The Effect of Price and Promotion on Honda Beat Customer Loyalty (Case Study on Honda Saudara Motorcycle Dealership in Solok City)

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ABSTRACT

Customer loyalty is a positive attitude given by consumer satisfaction with a product or company which is manifested by the behavior of intending to buy again or who have made repeated purchases to recommend it to anyone they know.

This study aims to see the influence of price and promotion on customer loyalty at Honda Saudara Motor Dealers in Solok City.

This type of research is an associative research where it aims to find out the relationship between two or more variables by taking a sample of 100 respondents. The data collection technique in this research is using a questionnaire with a Likert scale. Based on the results of the calculation of the SPSS program application from the t-test, a price variable was obtained with a $t_{\text{-value of}}$ -3.369 $<$ $t_{,\text{ table}}$ 1.660 and a sig value of 0.001 $<$ 0.05 so that H1 was rejected and H0 was accepted. In the promotion variable, the value of $t_{\text{is calculated}}$ at 5.583 $>$ t_{table} is 1.660 and the sig value is 0.000 $<$ 0.05 so that H1 is accepted and H0 is rejected.

The results of the F test of significant probability $F_{\text{calculated}}$ 20.819 $>$ F_{table} 3.090 with a significant value of 0.000 $<$ 0.05 so that this means that the price has a negative effect on customer loyalty and the promotion has a positive and significant effect on Honda Beat customer loyalty at Honda Brother Motor Dealers in Solok City.

In this study, the determination coefficient is 0.300 or 30%. Where price variables and promotions have an effect of 30% on Honda Beaat customer loyalty at Honda Saudara Motor Dealers in Solok City. Meanwhile, the other 70% was influenced by other variables that were not discussed by the researcher in his study.

Keywords   : **Pricing, Promotions and Customer Loyalty**
Reading list   : **27 (2016 – 2021)**

INTRODUCTION

The development of motorcycles in Indonesia is currently experiencing a great increase. All groups of people from the bottom to the top can use motorcycle transportation modes for various purposes, both business, family, personal and other needs. This motorcycle market causes fierce competition between business competitors in the transportation sector. One of the motorcycles that is on the market today and participates in the development of motorcycle technology is Honda.

It is undeniable that the reliability and quality of Honda Beat motorcycle products have been highly trusted by the public, customer loyalty is very important for a company, with the presence of customer loyalty the company can achieve the goals that have been determined, but the company is required to continue to innovate in various things so that the company can maintain and increase the loyalty of its customers. In addition to being famous for its durability and fuel efficiency, another advantage is that it has a smooth engine sound, stylish design, besides that the success of Honda Beat in dominating the motorcycle market cannot be separated from the right segmentation carried out by Honda, this product that was originally intended for women is also in great demand by many men because The design characteristics and product quality of Honda Beat make this product finally in demand by all circles.

Table 1.4

Honda Beat Motorcycle Sales
At Dealer Brother Motorcycle in Solok City in 2019 – 2021 (in units)

Year	Sum
2019	1.235
2020	1.054
2021	1.242
Total	**3.531**

(Data source: Honda Dealer Saudara Motorcycle Solok City)

It can be seen in table 1.5 above that the sales of Honda Beat motorcycles at dealers of Saudara Motorcycle in Solok City have fluctuated from 2019 to 2021. In the book Swastha (2018) it is stated that there are seven factors that affect customer loyalty, including; price, product quality, service quality, location, promotion, display, and store atmosphere.

Price is the sum of all the value provided by customers to benefit from owning or using a product, either goods or services (Kotler: 2016).

Another factor of customer loyalty is promotion. According to Arianto 2016:80, promotion is a marketing activity by trying to expand information (advertising), exert influence or influence and increase the target market for the company and its products so that they have a willingness to receive, make purchases, and be loyal to the products promoted by the related company.

PROBLEM FORMULATION
1. Does Price Affect Honda Beat Customer Loyalty at Honda Saudara Motor Dealers in Solok City?
2. Does the Promotion affect the Loyalty of Honda Beat Subscribers to Deealer Honda Brothers Motorcycles in Solok City?
3. Do Prices and Promotions Simultaneously Affect Honda Beat Customer Loyalty at Honda Saudara Motorcycle Dealers in Solok City?

1.1 Research Objectives
1. To find out the effect of Price on Honda Beat Customer Loyalty at Honda Brother Motor Dealers in Solok City.
2. To find out the effect of Promotion on Honda Beat Customer Loyalty at Honda Brother Motorcycle Dealers in Solok City.
3. To find out the influence of Price and Promotion on Honda Beat Customer Loyalty in Solok City

2. THEORETICAL STUDIES

Customer Loyalty
According to Firmansyah (2019: 135) states that customer loyalty is a clear aspect that comes from a clear aspect that comes from the consumer to re-subscribe or re-buy similar products/services that they use regularly in the future, even though the effects of the situation and marketing campaigns will contribute to moving behavior.
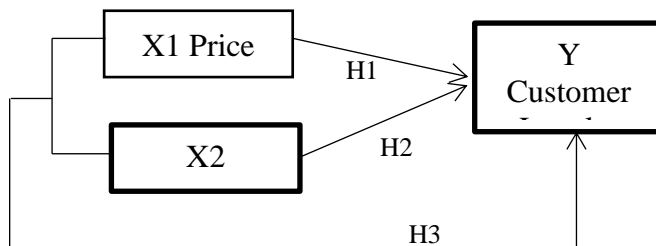
Price

Prices according to Kotler and Amstrong (in Enos, Korawa, Sontje, Sumayku, Sandra. Asaloey 2018) price is the amount of money charged for a product or service, or the amount of value that consumers exchange for the benefits of owning or using the product or service.

