Case Study

IS CUSTOMER LOYALTY DEPENDENT ON MARKETING PUBLIC RELATION AND BRAND IMAGE? (A CASE STUDY HILLPARK SIBOLANGIT-BERASTAGI NORTH SUMATRA PROVINCE)

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ARTICLE INFO	ABSTRACT

This study was conducted to determine the effect of Marketing and Public Relations and brand image simultaneously and partially on customer loyalty in Hillpark-Sibolangit with a sample of 94 people. Using a questionnaire that had been tested for validity and reliability does the data collection. Data collected were analyzed using multiple linear regression. From the analysis conducted, marketing, public relations and brand image influence on customer loyalty either partially or simultaneously. However Marketing Public Relations is more dominant than the brand image. The coefficient of determination shows both variables contribute to customer loyalty is 32.5%, while 67.5% is influenced by other variables outside the study.

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INTRODUCTION

The current global era requires people to always work to meet daily needs. The need traveled seemed to be something that must be done to eliminate fatigue in the midst of the busy work. Berastagi-Sibolangit is one fairly well-known tourist destinations in Indonesia. It is in the highlands make Sibolangit-Berastagi cool air that has become a favorite destination for a vacation. Competition tourist destinations Sibolangit-Berastagi due to its potential Sibolangit-Berastagi itself and also the business prospects in the field of tourism is growing by leaps and bounds. This is because almost all societies need to be a consolation to the tourist attractions. This obviously makes the market becomes narrower with the newcomers to start similar businesses. All companies in the market trying to maintain its position in order to maintain stability through a variety of strategies.

Hillpark Sibolangit-Berastagi tourist attraction built in 2007 on an area of 20 hectares at an altitude of about 550 meters above sea level. Divided into four themes: Lost City, Toon town, Heritage and Adventure Land. Existing vehicle such Roller Coaster, Ferries Wheel, 4D Theater, and amphitheatre capacity of 1,200 for shows and concerts. Named for its location alone Hillpark located at Sibolangit mountains, where the journey time of about one hour by car from Medan. Hillpark have some games that adrenaline test rating, following the game - a game, which is owned by Hillpark-Sibolangit.

One strategy that can be done is the Marketing and Public Relations. Marketing Public Relations is a process of marketing is done through good communication regarding information on the brand image of the company in a certain product (Thomas M. Harris in Soemirat and Ardianto 2008). The main tool used in marketing public relations is publications, events, sponsorship, news, speeches, public service activities and media identities (Kotler and Keller, 2006). Marketing Public Relations is an important thing to do by a company. One aim is to create a brand image that is attached to the company. Some companies are starting to realize the importance of brand image. Soemirat and Ardianto (2008) revealed that the image is the impression gained someone based on their knowledge and understanding of the fact or reality. A brand image is very attached to the brand of the company. Brand delivers value to customers in several dimensions. A brand that is known to reduce the sense of uncertainty and risk faced by customers.

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Brand is also a consideration for the customer to use a product or service. Customers assume that brands are well-known is a guarantee of the quality, reliability, performance and service, as such forms of communication and promotion of the company aims to increase the quality of products or services and help build and maintain the brand image of the company (Schiffman and Kanuk 2007). Marketing and Public Relations when done properly, it will create a consumer loyalty with the company. Consumers are determining the existence of the company, it can be said reciprocation of consumers is a factor of a company. A consumer decides to purchase goods or services of a particular company based on the trust that consumers against the company in question. The belief that a consumer does not grow with ease, but confidence grew through the long process of the company, especially Marketing Public Relations for building brand image.

Today more and more found companies engaged in tourism, particularly in Sibolangit-Berastagi. The presence of a wide variety of tourist attractions this is clearly beneficial to the public as consumers, because there are many kinds of sites that will be addressed. This of course is inversely related companies of view, because the presence of competitors it will indirectly threaten the sustainability of the company. Various strategies have been prepared by the company is certainly one of them: to retain existing customers. Customer loyalty is the ultimate goal of the company, especially for a company that has been established for a long time. Retaining customers is far more effective and efficient than having to look for new customers. It takes an expensive cost to get customers, especially considering the climate of increasingly fierce market competition. The benefits of customer loyalty are to minimize the effect of the attacks of the competitors of similar companies. Competition among similar companies not only in terms of the products but also the public perception that affect customer loyalty. Customer loyalty is very important for companies that maintain business continuity and continuity of their business activities. Loyal customers are those who are very satisfied with the products and specific services, so as to have the enthusiasm to introduce it to anyone they know. Then on the next stage of loyal customers that will expand the "loyalty" them on other products made in the same manufacturer. And in the end they are consumers loyal to a particular manufacturer or company forever. Kotler (2003) states that loyalty is the customer who makes a purchase with the percentage increasing on a specific company rather than another company.

