

Market Penetration Strategy through Social Media Marketing to Create Consumer Loyalty (Case Study at Rustic Market Cafe Surabaya)

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Market Penetration Strategy through Social Media Marketing to Create Consumer Loyalty (Case Study at Rustic Market Cafe Surabaya)

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ABSTRACT

Purpose: To analyze how much influence price, sales discount and brand awareness have on consumer loyalty at Rustic Market Café Surabaya, either partially or simultaneously.

Design/methodology/approach: In this study using a quantitative research approach. The sample used in this study were 100 respondents who had visited the Rustic Market Café Surabaya. The sampling technique used is non-probability sampling (purposive sampling). The data collection tool uses a questionnaire. Analysis of the data used is Multiple Linear Regression Test and Hypothesis Testing using SPSS 18.

Findings: The results of the partial study, the data showed that there was a partially insignificant effect between the price variable (X1) on Consumer Loyalty (Y) with a significance value of 0.068. The Sales Discount Variable (X2) on Consumer Loyalty (Y) shows a partially significant effect with a significance value of 0.003. The Brand Awareness (X3) variable on Consumer Loyalty (Y) shows a partially significant effect with a significance value of 0.000. Simultaneous research results, the data shows a significant effect simultaneously with a significance value of 0.000. Thus it can be concluded that the variables consisting of Price (X1), Sales Discounts (X2), and Brand Awareness (X3) have a significant simultaneous effect on the Consumer Loyalty variable (Y).

Paper type: Research paper

Keyword: Brand Awareness, Consumer Loyalty, Price, Sale Discount

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I. INTRODUCTION

The development of the business world today is increasingly complex. This can be seen from the current conditions which are marked by very tight competition and increasingly dynamic and competitive market conditions. This condition causes consumers to become smarter. Consumers also have access to multiple channels and options for the products they want and need. Buyers are effectively switching to competitors who are very promising, for example a much better price at a lower cost (Merdiani, 2021). Conditions like this cause companies to be more precise in determining a very successful and productive business system in the face of ongoing competition. Companies can also carry out systems such as market penetration, product development, market enhancement to be emphasized in developing business (Pramesitika & Lukito, 2020). According to Yuliana (2020) revealed that towards the end of 2019, the whole world was shaken by the spread of another virus that originated in China. The city of Wuhan, namely corona virus, is another type of corona virus (SARS-CoV-2) whose disease can be called Corona Virus Disease 2019 or can be abbreviated as COVID-19. However, as time goes by, living hand in hand with COVID-19 to date can be said to have changed everything in individual lives, given the slump in the nation's economy, especially in Indonesia. Sundari (2019) also revealed

that when viewed in the current era of the industrial revolution 4.0, the development of the trade sector and MSMEs can be said to be growing very rapidly.

Various culinary places that offer extraordinary ideas have sprung up in Surabaya, both in places and dishes served. One of them is Rustic Market Cafe Surabaya, which carries the European Rustic idea. Located on Jalan Golf, Rustic Market Cafe Surabaya has a European Rustic-style building plan with a natural feel. The structure of the building, the interior, and its decoration are wooden nuances, so that it gives a characteristic and does not damage the impression of the ecosystem. The land which has an area of 6,200 square meters is divided into two special spots, namely indoor and outdoor. For indoor spaces, there are various types of wooden ornaments and they seem very unique which are arranged in such a way, so that they look comfortable to look at. While in the outdoor section, apart from having several tables and seats that can accommodate guests, there is also a very wide grass field and is often used as a spot for guests to take pictures. All sides of this spot look instagammable. It's not just the layout of the structure that takes on a European touch, it's the cuisine menu as well. Some of the menus that can be ordered include Chicken Steak, Pasta, Spaghetti, and Chicken Pramigana. While the drink menu is Americano, Double Espresso, Latte, Matcha, Tea and various other choices. The food and beverage menu here is also very diverse, starting from Rp. 15,000 up to Rp. 50,000.

Consumers as one of the stakeholders also have an important role for the continuity of a company. In an environment that continues to grow and can change rapidly, companies have the key to success in order to survive by maintaining long-term relationships with stakeholders (Sridadi, 2013). The challenge currently facing all marketers is increasing/creating customer loyalty. Transforming previously indifferent customers into loyal customers and building long-term relationships is critical to a company's success (Kaur & Bhardwaj, 2021).

