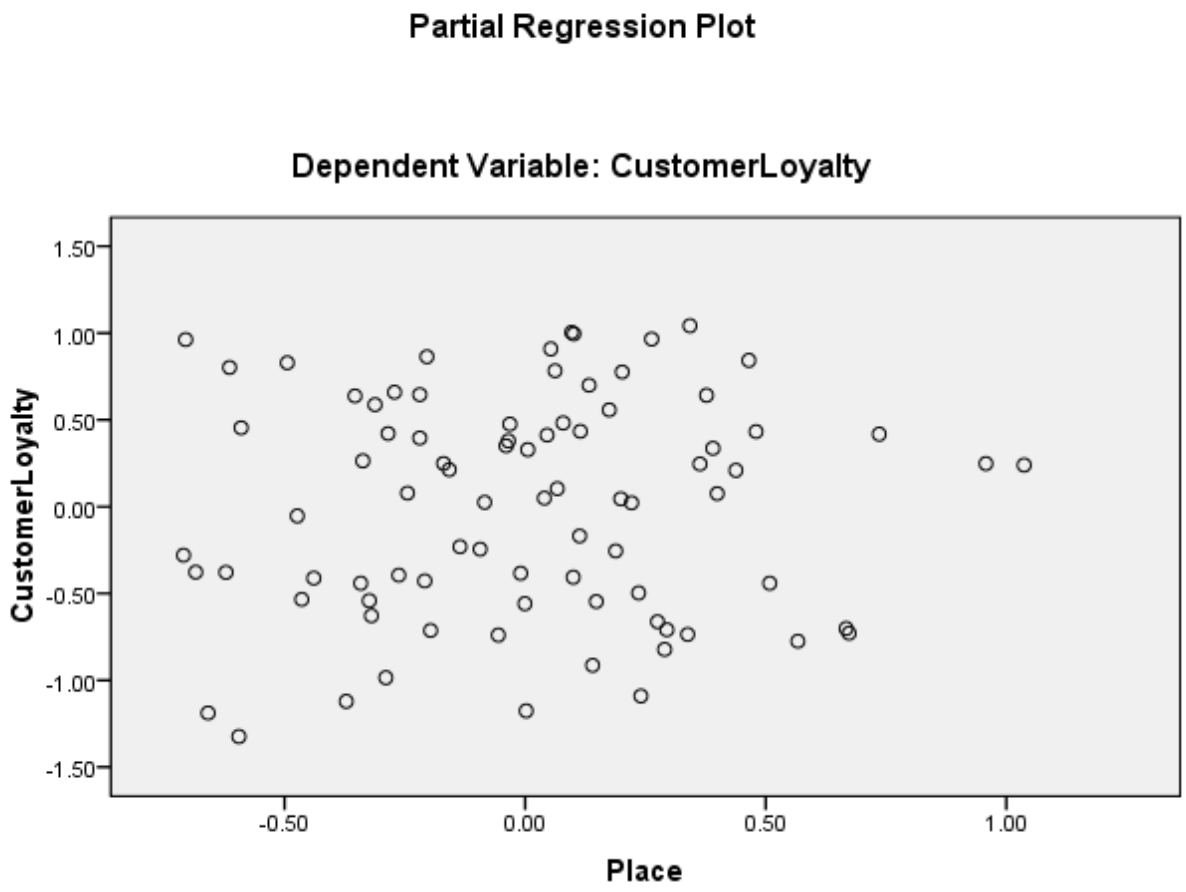
7. Partial regression plot X1 to Y



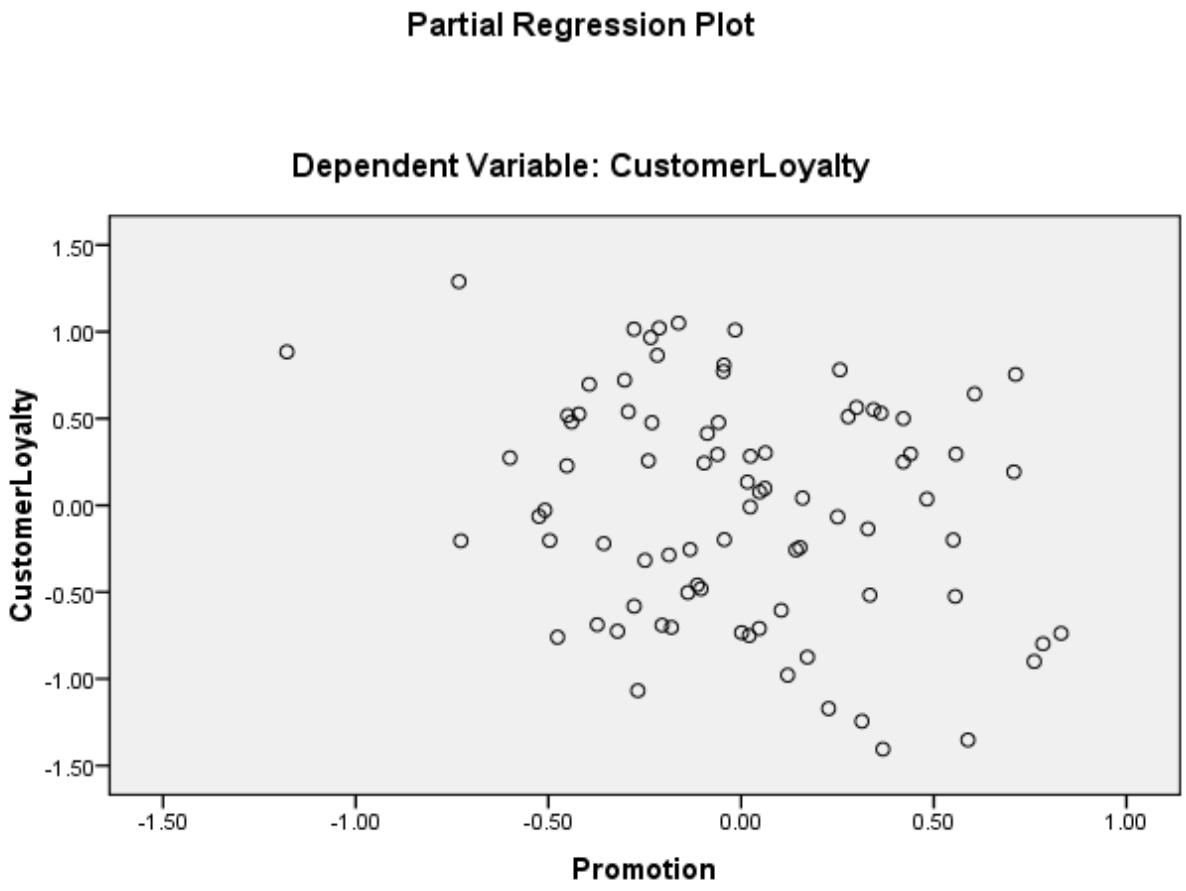
8. Partial regression plot X2 to Y



9. Partial regression plot X3 to Y



10. Partial regression plot X4 to Y



ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.316	4	.579	6.397	.000[a]
	Residual	32.311	78	.414		
	Total	34.627	82			

a. Predictors: (Constant), Promotion, Price, Place, Product

b. Dependent Variable: CustomerLoyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.918	.773		3.774	.000					
	Product	.257	.196	.170	1.312	.004	.061	.147	.144	.713	1.403
	Price	.334	.149	.106	1.298	.004	.072	.101	.098	.851	1.176
	Place	-.113	.186	.075	.606	.246	-.002	.068	.066	.778	1.025
	Promotion	.404	.182	-.314	2.227	.001	-.156	-.244	-.244	.601	2.664