Theoretical Framework

Customer loyalty

There are several definitions of consumer loyalty. Loyalty refers to things that are good to a brand which in turn will make customers make repeat purchases (Day, 1969, in, Amy Wong & Amrik Sohal, 2003) or a situation where the consumer repeat purchase behavior coupled with an interest to buy again. Referring to the above definition, loyalty is generally described various incidents in which consumers (Amy Wong & Amrik Sohal, 2003): Buying / use repeatedly a product or service time, and the Getting attitudes toward a product or service or to a company provide products or services. Simply put, customer loyalty is a behavior in purchasing. Consumers are loyal relatively less interest in moving to competitors, despite the rise in prices and consumers will use more than the disloyal. Feldwick (1998) divides the loyalty of consumers into four levels, namely: (1) Consumer Entrenched is the consumer who will not move to the product / service / company, (2) Consumer averages are consumers who have loyalty is quite high but it is still possible to move to product / service / company when competitors offer something better, (3) consumer shallow that consumers have less loyalty high and began to think to move, (4) consumer convertible that consumers are not loyal are always moving product / service / company

Theory of Reasoned Action

Martin Fishbeindan Icek Ajzen first introduced theory of Reasoned Action (TRA) or Cogent action theory in 1980. This theory connects the belief, attitude, intention and behavior. The Will is the best predictor of behavior, meaning that if you want to know what someone will do the best way is to know the will of the person. The important concept in this theory is the focus of attention (salience) is considered something that is important. Briefly practice or behavior according to the Theory of Reasoned Action (TRA) is influenced by intention, while intention is influenced by the attitude and subjective norm. Attitude itself is influenced by a belief in the outcome of the action is past. Subjective norms are influenced by a belief in the opinions of others and motivation to comply with that opinion. Simply put this theory says that a person would commit an act if the act looked positive and believe that when other people want him to do it.

Theory of Trying

Theory of Trying is a theory developed by Bagozzi and Warshaw in an attempt to explain the uncertainty of the consumer when the attainment of the objectives of consumption are not fully under the control of one's willingness (Agarwal & Sinha, 2003). Theory of Trying intended to clarify the relationship between intentions and behavior by investigating peoples who are working hard to implement the behavior. This means that if an individual is trying to achieve a goal, then the individual would see it as a potential burden, which only has two possibilities, namely possibility tried but did not succeed and the second is the failure to try.

The first possibility is that the consumer may perform the experiment but did not succeed in consuming the product or service because of constraints from the environment or from the personal. Personal barriers can be derived from the price of the product or service to be purchased, the product features that are not in accordance with the expectations of consumers and so forth. Obstacles that come from the environment include factors such as unavailability or limited supply of product to be purchased or selected consumer, limited or no availability of products (product variations) for consumer and forth (Agarwal & Sinha, 2003).

The second possibility is Fails to Try, the latest developments on the theory states that the second possibility is divided into two forms, namely trying to not try, this occurs when the consumer is conscious endeavor to non-solution, in other words, consumers do not conduct experiments to solve a

solution to the desire to buy a product or also for their self-denial for reason such restraint and self-sacrifice, suspending personal satisfaction, self-expression or altruism and so forth.

Brand image and Customer Loyalty

Products or services offered cannot be released from the brand image / corporate image. Brand image / Corporate image can be identifying the products / services offered. Many authors state that a good brand image helped boost the company's sales and market share and to build and maintain relationships with customer loyalty. In addition, brand image / corporate image can also be used to improve or maintain their competitive position, retain old customers and attract new customers. Research Hu, Kandampully and Juwaheer (2009) stated that the corporate image positive effect on behavioral intentions or loyalty. Research Lai, Griffin and Babin (2009) state that the company's image barand significant effect on customer loyalty.