On 2020, active users on social media in Indonesia can reach 160 million users or 62% of the total population. The social media that are very often used by the public are Instagram by 50.7%, Facebook by 17.8%, Twitter by 16.4%, and Youtube by 15.1% (Kemp, 2020). Internet user penetration and social media marketing. In its application, the benefits of social media are not only as a means of communication and entertainment, but also have an important position in the business world as a means of supporting marketing communications (Rugova & Prenaj, 2016). The sustainable use of social media can be used as a business support tool as a marketing strategy through online to promote goods and work with buyers to achieve business goals. Social media marketing is also a tool for selling goods, but it can also build relationships between companies and customers, even between buyers (Zahay, 2015). Social media marketing can also increase the effectiveness of marketing activities with a very wide reach and can build long-term relationships with consumers (Poturak & Softić, 2019).

A. Research purposes

Based on the problems that arise above, the objectives to be achieved in this research are:

1. To analyze whether there is a partially significant effect on the variables of Price, Discount and Brand Awareness through social media on consumer loyalty.
2. Is there a simultaneous significant effect on the variables of Price, Discount and Brand Awareness through social media on consumer loyalty.

B. Literature Review

1. Price (X1)

Price is the amount of value exchanged by consumers for a product or service that has a fixed value, which has been determined by buyers and sellers on the basis of bargaining, or a value that has been determined with certainty for all buyers (Umar, 2010).

According to Kotler, Philip. & Armstrong (2008) there are 4 indicators that can break the price, namely:

1. Price affordability
Very affordable prices are what consumers dream of before they make a purchase. Consumers will also search for and choose products whose prices they can afford.
2. Price match with product quality
For certain goods, customers generally do not care if they need to buy and pay a considerable fee as long as the nature of the goods is good. After all, most buyers will want items at a lower or reasonable cost with good quality.
3. Price competitiveness
The company has set a selling price for a product that has been considered with the selling price of its competitors' products so that their products can also compete in the market.
4. Price match with benefits
Some consumers often ignore the price on a product but are more concerned with whether the product is useful.

2. Sale Discount (X2)

According to Kotler, Philip. & Armstrong (2008) discount is a reduction in the price of a purchase within a certain period of time, where the provision of discounts to consumers aims to appreciate the buyer's response.

According to Sutisna (2003), Discount is a reduction in the price of each product from the normal price within a certain period of time. There are several indicators that can be associated with discounts, namely:

1. The amount of the discount
How much discount will be given to the product that will be discounted at the time of sale.
2. Discount period
The length of time period that will be given at the time of implementation of the discount.
3. Types of products that get a discount
Various choices on a product that will be given a discount.

3. Brand Awareness (X3)

Brand awareness is the individual ability to understand and remember the brand from a certain product level, and is an important aspect in the value of a brand (Juliana & Sihombing, 2019).

There are several indicators of brand awareness according to Kotler, Philip (2012) :

1. Recall
How far/deep consumers can remember the brand and what they understand from some of the products in the market.
2. Recognition
How much consumers can recognize brands and categories in each existing brand.
3. Purchase
Application in consumers can mention and enter a brand when they are faced with several choices when they want to buy products or services in each of the existing services.
4. Consumption
How far consumers can remember a particular brand when using a product or service on a competitor's service.

4. Consumer Loyalty (Y)

Consumer loyalty can be said to play an important role in a company, retaining customers is very valuable to increase financial limits and can also increase the viability of a company following the reasonableness of the organization, this condition can be one of the main reasons behind a company to attract and retain consumers. Efforts to get loyal customers cannot be done all at once, but in several phases, starting from finding the expected customers to getting partners (Shaputri & Abdurrahman, 2019).

According to Kotler & Keller (2006) There are several indicators to measure customer loyalty:

1. Repeat Purchase
2. Retention
3. Referral

II. METHODS

In this study, the author uses multiple linear regression method with a quantitative research approach. According to Sugiyono (2015) quantitative research methods are methods based on the philosophy of positivism, which are used to examine certain populations and samples, data collection techniques using research instruments, quantitative data analysis with the aim of testing predetermined hypotheses.

