

Analysis Influence Of Personal Selling, Service Quality & Product Mix On Customer Loyalty At Diah Grocery Store During Post Pandemic

Natalia Wijaya, Pesta Gultom¹, Ihdina Gustina²

Sekolah Tinggi Ilmu Ekonomi Eka Prasetya

Jl.Merapi No.8, Pusat Pasar, Kec.Medan Kota, Kota Medan, Sumatera Utara 20212

Email : nataliawijaya141@gmail.com

ABSTRACT

This study aims to determine the effect of Personal Selling, Service Quality and Product Mix on Customer Loyalty at Diah Grocery Store. The research method used is quantitative research with a survey method that uses a questionnaire as a research instrument to collect data. The population in this study were all buyers who had shopped at the Diah Grocery Store with an uncertain amount. By using hair formula, the number of indicator multiplied by 10 to obtain 160 respondents. Multiple linear regression research test is used as an analytical tool to determine how the influence between independent and dependent variables. The results of this study indicate that either partially or simultaneously the variables of Personal Selling, Service Quality and Product Mix have a significant effect on Customer Loyalty at Diah Grocery Store. The variables of Personal Selling, Service Quality and Product Mix variables are able to explain the variation that occurs in Diah Grocery Store Customer Loyalty by 51.1%.

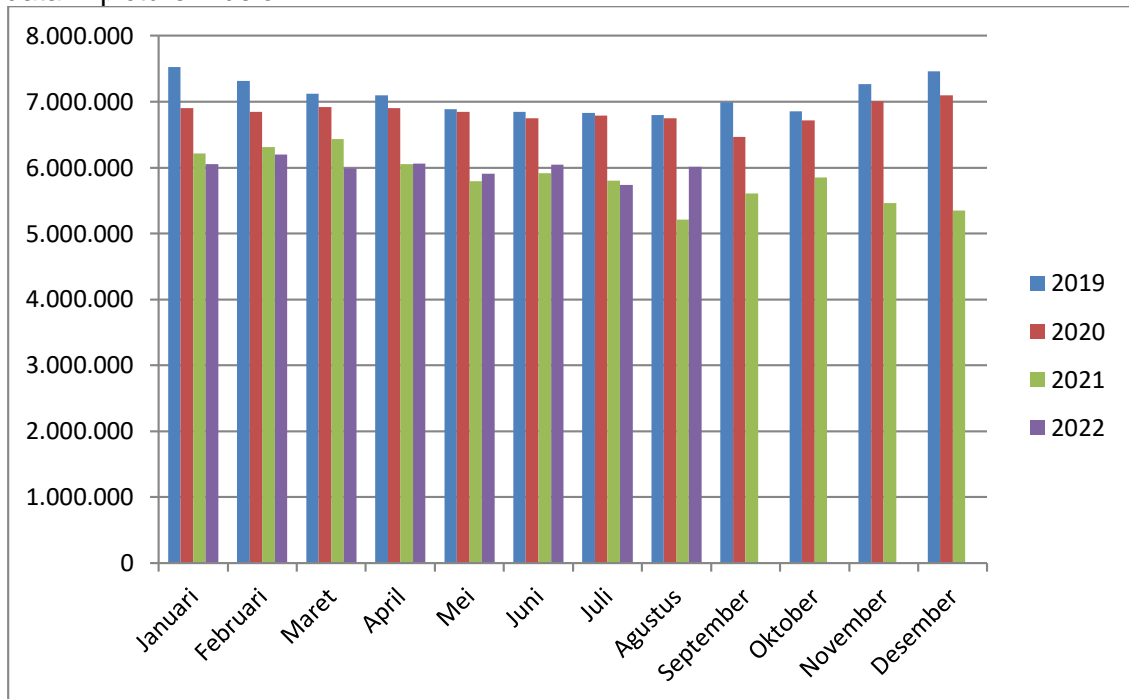
Keywords: Personal Selling, Service Quality, Product Mix, Customer Loyalty

INTRODUCTION

The existence of MSMEs is very important for community and nation, because MSMEs hold the main key in people's income. Micro, Small and Medium Enterprises or commonly called MSMEs are businesses or enterprises that are generally carry out individually, in groups, or by business entities that meet the criteria as micro businesses. According to the 1945 Constitution, it was then strengthened through [TAP MPR NO.XVI/MPR-RI/1998](#) about Economic Politics in the context of Economic Democracy, Micro, Small and Medium Enterprises need to be empowered as an integral part of the people's economy that has a strategic position, role and potential to realize national economic structure to become more balanced, developing and fair (Hanim & Noorman, 2018, p. 6). The existence of MSMEs is very important in Indonesia because they have a big influence on economic growth. For a detailed explanation, the definition of MSME is set in [UU No 20 Tahun 2008](#) about MSMEs. It is stated in the constitution/law that MSMEs are in accordance with the type of business, namely micro, small and medium enterprises.