a. Dependent Variable: CustomerLoyalty

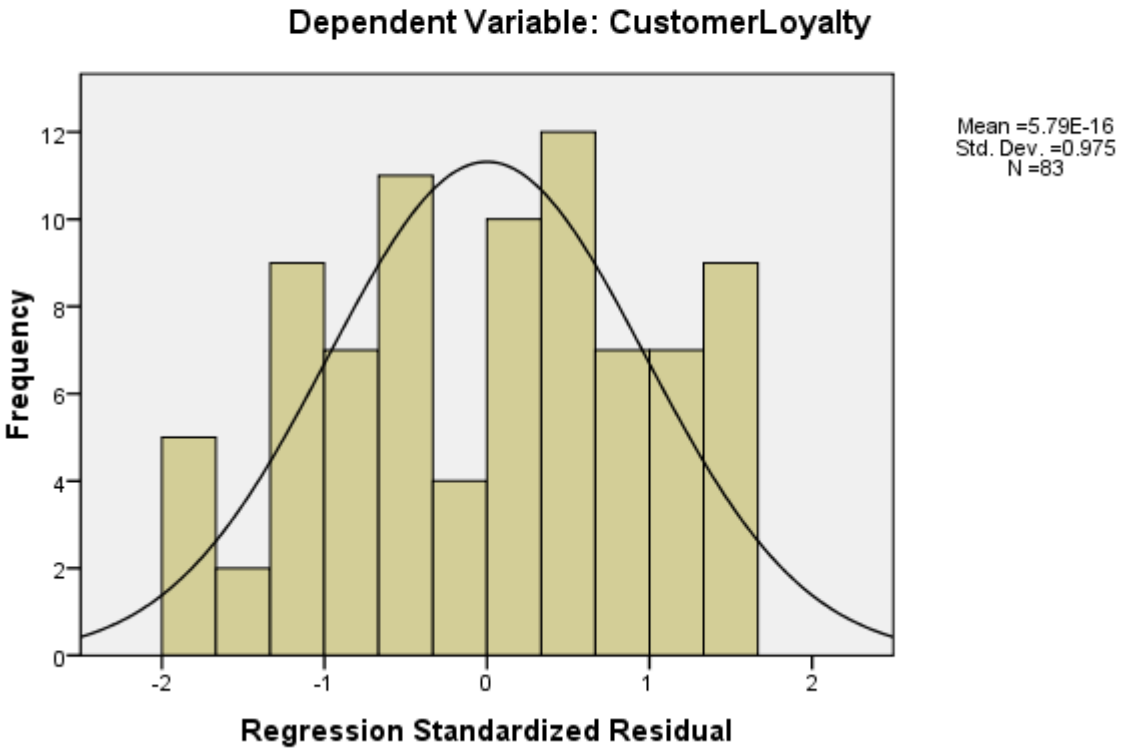
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.459[a]	.467	.319	.64362	1.608