According to Sugiyono (2013) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics which have been determined by the author to be studied and then conclusions can be drawn. The population in this study are all consumers of Rustic Market Cafe Surabaya. So, the sample in this study amounted to 100 respondents who were visitors to Rustic Market Café Surabaya. The research concept framework is as follows:

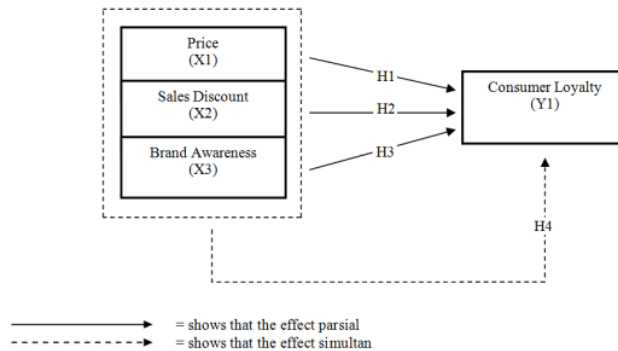


Figure 1. Frame of Mind

A. Hypothesis: 18

- H1: Price has a partial effect on consumer loyalty.
- H2: Sales discount has partial effect on consumer loyalty.
- H3: Brand awareness has partial effect on consumer loyalty.
- H4: Price, sales discount, brand awareness have a simultaneous effect on consumer loyalty.

B. Aggregation Data 4

In this study, the authors use primary data because in collecting information using a questionnaire as a research instrument. In strengthening the foundation, this study uses several tests, namely, validity & reliability test, multiple linear regression test, coefficient of determination test and hypothesis testing. Based on the validity test on each indicator, which amounted to 14 items, it was declared valid because the value of R count > R table with a minimum limit of R table 0.1966. The Cronbach Alpha test showed that all variables in this study were declared reliable because the value of Cronbach's > 0.6. It can be concluded that all questionnaire items in this study were declared valid and worthy to be used as research instruments.

III. RESULTS AND DISCUSSION

A. Multiple Linear Regression Analysis

The analytical method that will be used in this research is multiple linear regression analysis method. This multiple linear regression analysis method has the aim of knowing the extent of the influence of the independent variable (X) on the dependent variable (Y), for statistical calculations carried out in analyzing multiple linear regression in this study using the SPSS for Windows version 18.0 program. By inputting the data obtained from the results of the questionnaire that has been filled in by the respondent. The following are the results of data processing from multiple linear regression analysis using the SPSS 18.0 program. :

Tabel 1. Multiple Linear Regression Analysis

| | | Coefficients ^a | | |
|-------|------------|-----------------------------|------------|---------------------------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients |
| | | B | Std. Error | Beta |
| 1 | (Constant) | .794 | 1.342 | |
| | X1 | .124 | .067 | .138 |
| | X2 | .320 | .106 | .295 |
| | X3 | .318 | .073 | .427 |

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a. Dependent Variable: Consumer Loyalty (Y)

Source: Primary data, processed by the author. 2022

Description:

X1 = Price

X2 = Sales Discount

X3 = Brand Awareness

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Based on the results of the analysis calculations in the table above, the form of the multiple linear regression equation can be written as follows:

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

$$Y = 0.794 + 0.124 X_1 + 0.320 X_2 + 0.318 X_3 + e$$

The interpretation of the regression model equation above can be explained as follows:

1. The constant number (a) = 0.794 shows the magnitude of the consumer loyalty variable which is not influenced by the price variable (X1), sales discount (X2), brand awareness (X3) or independent variable = 0, then the value of consumer loyalty is 0.794.
2. The value of the regression coefficient on the price variable which shows that every change in the unit price of one unit will increase customer loyalty is 0.124.
3. The value of the regression coefficient on the sales discount variable which shows that every change or increase in the sales discount unit by one unit will increase consumer loyalty is 0.320.
4. The value of the regression coefficient on the brand awareness variable which shows that every change or increase in product units by one unit will increase consumer loyalty is 0.318.