Brand image and Customer Loyalty

Basically brand image or a positive brand image can increase the probability of selection against the brand, brand image is a set of beliefs, ideas, and impressions of a person to a brand (Kotler, 2003). The relationship between the brand images of the customer loyalty was also confirmed by Lau and Lee (2000), which state that consumer confidence in the brand plays an important role in the creation of consumer loyalty to a particular brand.

Based on the opinion of the above it is clear that the brand image can be a positive influence on consumer loyalty to the brand. The better the consumers' assessment of the image of a brand will also make high consumer loyalty to the brand. Instead judgment unfavorable to the image of the brand will be able to impact on the consumer loyalty to the brand. This is supported by the opinion of Schiffman and Kanuk (2007) suggests consumers avoid risks to remain loyal to a brand that has been satisfying them than buy brand new or untried.

Relationship Marketing and Public Relations to Customer Loyalty

A company implementing marketing public relations to support the company or product promotion and image creation. Marketing public relations are able to contribute to tasks such as set up a corporate image by providing a positive projection on products (Kotler, *et.al*, 2002). When brand image is positive, then the public relations have been successful and still have to maintain, and enhance brand image that represents that more and better. Conversely, if the image of the company acquired a negative, then the public relations need to try to restore the negative image into a positive image so that the company could re-acquire a positive image in the eyes of consumers (Lianty, *et al*, 2011).

Through the MPR, brand image-building efforts to be more complete and comprehensive because it merged with the corporate image building, because consumers tend to want to consume products from manufacturers who can be trusted, socially responsible and able to communicate well with the stakeholders. According to Paulina (2010) Public Relations Marketing functions within the company if it is associated with a special event activities can increase sales, maintain customer loyalty and can create a positive image of the company or

product it represents in the occasion. Effect of loyalty imagery is also found in the results of research and Lindestad Andreassen (1997), which concluded that the brand image has a direct and significant impact on customer loyalty.

RESEARCH METHODOLOGY

Sampling Method

The population in this study is that consumers who visit the - average number of 1500 people per week. To determine the number of respondents or samples, researchers used a formula Slovin with a sampling error rate of 10% and 90% confidence level,

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

Where:
n = Number of samples
N = Total population
e = Margin of error

So based on the formula Slovin, the number of samples in this study were as many as 94 people. The sampling technique used was accidental sampling technique is sampling technique based on coincidence, meaning that anyone who by chance met the criteria as a visitor researcher in the study site can be used as a sample in this study.

Variable Operationalization

1. *Public relations* are a variety of programs designed to promote or maintain brand image or each product with indicators: educational, persuasive,
2. *Brand image* is the total perception about a company formed by processing information from various sources each time the indicator: the impression of the company, trust against the company and society's attitude toward the company.
3. *Customer loyalty* is the customer attachment to a brand, stores, manufacturers, service providers or other entities based on a favorable attitude and a good response, such as repeat purchases with indicator: Repeat Purchase, Retention and Referrals.
4. Data analysis technique

Data analysis technique

Methods of analysis of data used in this study are a multiple regression models to examine the effect of independent variables on the dependent variable. The models analyzes the influence of corporate governance and corporate social responsibility towards corporate performance in this study can be described as follows:

$$Y = \alpha + \beta_1 x_1\ \beta_2 X_2 + e$$

Where:
Y   : Customer Loyalty
α   : Constants
X_1 : Marketing Public relations
X_2 : Brand image
β_1 : Regression coefficients of Marketing Public relations

β_2 : Regression coefficient of Brand image

e   : Standard Error

FINDINGS AND DISCUSSIONS

Classic assumption test

Normality test aims to determine whether the data used in the regression model has a normally distributed or not. Test equipment used in this study is Test Kolmogorov-Smirnov test. Data were expressed normally when the Kolmogorov-Smirnov Z is smaller than 1.97 (Z < 1.97) with asym.sig level (2-tailed > significance level) (5%). Kolmogorov-Smirnov Z value obtained was 0,765 for the variable Public relations, 0.886 for the variable brand image, 0.648 to the variable Customer Loyalty. While the value of Asymp.Sig (2-tailed) was obtained for the variable Public relations 0.298, 0.412 for the variable brand image, and 0.175 for the variable customer loyalty. The value of the Kolmogorov-Smirnov Z earned < 1.97 and value Asymp. Sig (2-tailed) > 0.1 and thus it can be concluded that all of the data in this study are normally distributed.