a. Predictors: (Constant), Promotion, Price, Place, Product

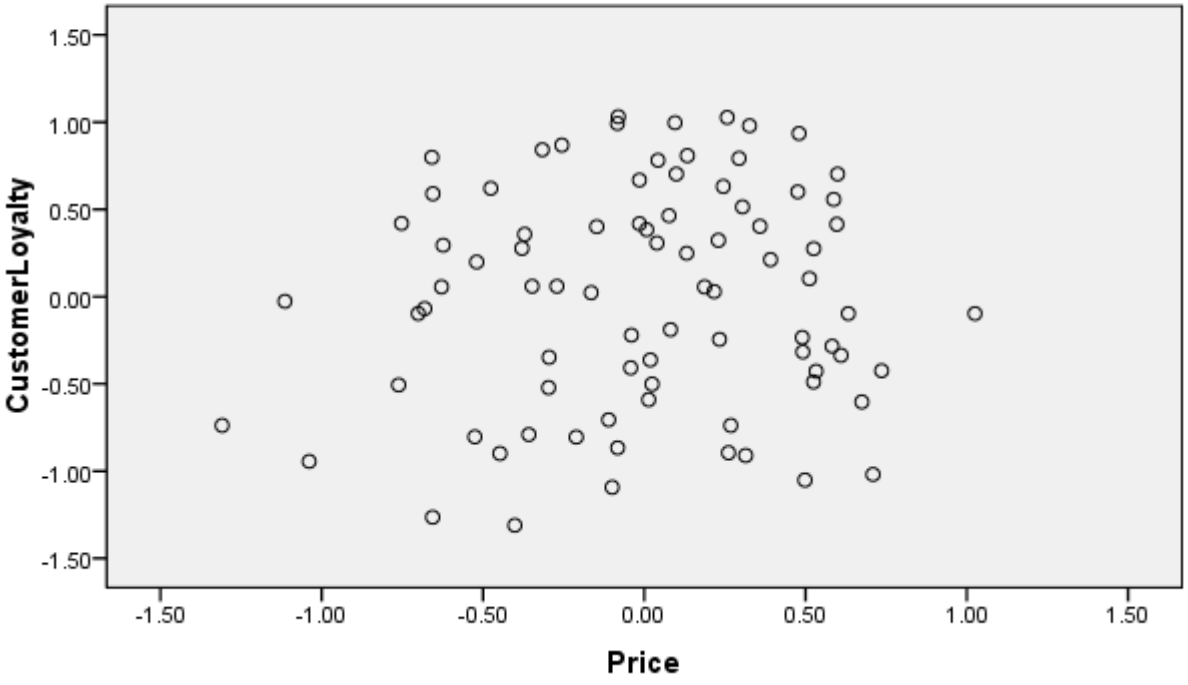
b. Dependent Variable: CustomerLoyalty

Histogram


Dependent Variable: CustomerLoyalty
Frequency
12
10
8
6
4
2
0
-2
-1
0
1
2
Regression Standardized Residual
Mean =5.79E-16
Std. Dev. =0.975
N =83