B. Hypothesis test (partial test/T)

The following are the results of testing the effect of the independent variable on the dependent variable partially by using the T test :

Tabel 2. Partial Test Analysis Results (T)

| | | Coefficients ^a | | | | |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | .794 | 1.342 | | .592 | .555 |
| | Total_X1 | .124 | .067 | .138 | 1.844 | .068 |
| | Total_X2 | .320 | .106 | .295 | 3.025 | .003 |
| | Total_X3 | .318 | .073 | .427 | 4.364 | .000 |

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a. Dependent Variable: Consumer Loyalty (Y)
 Source: Primary data, processed by the author. 2022

It is known that the probability level = 0.

From these calculations, it is known that the result of T table is 1,984

Based on the results of the calculation of the partial test (T) obtained the following results:

1. The price variable (X1) has a T count = 1.844 < T table = 1.984 with a significance probability level of 0.068 > 0.05. This means that Ha is rejected and Ho is accepted, that partially the price variable (X1) has no significant effect on consumer loyalty (Y).
2. The sales discount variable (X2) has a value of T count = 3.025 > T table = 1.984 with a significance probability level of 0.003 < 0.05. This means that Ha is accepted and Ho is rejected, that partially the sales discount variable (X2) has a significant effect on consumer loyalty (Y).
3. The brand awareness variable (X3) obtained a T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. This means that Ha is accepted and Ho is rejected, that partially brand awareness variable (X3) has a significant effect on consumer loyalty (Y).

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Based on the explanation above, it can be concluded that the hypothesis of the price variable (X1) has no significant effect on consumer loyalty, while the sales discount variable (X2) and brand awareness (X3) have a significant effect on consumer loyalty.

C. Hypothesis test (Simultaneous Test /F)

The following are the results of testing the influence of independent variables on the dependent variable simultaneously using the F test :

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Tabel 3. Simultaneous Test Analysis Results (F)

| | | ANOVA ^b | | | | |
|-------|------------|--------------------|----|-------------|--------|-------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 183.269 | 3 | 61.090 | 31.809 | .000a |
| | Residual | 184.371 | 96 | 1.921 | | |
| | Total | 367.640 | 99 | | | |

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a. Predictors: (Constant), X3, X1, X2
 b. Dependent Variable: Consumer Loyalty (Y)
 Source: Primary data, processed by the author. 2022

17. known that the probability level = 0.05
 Based on the results of the simultaneous test in table above, it is obtained that the calculated $F >$ from the F table is $31.809 > 2.70$ and the significance level is < 0.05 , which is 0.000. then H_0 is rejected and H_a is accepted. Thus, it is concluded that the variables consisting of price (X1), sales discount (X2), and brand awareness (X3) have a significant simultaneous effect on the variable of consumer loyalty (Y). Thus, the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously affects the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.

D. Coefficient of Determination Analysis (R^2)

The results of the analysis of the coefficient of determination in this study can be seen in the following table :

Tabel 4. Coefficient of Determination Test Results

Model Summary^{a, d}

| Model | R | R Square ^b | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|-----------------------|-------------------|----------------------------|
| 1 | .993 ^a | .985 | .985 | .45928 |

a. Predictors: X3, X2, X1

Source: Primary data, processed by the author. 2022

The coefficient of determination (R^2) is a method that is applied to measure how far the model's ability to explain the dependent variable is on the consumer loyalty variable (Y). In the SPSS calculation results as shown in the table, the coefficient of determination (R^2) is 0.985. This means that 98.5% of consumer loyalty variables (Y) are influenced by price variables (X1), sales discounts (X2), and brand awareness (X3) so 1.5% is influenced by variables outside this research model.

