

CUSTOMER LOYALTY IS AFFECTED BY SERVICE QUALITY, PRODUCT QUALITY, AND SALES PROMOTION ON PUBLISHING PARETO CUSTOMERS ERLANGGA PEKANBARU

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ABSTRACT

Customer loyalty is an essential factor in business success. In the publishing industry, such as Pareto Publisher Erlangga, creating customer loyalty is crucial for maintaining a competitive market share. Therefore, this research aims to analyze the relationship between service quality, product quality, sales promotion, and customer loyalty among Publisher Erlangga's Pareto customers in Pekanbaru. This study adopts a quantitative approach by collecting data from 92 respondents who are customers of Pareto Publisher Erlangga in Pekanbaru. The research instrument used is a questionnaire consisting of questions about customer perceptions of service quality, product quality, sales promotion, and loyalty to Erlangga Publisher. The results of data analysis using the multiple linear regression method indicate that service quality, product quality, and sales promotion have a significant positive influence on customer loyalty. This means that the higher the customers' perception of service quality, product quality, and sales promotion, the higher their level of loyalty to Erlangga Publisher. These findings have important implications for Pareto Publisher Erlangga in Pekanbaru to enhance customer loyalty. They should focus on improving service quality, such as responsiveness to customer inquiries, speed of service, and ease of communication. Additionally, they should ensure that the products they offer are of high quality and meet customer expectations. Moreover, effective sales promotion strategies should also be implemented to build awareness and interest among customers. Pareto Publisher Erlangga in Pekanbaru can develop more effective strategies to maintain and increase their market share. This research can serve as a reference for the publishing industry and other businesses in understanding the importance of service quality, product quality, and sales promotion in fostering customer loyalty.

Keywords: *customer loyalty, service quality, product quality, sales promotion*

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INTRODUCTION

A book is a collection of paper containing information, printed, systematically arranged, bound and protected on the outside made of thick paper, cardboard or other. Books are also important in the education process in Indonesia, the need for books in the teaching and learning system is very crucial because books can be a source of knowledge for students in schools. Based on the provisions of the National Library of the Republic of Indonesia (2011) that each student must have one copy of textbooks for each subject. Due to the ever-increasing needs, the trend of book publishing has always existed, even today, even though the digital era has become more advanced and popular among students. The need for textbooks is still very much needed by students for learning.

The number of book publishing companies in Indonesia can be said to be quite fantastic, ranging from local, national, and even international standard/standard publishing companies. Some book publishing companies even have a lifespan of up to 70 years, with many choices on the market regarding textbook publishers. So it can be said that competition in the textbook market can be said to be very dynamic, they translate this competition into improving product quality, maximizing customer service, attractive promotional programs and various other

methods that they use to maximize book sales to be able to compete and continue to exist. in the publishing business. Publishing a book is an activity that is resource intensive or full of resources, both through human resources and HR aspects, meaning that publishing a book is related to how to find high-quality and reliable book writers, editors, illustrators and managers in their fields. The aspect of financial resources is an important and unavoidable factor because book publishing involves the use of high-level technology, natural resources such as paper, metal shells and others that can improve the quality of bookbinding.

The development of the world of publishing in Indonesia can be seen, among other things, from the growing number of Ikapi members (Indonesian Publishers Association). According to Ikapi (2015), every year the number of Ikapi members increases. The growth in the number of Ikapi members in various regions shows that the book publishing business is still in great demand by entrepreneurs. Based on a survey conducted by Ikapi (2015), the number of book publishers who were Ikapi members in 2012 totaled 1,158 members, while in 2015 there were 1,328 members. The data shows a growth in the number of book publishers of 12.8 percent in a period of 3 years. Most of these publishers are located in Java, namely: 293 publishers in Jakarta; 210 publishers in Central Java, Yogyakarta, and East Java and 143 publishers in West Java. Apart from publishers who are members of IKAPI, there are also publishers who do not or have not joined. Usually, the publishers of these books are publishers with a small scale and a small number of employees. Ikapi data (2015) also shows that there are around 30,000 book titles that have been published annually in Indonesia, where 80% of publishers have published an average of 10-50 book titles annually. Meanwhile, book sales turnover in 2014 amounted to 8.5 trillion. From searching the official IKAPI website, data on publishers and the number of book titles published were only available until 2015.