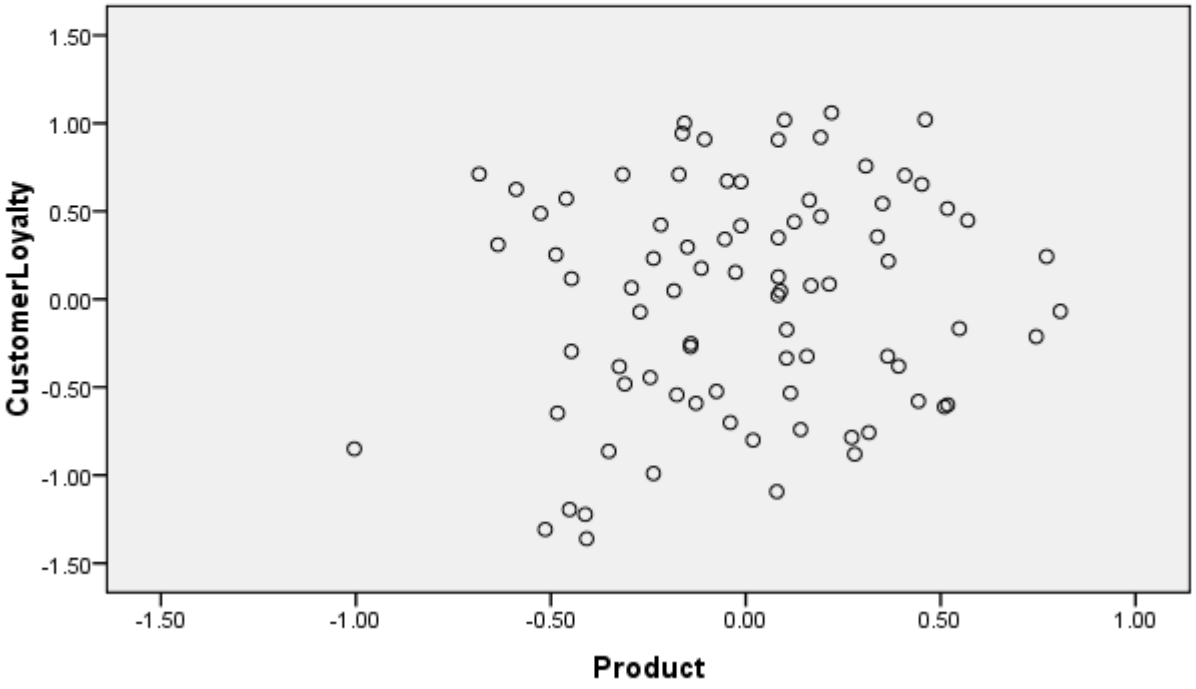
Partial Regression Plot

Dependent Variable: CustomerLoyalty

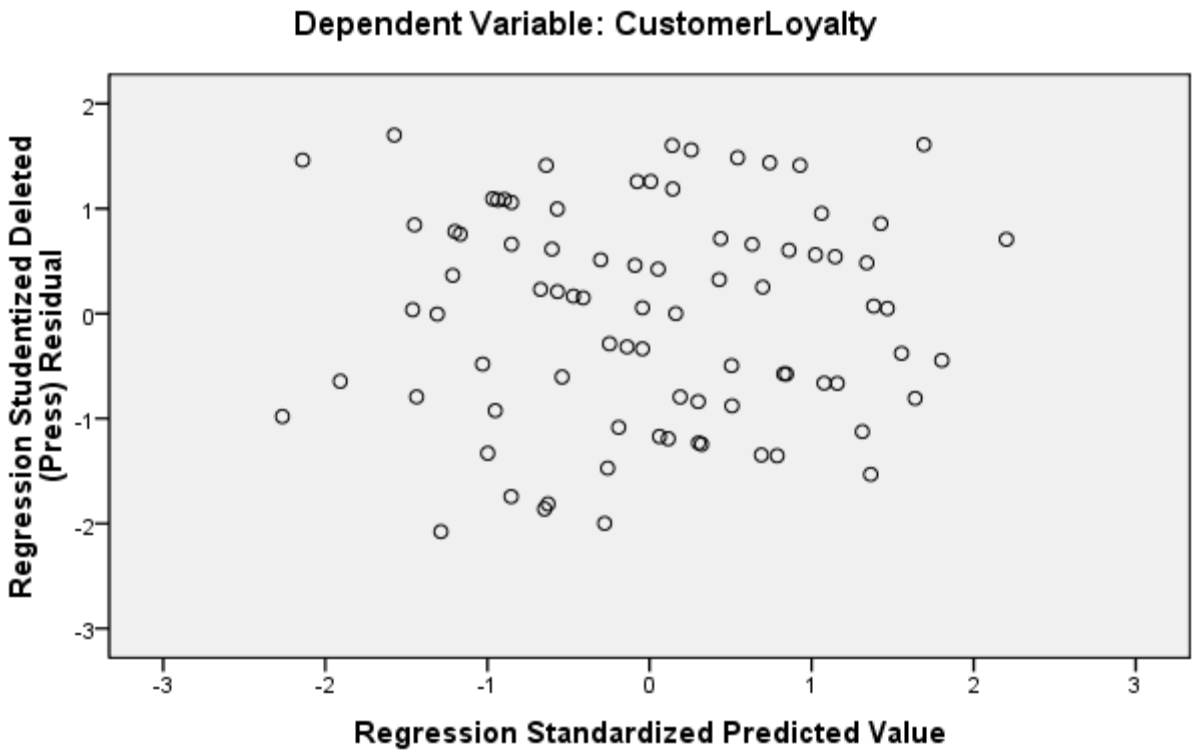


Partial Regression Plot

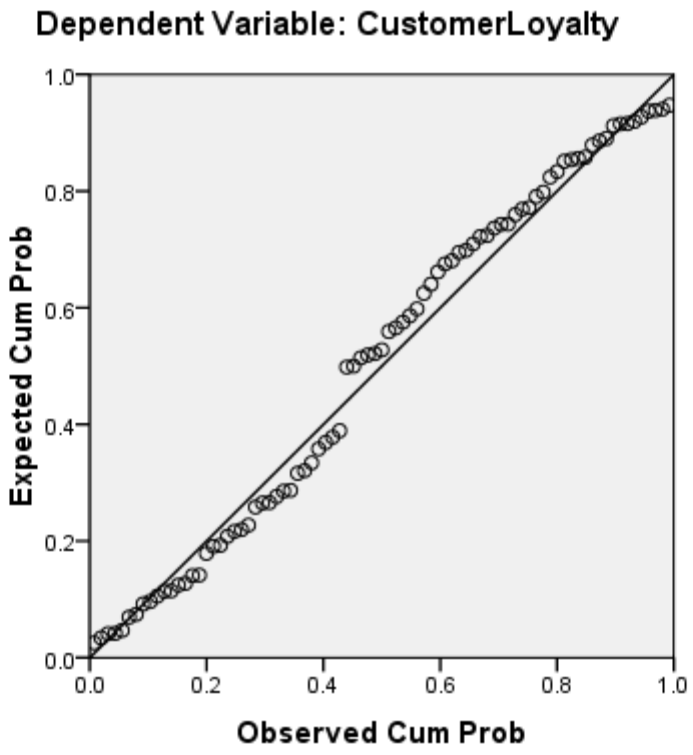