E. Discussion

1. From the results of multiple linear regression analysis obtained the form of the regression equation as follows:

$$Y = 0.794 + 0.124 X1 + 0.320 X2 + 0.318 X3 + e$$

- 1) Based on the results of the regression equation model, it can be seen that the value of the regression coefficient on the variable Price = 0.124, indicating that each change or increase in price of one unit will increase customer loyalty by 0.124.
 - 2) While the value of the regression coefficient on the Sales Discount variable = 0.320, indicating that every change or increase in Sales Discount of one unit will increase consumer loyalty by 0.320.
 - 3) And the value of the regression coefficient on the Brand Awareness variable = 0.318, indicating that every change or increase in Brand Awareness of one unit will increase consumer loyalty by 0.318.
- Thus, the regression coefficient value of the variables Price (X1), Sales Discount (X2) and Brand Awareness (X3) both have a positive influence on loyalty to the Rustic Market Café in Surabaya.
2. From the results of the coefficient of determination (R^2) obtained a value of 0.985 which means that 98.5% of consumer loyalty variables are influenced by price variables (X1), sales discounts (X2) and brand awareness (X3) so 1.5% is influenced by other variables outside this research model.
 3. The results of the simultaneous test (F) show that simultaneously or simultaneously the price, sales discount and brand awareness variables have a significant effect on the consumer loyalty variable. This is indicated by the calculated F value $31.809 > F$ table 2.70 with a significance probability level of $0.000 < 0.05$. Thus the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously has an effect on the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.
 4. From the results of the partial test (T) as a whole it is known that:

- 1) Price variable (X1) has no significant effect partially or individually on the consumer loyalty variable (Y). This can be proven by the value of T count = 3.025 > T table = 1.984 with a significance probability level of 0.068 < 0.05. Based on this, Rustic Market Café must continue to pay attention and adjust the price to be set, because consumers will consider the price of the product with the benefits and quality received, if consumers feel the benefits and quality received from Rustic Market are unsatisfactory and feel a loss for the costs that have been incurred, then consumers no longer visit the Rustic Market Surabaya cafe and will move to other competing stores. On the other hand, if the prices at the Rustic Market cafe have been carefully considered, consumers will also feel comfortable and satisfied. Therefore, price also plays an important role for Rustic Market cafes to get loyal customers.
- 2) Sales discount variable (X2) has a significant partial or individual effect on the consumer loyalty variable (Y). This can be proven by T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. Based on this, the Rustic Market café must continue to pay attention and maintain as well as possible the sales discounts that have been implemented properly. If the Rustic Market café is able to maintain and pay attention to sales discounts properly, it will be very easy to get loyal customers, but on the other hand if Rustic Market is not able to process and pay attention to discounts as well as possible, it can be difficult to get loyal customers. Because basically sales discounts also have an important role in a business.
- 3) Brand awareness variable (X3) has a significant partial or individual effect on consumer loyalty variable (Y). This can be proven by T count = 4.364 > T table = 1.984 with a significance probability level of 0.000 < 0.05. Based on this, Rustic Market Café must maintain and pay attention to how to introduce its products through social media marketing so that it can be widely reached by potential consumers, introducing a product through social media marketing is one of the options for how a company introduces its products to all potential consumers. Therefore, brand awareness also has an important role to get loyal consumers.

IV. CONCLUSION

Based on the problems that have been formulated, the results of the analysis and hypothesis testing that have been carried out in the previous chapter, from the research conducted, the following conclusions can be drawn:

1. The results of data processing show that there is a partially insignificant effect between the Price variable on Consumer Loyalty with a significance value of 0.068. Based on the results of data processing, this shows that the price does not guarantee to make Rustic Market Café consumers make return visits.
2. The results of data processing show that there is a partially significant effect between the Sales Discount variable on Consumer Loyalty with a significance value of 0.003. Based on the results of data processing, this shows that Sales Discounts can increase visitors to Rustic Market Café.
3. The results of data processing show that there is a partially significant influence between the Brand Awareness variables on Consumer Loyalty with a significance value of 0.000. Based on the results of data processing, this shows that Brand Awareness is able to increase Rustic Market Cafe visitors through social media marketing.
4. The results of data processing show a significant effect simultaneously with a significance value of 0.000. Thus, it can be concluded that the variables consisting of price (X1), sales discount (X2), and brand awareness (X3) have a significant simultaneous effect on the consumer loyalty variable (Y). Thus the hypothesis which states that the price variable (X1), sales discount (X2), and brand awareness (X3) simultaneously has an effect on the dependent variable, namely consumer loyalty (Y) at Rustic Market café Surabaya, which is empirically proven.

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