The book publishing industry is also not immune from various problems both internally and externally. Externally, in carrying out their business, book publishers deal with authors, bookstores, and libraries as partners, while other publishers as competitors. In addition, there are other aspects that are also directly or indirectly related to the development of the book publishing business, among which are important ones such as the level of public literacy and interest in reading, government policies and regulations, and the development of information and digital technology, as well as printing technology. Internally, in developing their business, a book publishing company will have to deal with technical issues of publishing, production, distribution, marketing, resource management, and of course finance and management (Hakim & Manggabrani, 2022).

Publishing companies have also gone through many stages of change, especially in textbooks, this can be seen from the curriculum that has changed from the post-independence period to the present. The curriculum is the core of the educational process. Curriculum is the field that most directly influences educational outcomes.

The curriculum determines the process and results of an education system. The curriculum can also function as a medium to achieve goals as well as a guide in the implementation of teaching at all types and levels of education (Kusno et al., 2022). Initially, the curriculum in Indonesia started from the 1947 curriculum, then changed to the 1952 curriculum, after that it changed to the 1964 curriculum and then through several stages was revised back to the 1968 curriculum. This curriculum change continued with the aim of improving the quality of education in Indonesia, continuing to become the 1975 curriculum, the 1984 curriculum, the

1994 curriculum, and the 1999 curriculum supplement. After experiencing several changes in previous years, Indonesia finally used the Competency-Based Curriculum in 2004 until it was finally changed in 2006 using the education unit level curriculum/KTSP (Kanita, 2019).

After the use of the KTSP curriculum in 2006, there were further changes in 2013. The use of the 2013 curriculum was implemented for quite a long time until finally it was changed to an independent curriculum which was used in 2022 until now its application is used by schools at every level. Each curriculum change that occurs in Indonesia is directly proportional to the development of publishing companies in Indonesia, each curriculum change will greatly impact publishing companies and the dynamics of textbook sales in Indonesia. (<https://nasional.kompas.com/>)

METHOD

Research Strategy This is in accordance with the opinion of (Arikunto, 2006) who stated that quantitative research is a research approach that requires a lot of numbers, starting from data collection, interpretation of the data, and its appearance.

The location or place of research provides information regarding the area or place where the researcher reveals the true state of the object under study. Research locations are used by researchers to obtain data and information needed to answer the research problem formulation. The research was conducted in Pekanbaru City and was centered on Pareto subscribers of the Erlangga Pekanbaru Publisher. Jl. Soekarno Hatta, No. 98, Payung Sekaki District. As for the time allocation used for this research, data collection was carried out from April 2023 to May 2023 through questionnaires distributed to Pareto subscribers of Erlangga Publishers.

Population and Sample The population in this study are customers who buy books from Erlangga Pekanbaru Publishers who have subscribed to textbooks from Erlangga Pekanbaru Publishers in the last 5 years or it can be said to be Pareto customers who have bought Erlangga Publisher's books more than 1 time, which refers to the Pareto principle. coined by Vilfredo Pareto. The total population in this study is 1,083 customers recorded from 2019 - 2023. So the number of samples used after rounding is = 92 customers. The operational technique in sampling is to take respondents with the most frequent transaction history and the most in number during the last 5 years. In scientific research, there are several data collection techniques. In this study, the primary data collection techniques used were: Questionnaire (questionnaire) which is a collection of data by giving or distributing a list of questions/statements to respondents regarding service quality, product quality, and promotional programs that affect customer loyalty. In this study, a list of closed questions was used, where alternative answers were provided (Suharsimi, 2013). Questionnaires will be distributed to respondents to fill out, then the initial data that has been completed will be coded according to the variables and variable qualifications and then tabulated using SPSS (Statistical Product and Service Solution) software. The data will be processed to obtain descriptive information and hypothesis testing. Instrument Test Validity Test Reliability Test Data Analysis Techniques, Descriptive Analysis, Classical Assumption Test, Multiple Linear Regression Analysis, Hypothesis Test.