Diah Grocery Store is one of MSME businesses. This store has been established since 2008 by providing various types of products/goods that can meet daily needs of surrounding community. Personal selling is a form of person-to-person communication in which a salesperson works with prospective buyers in attempting to determine their purchase needs to provide a match with his or her company's products or services (Andrews & Shimp, 2017). Diah grocery store itself has 3 employees who are ready to help customers choose or offer the goods they sell. Service quality is a model that describes condition of consumers in form of expectations for services from past

experiences, word of mouth promotions and advertisements by comparing the services they expect with what they receive or feel (Kotler & Keller, 2016). In their services, Diah grocery store always uses motto ('Smile, Greet, Greeting). Product mix is everything that can be offered to the market for attention, ownership, use or consumption that can satisfy wants or needs of the user (Firmansyah, 2019) and at Diah grocery store, availability of various kinds of goods for daily needs is always there and there are many variations to choose from, this also makes customers feel satisfied to shop here. Customer loyalty is a high commitment from customers to repurchase in the future, despite the influence and potential marketing efforts for switching behavior (Halim et al., 2021). To see customer loyalty at the Diah grocery store, it can be seen in the sales data in picture 1 below.



Resource : Diah Grocery Storeprocessedingraphics, 2022.

Picture 1. Diah Grocery Store Sales Data 2019 - 2022

Based on picture 1 above, it can be seen that sales before pandemic which is on 2019 in January reached 7,525,000 and decreased in February, March, April, May, June, July, August and October and then increased back again in September, November and December. The average sales in 2019 reached 7,083,333. During pandemic in 2020, the average sales was seen decrease to 6,833,333 and more larger decrease sales in 2021. The average become 5,833,333. During post pandemic period from January to August 2022, the sales of Diah grocery store has not seen an increase, this is because the economy of the customers has not been stable, especially when the prices of basic commodities have increased.

LITERATURE REVIEW

Personal Selling Theory, according to(Widyastuti, 2017, p. 272)Personal Selling is a form of oral presentation with one or more prospective buyers with the aim of making sale. The criteria that must be met by a seller in charge of personal selling are :

1. Personal confrontation, which includes a dynamic, harmonious, direct and interactive relationship between two or more customers or prospective customers.
2. Cultivation, allows the emergence of various types of relationships ranging from sales relationships to friendly relationships.
3. Response, Personal selling actors must know how to give a good response to customers.

Service Quality Theory, according to(Kotler & Keller, 2016, p. 440). Service quality is a model that describes the condition of consumers in the form of expectations for services from past experiences, word of mouth promotions and advertisements by comparing the services they expect with what they receive or feel. As for the indicator criteria according to(Kotler & Keller, 2016, p. 442)things that must be fulfilled by a seller who is in charge of providing service quality are :

1. Reliability, The ability to perform the promised service dependably and accurately.
2. Responsiveness, The willingness to help customers and provide prompt service.
3. Assurance, The knowledge and courtesy of employees and their ability to convey trust and confidence.
4. Empathy, The provision of caring, individualized attention to customers.
5. Tangibles, The appearance of physical facilities, equipment, staff, and communication materials.

Product Mix Theory, according to(Firmansyah, 2019, p. 169)Product mix is everything that can be offered to the market for attention, ownership, use or consumption that can satisfy the wants or needs of the user. As for product mix indicators, according to(Firmansyah, 2019, p. 180)are :

1. Product Mix Width, How many kinds of company product line.
2. Product Mix Length, Number of Product Mix units in the product mix (sum of all brands).
3. Depth of Product Mix, How many variants are offered by each product in the line.
4. Product Mix Consistency, Refers to how closely related the various Product Mix lines are in terms of end use, Production Mix requirements, distribution channels and others.

Customer Loyalty Theory, according to(Rifa'i, 2019, p. 51)customer Loyalty is someone who is accustomed to buy offered products and often interacts (make purchases) over a certain period of time, while remaining loyal to all company offers. According to several product mix indicators by(Fatihudin & Firmansyah, 2019, p. 211),Customer Loyalty can be done by measuring indicators that have an influence on Customer Loyalty, including:

1. Make repeat purchases on a regular basis: That is, the number of times a customer buys a product or uses this service can be calculated per unit of time.
2. Buying between product and service lines: Measurements include the number of times customers buy other similar products from other companies.
3. Referring to others: Measurements include whether the customer has ever recommended the product or service used.