Multicollinearity test was conducted to examine whether there is a high correlation between the independent variables. A good regression should not happen correlation between the independent variables, which is based Rated tolerance and Variance Inflation Factor (VIF), which the VIF is not more than 10 and the value of tolerance of not less than 0.1. Based on the test results multicollinearity can be seen that no matter multicollinearity, where the value of the variable tolerance of public relations and brand image variables respectively 0.817 and 1.224 of VIF in other words the value of tolerance 0.817> 0.1 and VIF 1,224 <10.

Heteroskedasticity test required as a condition to perform regression analysis. Good data is good data is data that does not happen Heteroskedasticity. This test can be performed using the analysis scaterplot when dots are perfectly spread above and below zero, it can be said does not happen Heteroskedasticity. Heteroskedasticity test results can be seen in the image below:
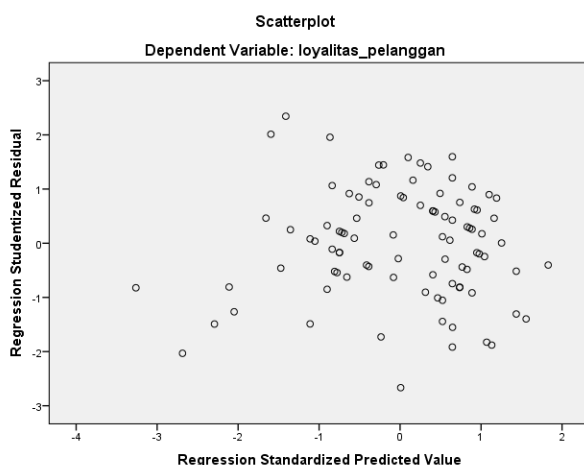

Figure 1 Test Results Heteroskedasticity

In this figure indicates that the data points spread around zero and not gather in one point. The spread of the data points are also not form a pattern. From the figure it can be concluded

that the regression model in this study is free of Heterocedastisity.

Hypothesis testing

To see how much influence the variable marketing public relations and brand image on customer loyalty is used the coefficient of determination. Based on the results of the analysis showed that the value of R square (R^2) of 0.325 which means that the variable Public relations and brand image affects 32.5% of employee loyalty. While 67.5% is influenced by other variables not examined in this study.

Multiple linear regression analysis is used to determine the effect of the independent variable (X) and the dependent variable (Y). Enter method used for regression analysis in order to determine whether the independent variables have a significant influence on the dependent variable. All variables will be added to the analysis to be known whether the independent variables have a significant influence on the dependent variable.

Table 1 Hypothesis Testing Result

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	8,615	2,491		3,459	0,001
Public relation	0,268	0,052	0,465	5,179	0,000
Brand image	0,216	0,086	0,225	2,503	0,014
R-Square = 325					
F-Value = 21,908					
Sig = 0,000					

Testing hypothesis (H1)

F-test was conducted to test whether the variable Public relations and brand image have influence together to variable customer loyalty at Hillpark Sibolangit-Berastagi. Based on the above table 1. The values obtained F-value 21.908 with a significance of 0.000. Score of F-value (21.908) > F-table (3.10), and the significance value smaller than the probability of 0.05 or 0.000 < 0.05. Thus Ho is rejected and Ha accepted. Public relations and means of variables simultaneously Brand image has an influence on the company's loyalty.

The first objective of this research is to know and explain the effect of Marketing and Public Relations to the brand image of the company. Based on the test results of path analysis Marketing Public Relations is known that significantly affect the company's brand image. In addition to showing the probability value of 0.000 (p<0.05), a significant effect of both variables are also supported by the theoretical Soemirat and Ardianto (2008: 154) states that the objectives of the Marketing and Public Relations is to establish a positive image for products and businesses a company. The purpose of the Marketing and Public Relations is to foster a positive image of the external public or community and consumers. Results of the study also show that marketing public relations has a positive and significant effect in improving the brand image to customers.