RESULTS AND DISCUSSION

Erlangga Publisher One of the publishing companies in Indonesia is Erlangga Publisher, Erlangga Publisher has been recognized by educators and students throughout Indonesia. With the background of a book publishing company that is now about to turn 71 years old, Erlangga Publisher can be said to be a very mature publishing company in publishing educational books throughout Indonesia. With 11 consecutive years of capital as the holder of Top Brand For kids and Gen Z 2023 as an educational book publisher published by Frontrier / Marketing Magazine edition 04/XXIII/April 2023. Erlangga Publisher has a very high score compared to other competitors by comparison TBI 2023 Erlangga has a score of 58.4% while in 2nd place is occupied by Gramedia with a score of 17.9%. With this evidence, it can be said that Erlangga has loyal customers and has always supported Erlangga Publisher's business development in the last 11 years which has enabled Erlangga Publisher to achieve the top brand position. The development of Erlangga Publisher's books from 2015 to 2022 remains in first place so that it can be said that customer loyalty has survived from 2015 to 2022.

Effect of Service Quality on Customer Loyalty

Philip & Amstrong (2013) say that product quality is a potential strategic weapon to beat competitors. So the owner of the product with the best quality product will grow rapidly, and in the long term, the owner of the product will be more successful than other competitors. Previous research conducted by (Virgilio & Antonelli, 2021) which states that product quality influences purchasing decisions positively and significantly. This statement is supported by (Nosratabadi et al., 2019)

Based on the results of the first hypothesis test proves that service quality will affect customer loyalty directly and significantly. The results of this study have similar results with research by (Best, 2013) discussing the influence of service quality variables on loyalty mediated by customer satisfaction, research by Nico Chrisnaya, Agus Rahman Alamasyah, Theresia Pradiani (2022) discussing variables influencing service quality, product quality and price on loyalty through customer satisfaction and research by Yulia Larasati Putri (2017) discusses the effect of service quality on customer loyalty with satisfaction as an intervening variable (Zulianti et al., 2022).

The results of the study show that service quality has a major influence on customer loyalty so that the results of the research above state that service quality can affect customer loyalty. The evidence for this statement is that various studies have been conducted to examine the relationship between service quality and customer loyalty, and most of these studies have confirmed that high service quality contributes positively to customer loyalty (Sa'adah, 2020). Good service quality includes several aspects, such as service speed, reliability, responsiveness, employee competency, friendliness, and problem solving. When customers are satisfied with the service they receive, they tend to be more likely to remain loyal to the brand or company (Karmila & Barlian, 2023).

Based on the discussion above, customer loyalty has an important impact on Erlangga publishers, because loyal customers tend to make repeat purchases, provide positive recommendations to others, and have a higher tolerance for slightly higher prices. Therefore, companies often try to improve their service quality as a strategy to retain and acquire loyal customers (Nicodemus, 2019).

Effect of Product Quality on Customer Loyalty

According to (Mariza, 2003) product quality is a factor contained in a product that causes the product to be of value according to the purpose for which the product was produced. (Kotler, 1994; Kotler & Pfoertsch, 2007), product quality is the overall characteristics of a product or service depending on the ability to meet consumer needs, both express and implicit. Then according to (Saputra, 2016) quality is the totality of the forms and characteristics of goods that show their ability to satisfy the needs and desires of consumers. The level of product quality is determined by the level of customer satisfaction after or when consuming the product (Rahman & Sitio, 2020). In line with Alfred's (2013) opinion, quality is how the recipient of a product or service perceives the product or service before buying, after delivery, and using it.

Based on the results of the second hypothesis test prove that product quality affects customer loyalty directly and significantly. The results of this study have similarities with research by (Prasomya & Santoso, 2022) which discusses the effect of product quality, service quality, and price on consumer satisfaction and loyalty.

The results show that product quality has a major influence on customer loyalty. High product quality is an important factor in building customer satisfaction and increasing their likelihood of remaining loyal to a brand or company. Customers tend to look for products that meet or exceed their expectations in terms of quality. Good product quality includes several aspects, such as good performance, durability, reliability, innovation, design and features that meet customer needs. Products that meet or exceed customer expectations have the potential to create positive experiences and high levels of satisfaction.

Customer loyalty to products can be formed through several mechanisms. Customers who are satisfied with product quality are more likely to repurchase the product, recommend it to others, and are more likely to maintain a long-term relationship with the brand or company. In some cases, customer loyalty can even create an emotional attachment to a brand or product, thus making them reluctant to switch to another brand or product (Hakim & Manggabrani, 2022).

The Effect of Sales Promotion on Customer Loyalty

Tonggano & Christiawan (2017), Sales Promotion is a term used to express activities that complement both sales and advertisements and make them effective, for example, shows, exhibitions, demonstrations, and other sales efforts that are not carried out repeatedly and are not ordinary. Philip & Amstrong (2013) state that sales promotion consists of a collection of incentive tools, mostly short-term, designed to stimulate faster or larger purchases of certain products or services by consumers or trade.