Promotion

According to Praestuti (2020) Promotion is an effort to persuade or encourage consumers to want to buy products and services produced by a company.

Conceptual Framework

Hypothesis:

H1 :   Price has a negative effect on customer loyalty of Honda Saudara Motor dealers in the city of Solok.
H2 :   The promotion has a positive and significant effect on the loyalty of Honda Saudara Motor dealers in the city of Solok.
H3 :   Prices and promotions have a positive and significant effect on customer loyalty of Honda Saudara Motor dealers in the city of Solok.

Population

The population in this study is 3,531 customers of Honda Beat motorcycles at the Saudara Motor dealership in Solok City.

Sample

According to Sugiyono (2017), the sample is a part of the population whose characteristics are to be investigated and considered to be representative of the entire population (the number is more than the population). The sample is considered to be representative of the population whose results represent the prevalence of the observed symptoms. The number of samples in this study is 100 respondents from Honda Beat motorcycle customers who have met the research criteria.

Data and data sources

The type of data used in this study is physical data. The physical data used in this study used a questionnaire.
There are two sources of data for this research, namely primary data and secondary data. The primary data from the study is direct information obtained from the company as well as the questionnaire given directly to the kinsumen found at the Honda Saudara Motor Dealership. While the secondary data of this study is collecting information through books, articles, data journals from the internet and theses from previous research.

Data Collection Techniques

The data collection techniques used in this study are in several ways such as:
1.   The questionnaire technique is a data collection by providing or distributing a list of questions or statements to respondents regarding prices, promotions, and customer loyalty.
2.   Documentation is the collection of data based on documentary records and written reports related to this research.

3. Literature study, this technique disburses information or data from books, literature, journals, references related to this research and previous research related to the research being conducted.

Validity Test

According to Sugiyono (2017), validity in research is defined as the degree of determination of the researcher's measuring tool about the content or actual meaning of the measurement. The validity of a measuring instrument depends on its ability or not to achieve the desired measurement objectives. If the items are valid, it means that the items can be used to measure the factor.

Reliability Test

Ghozali (2009) stated that reliability is a tool to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if a person's answers to statements are consistent or stable over time. The reliability of a test refers to the degree of stability, consistency, predictability, and accuracy.

Normality Test

The normality test aims to test whether in the regression model, the free or bound variables or both are normally distributed or not. A good regression model is normally distributed or near normal. A data is said to follow a normal distribution seen from the distribution of data on the diagonal axis of the graph (Ghozali, 2016).

Multicollinearity Test

This test aims to determine the correlation relationship between independent or dependent variables. Multicollinarity is a symptom of correlation between independent variables which is shown by significant correlation between independent variables. The existence of symptoms of multicollinearity can be seen from the *tolerance value* or Variance *Infation Factor* (VIF) value.

Heteroscedasticity Test

The heteroscedasticity test is to test whether in the regression model there is a variance inequality from one residual observation to another. If the variance from the residual of one observation to another observation is fixed, then it is called homoskepestivity and if the variance is different it is called heteroscedasticity. A good regression model is one that is homoscedasticity or no heteroscedasticity occurs Ghozali (2015:116).

Autocorrelation Test

According to Ghozali (2016:42), the purpose of the autocorrelation test is to test whether in the linear regression model there is a correlation between the perturbrillator error in the t-period and the perturbrillator error in the t-1 period (previously). This test aims to determine whether there is a correlation between data sorted by time series (time series). This test is by paying attention to *the Durbin-Watson* (D-W) number obtained from the results of data processing, as stated by Idris (2014:36)

Multiple Linear Regression Analysis

The data analysis technique used is multiple linear regression analysis. Multiple linear analysis is essentially an extension of simple linear regression, which increases the number of free variables that were previously only one and then becomes two or more. As in this study, using independent variables, namely Price and Promotion individually, against the bound variable, namely Customer Loyalty

Results and Discussion

Based on partial statistical analysis, the price is calculated by -3,369 < 1,660. Using a significant limit of 0.05 for a significant value of 0.001 (0.001 < 0.05) means that H1 is rejected and H0 is accepted, then it can be concluded that the price has a negative effect on customer loyalty.

Meanwhile, promotions were obtained from 5,583 > 1,660. Using a significant limit of 0.05 for a promotion significance value of 0.000 (0.000 < 0.05) meaning that H2 is accepted and H0 is rejected, it can be concluded that the promotion has a positive and significant effect on customer loyalty.