Variable Marketing Public Relations has seven indicators such as publications, media identity, activities, news, speeches, public activity and sponsorship services (Kotler and Keller, 2006). Of the indicators were there, some of the indicators of

which have a more dominant influence on brand image. The indicators are publications, activities, news, speeches, public service activities and sponsorship. All the indicators are assessed as capable of improving the brand image of the company with the majority of responses agreed evidenced given. While the identities media indicator consisting of the company's logo and uniforms were considered less able to raise the brand image. The majority of undecided responses given by the respondents evidence this. Facts on the ground found by the researchers that respondents tend to ask related to the logo and uniforms while performing the process of filling out the questionnaire. From these circumstances, the researchers concluded that the respondents feel less attracted by the company's logo and uniforms so the less dominate enhance brand image. But when viewed as a whole Marketing Public Relations is able to influence the company's brand image.

Hypothesis Testing (H2)

T-test was used to determine whether the independent variables are partially or not the dependent variable. To see how big the influence of marketing on customer loyalty Public relations partially then, based on the above table 1. The values obtained t-value of 5.179 with 0,000 significance. T-value (5.179) > t-table (1.66159), and the significance value smaller than the probability of 0.05 or 0.000 <0.05 thus Ho is rejected and Ha accepted means partially Marketing Public relations have an impact on customer loyalty.

The test results stated that marketing public relations but not significant effect on customer loyalty. This is not in line with the findings that the Marketing and Public Relations directly impact the Customer Loyalty. Based on these results it can be seen that the variable marketing public relations can impact on customer loyalty, but must go through the variable brand image.

Hypothesis Testing (H3)

To see how much influence the brand image of the partial customer loyalty then, based on the above table 1. The values obtained t-value of 2.503 with 0,000 significance. T-value (2.503) > t-table (1.66159), and the significance value smaller than the probability of 0.05 or 0.014 <0.05 thus Ho is rejected and Ha accepted means partially Brand image has an influence on customer loyalty.

Based on test results analysis showed that Brand Image has a significant influence on Customer Loyalty. The effect also supports the theory of Keller stating that the brand image can create a loyal customer. The results of these studies explain that the brand image that have a significant effect on customer loyalty. This is evidenced by the probability value of <0.05 Gronoos in Sutisna (2001) also stated that the positive image, which is owned by a company, would make it easier to market your products or services to customers. Thus the company will easily get customers and the opportunity to create a loyal customer.

Variable Brand Image has three indicators, namely brand image, user image and image services. Of these three indicators were more dominant in influencing customer loyalty. The indicator is that the brand image and image services. Brand image leads to the credibility of the company, while the image of service leads to quality of services offered. Both indicators

are considered able to create a loyal customer to prove the majority of the answers agree that respondents. While the image of the wearer indicators covering lifestyle and social status of visitors rated not unduly affect customer loyalty. The image of the user referring to the personality of the brand, whether it is consistent with the brand personality of the consumer. When making a purchase, consumers will choose a product / service based on the type that suits their personality. (Schiffman and Kanuk, 2007). Thus it can be concluded that the respondents in this study is not too saw the image of the wearer as determining whether the respondent would like to become a loyal customer or not. However, if viewed from the whole, brand image can influence customer loyalty.

CONCLUSIONS AND RECOMMENDATIONS

Marketing Public relations partially positive effect on customer loyalty Hillpark-Sibolangit with regression coefficient 0.268. It shows if the marketing public relations increases will increase customer loyalty, as well as brand image. Brand image is partially positive effect on customer loyalty Hillpark-Sibolangit with regression coefficient 0.216. This suggests that, if the higher brand image will then be able to increase customer loyalty and vice versa if the low brand image will have an impact on the decline in customer loyalty. Marketing Public relations and brand image simultaneous effect on customer loyalty amounted to 32.5%. In this research, public relations Marketing coefficient greater than the coefficient of brand image so that Marketing public relations more dominant influence in increasing customer loyalty compared to variable brand image, the company must pay attention to the more dominant to be able to increase customer loyalty better.

It is recommended to always evaluate and pay attention to complaints from visitors such as more frequent checking a suggestion box, or by asking directly to the visitor what is their complaint. In addition to the need to improve marketing public relations using good communication to visitors, and provides even more free tickets to the orphanage and the surrounding community to visit for free. Enhance brand image with employees to visitor services better and add rides. Researchers next need to consider other variables that affect customer loyalty such as quality of service, promotion, product quality, and others.

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