The results show that sales promotion has a major influence on customer loyalty. In fact, sales promotion can encourage customers to make purchases but does not always directly contribute to long-term customer loyalty. Sales promotion generally focuses on influencing customer buying behavior by offering special incentives or discounts on products or services. This could include price discounts, special offers, gifts or temporary loyalty programs. Sales promotions can create a brief incentive for customers to make purchases, but their long-term effects on customer loyalty can vary (Fahmi, 2016).

True customer loyalty is more related to factors such as product or service quality, customer satisfaction, overall experience, and the relationship built with the brand or company. While

sales promotions can provide short-term satisfaction and encourage a customer to buy, deeper loyalty is usually formed through long-term relationships that are based on ongoing satisfaction. Thus, although sales promotions can influence purchasing decisions and support efforts to retain customers, they are not directly the dominant factor in building long-term customer loyalty.

The Effect of Service Quality, Product Quality, and Sales Promotion on Customer Loyalty

(Löfgren & Witell, 2005) loyalty can be defined based on buying behavior. The characteristics of a loyal customer are people who: Make regular repeat purchases, Purchase across product and service lines, Refer others, and show immunity to the pull of competitors. According to Musfar (2021) product quality is a factor contained in a product that causes the product to be of value according to the purpose for which the product was produced. Kotler and Keller (2009:219) state that sales promotion consists of a collection of incentive tools, mostly short-term, designed to stimulate faster or larger purchases of certain products or services by consumers or trade.

Based on the results of the fourth hypothesis test prove that service quality, product quality and sales promotion affect customer loyalty simultaneously and significantly. The results of this study are the same as research by Joko Bagio Santoso (2019) discussing the effect of product quality and service quality on consumer loyalty, research by Jaka Kusuma Hanjaya and Putu Yudi Setiawan (2022) discussing service quality, sales promotion and customer loyalty.

The results showed that service quality, product quality and sales promotion had a significant influence on customer loyalty. In fact, the results showed that service quality, product quality and sales promotion had a significant effect on customer loyalty. These three factors are interconnected and can influence customer loyalty in a number of ways.

Good service quality is an important factor in creating customer satisfaction. Customers who receive responsive, efficient, and friendly service are more likely to be satisfied with their experience and more likely to remain loyal to the brand or company. High service quality can also create strong relationships between customers and companies, thereby increasing customer loyalty.

In addition, good product quality also has a significant effect on customer loyalty. Customers tend to choose products that are quality, meet their expectations, and provide good value. Products that excel in terms of performance, innovation, reliability and user satisfaction can create positive experiences and build long-term customer loyalty.

Sales promotions can also play a role in influencing customer loyalty. Effective promotion can provide incentives for customers to buy and create greater awareness of the brand or product. Loyalty programs, special discounts or gifts provided through sales promotions can strengthen the relationship between a company and its customers, encourage repeat purchases and increase customer loyalty.

In order to build strong customer loyalty, companies need to pay attention to these three factors holistically. Good service quality, superior product quality, and effective sales promotion can work together to create a positive customer experience, increase satisfaction, and strengthen long-term loyalty.

CONCLUSION

Service quality The results of the regression analysis of the effect of service quality on customer loyalty obtained a significance of 0.00 less than 0.05 which indicates that there is a direct effect of service quality partially on customer loyalty with the level of influence of service quality on customer loyalty of 21.6%. The results of the regression analysis of the effect of service quality on customer loyalty obtained a significance of 0.00 less than 0.05 which indicates that there is a direct effect of service quality partially on customer loyalty with the level of influence of service quality on customer loyalty of 11.8%

The results of the regression analysis of the effect of sales promotions have a significant effect on customer loyalty, obtained a significance of 0.00 less than 0.05 which indicates that there is a direct effect of sales promotions partially on customer loyalty with the level of influence of sales promotions on customer loyalty of 37%. The results of the regression analysis of the effect of product quality, service quality, and sales promotion simultaneously have a significant effect on customer loyalty, a significance of 0.00 is less than 0.05 which indicates that there is a direct effect of service quality, product quality and sales promotion simultaneously on customer loyalty with the level of influence on customer loyalty of 58.4%.

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