Based on the results of the F test, it is known that the value of Fcal is 20.819 > from Ftable 3,090 and the significance of f = 0.000 is less than 0.05, meaning that H3 is accepted and H0 is rejected. This means that price has a negative effect on customer loyalty and promotions have a positive and significant effect on customer loyalty.

## Results of the Classic Assumption Test

NORMALITY TEST

One-Sample Kolmogorov-Smirnov Test

		Customer Loyalty	Price	Promotion
N		100	100	100
Normal Parametersa,b	Mean	30,13	32,22	29,20
	Std. Deviation	4,077	4,354	4,190
Most Extreme Differences	Absolute	,091	,097	,134
	Positive	,066	,095	,134
	Negative	-,091	-,097	-,080
Kolmogorov-Smirnov Z		,908	,973	1,343
Asymp. Sig. (2-tailed)		,382	,300	,054

a. Test distribution is Normal.

b. Calculated from data.

HETEROSCEDASTICITY TEST

Scatterplot
Dependent Variable: Loyalitas Pelanggan
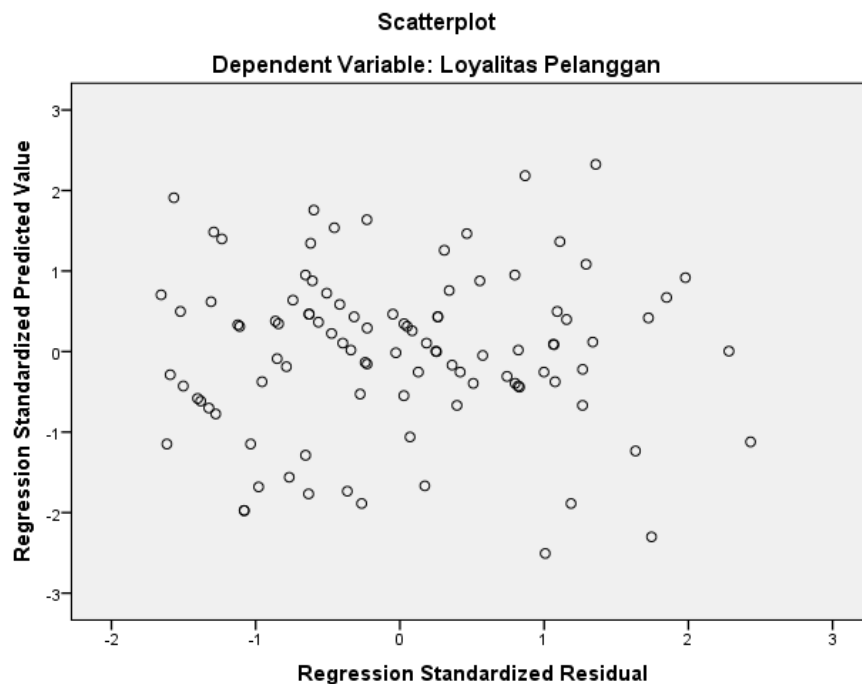
MULTICOLLINEARITY TEST

Coefficientsa

Type		Collinearity Statistics	
		Tolerance	VIF
1	Price	,999	1,001
	Promotion	,999	1,001

a. Dependent Variable: Customer Loyalty

AUTOCORRELATION TEST

Model Summaryb

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,548a	,300	,286	3,445	1,933

a. Predictors: (Constant), Promotions, Prices

b. Dependent Variable: Customer Loyalty

HYPOTHESIS TEST

TEST T

Coefficientsa

Type		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	25,288	3,495		7,236	,000
1	Price	-,268	,080	-,286	-3,369	,001
	Promotion	,461	,083	,474	5,583	,000

a. Dependent Variable: Customer Loyalty

F TEST

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	494,149	2	247,074	20,819	,000B
1	Residual	1151,161	97	11,868		
	Total	1645,310	99			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Promotion, Price

DETERMINANT COEFFICIENT TEST (R SQUARE)

Model Summaryb

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,548a	,300	,286	3,445

a. Predictors: (Constant), Promotions, Prices

b. Dependent Variable: Customer Loyalty

Conclusion

Based on the results of the research and discussion, it can be concluded as follows:

1. Price has a negative effect on customer loyalty. This is evidenced by obtaining $T_{calculation}$ -3.369 < t_{table} 1.660. Using a significant limit of 0.05 for a significant value of 0.001 (0.001 < 0.05) means that H1 is rejected and H0 is accepted, then it can be concluded that the price has a negative effect on customer loyalty.
2. Promotions have a positive and significant effect on customer loyalty. This can be proven by the calculation of 5.583 > t_{table} 1.660. Using a significant limit of 0.05 for a promotion significance value of 0.000 (0.000 < 0.05) meaning that H2 is accepted and H0 is rejected, it can be concluded that the promotion has a positive and significant effect on customer loyalty.
3. Based on the F test, it is known that $F_{calculates}$ 20.819 > from F_{table} 3,090 and the significance of f = 0.000 is less than 0.05, meaning that H3 is accepted and H0 is rejected. This means that price has a negative effect on customer loyalty and promotions have a positive and significant effect on customer loyalty.

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