Dependent Variable: CustomerLoyalty



Scatterplot

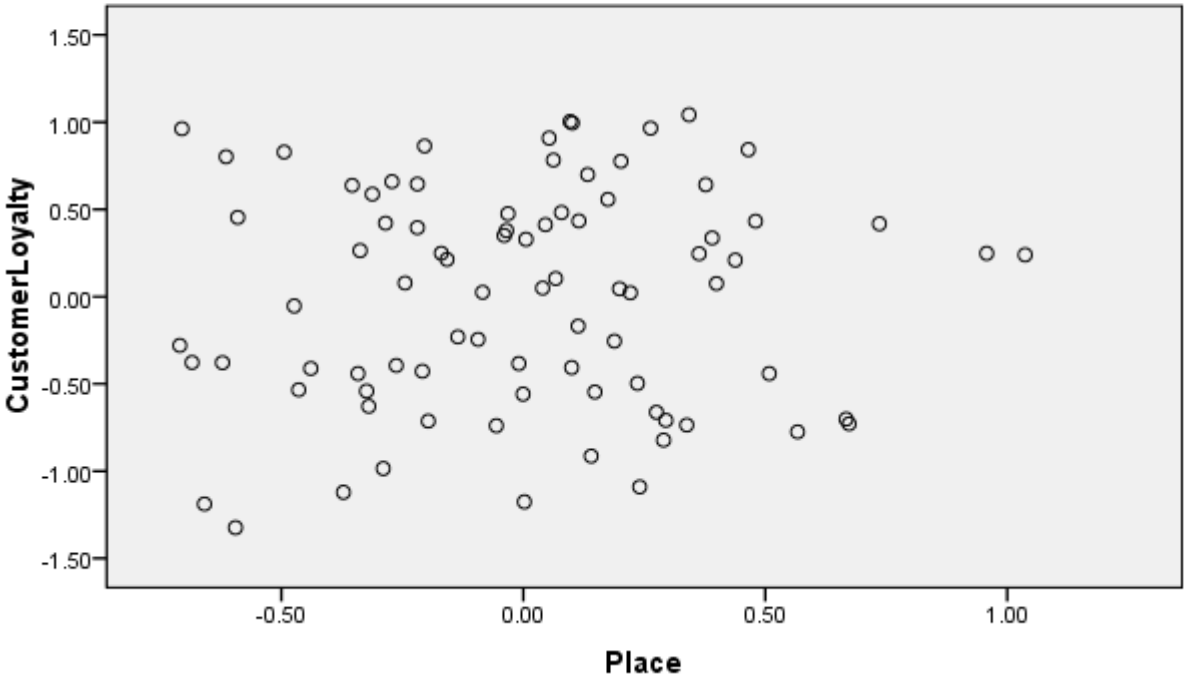


Normal P-P Plot of Regression Standardized Residual



Partial Regression Plot

Dependent Variable: CustomerLoyalty



Partial Regression Plot