4. Demonstrate loyalty or immunity to the pull of competitors: Measurements include whether customers have been interested in other company's products or services.

The following is the research hypothesis testing:

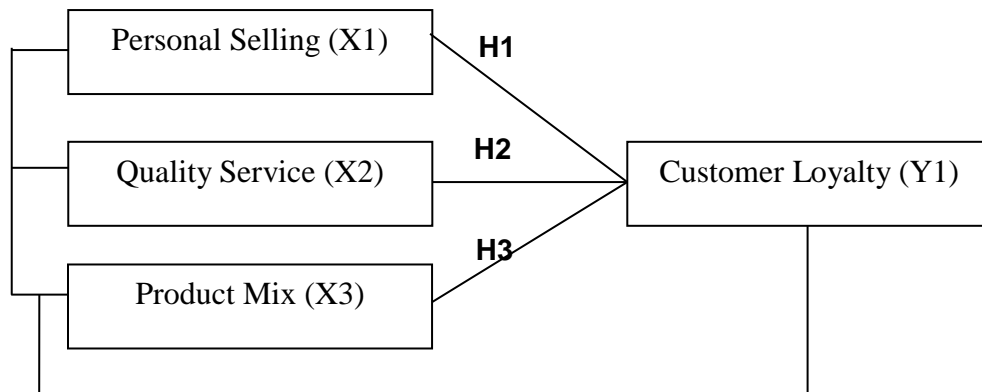
H1. There is an influence of Personal Selling on Customer Loyalty.

H2. There is an effect of Service Quality on Customer Loyalty.

H3. There is an effect of Product Mix on Customer Loyalty.

H4. There is an influence of Personal Selling, Service Quality & Product Mix on Customer Loyalty.

The theoretical framework in this study will explain the relationship between each variable which can be seen in picture 2 below:



Picture 2. Theoretical framework

RESEARCH METHOD

This type of research is quantitative research, with survey method that uses a questionnaire as a research instrument to collect primary data. This study examines the effect of independent variable partially and simultaneously on the dependent variable, namely Personal Selling (X1), Service Quality (X2) and Product Mix (X3) on Customer Loyalty (Y). According to (Sugiyono, 2013, p. 9) quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing hypotheses. which has been set.

The sample criteria in this study are customers who buy at Diah grocery store. The measurement scale used ordinal with a Likert scale. Instrument validity test used Product Moment correlation technique, while reliability test used Cronbach's Alpha. The data analysis method used is descriptive analysis and multiple linear regression analysis.

RESULTS

Respondent Analysis

Population in this study were all customers who shopped at diah grocery store whose number was uncertain or could not be known. So (Hair et al, 2017) recommends that minimum number of samples is 5 times and maximum is 10, times the number of indicators. In this study there're 16 indicators used are maximum sample = number of indicators x 10 = 16 x 10 = 160 respondents.

On the questionnaire that I already distributed, the data shows that as many 143 respondents (89.4%) were women and 17 (10.6%) were men. In addition, from questionnaire data, 98 respondents (61.2%) one-time shopping totaled more than 100,000 rp, 41 (25.6%) totaled less than 50,000 rp and 21 (13.1%) totaled more than 200,000 rp. Based on the respondent's profession, as many 103 respondents (64.4%) are housewives, 40 (25%) are students and 17 (10.6%) are employees.

Table 1. Descriptive Statistics Example (N=160)

Construct	Min.	Max.	<i>M</i>	SD
Personal Selling	20	30	24.87	2.206
Quality Service	27	48	42.73	2.418
Product Mix	30	39	34.00	2.251
Customer Loyalty	30	39	33.92	2.058

Based on the results of descriptive statistics data above, I can describe the distribution data such as :

1. Variable Personal Selling, from the data it can be described that minimum value is 20 while maximum value is 30, average price value is 24.87 and Standard Deviation is 2.206.
2. Variable Quality Service, from the data it can be described that minimum value is 27 while maximum value is 48, average price value is 42.73 and Standard Deviation is 2.418.
3. Variable Product Mix, from the data it can be described that minimum value is 30 while maximum value is 39, average price value is 34.00 and Standard Deviation is 2.251.
4. Variable Customer Loyalty, from the data it can be described that minimum value is 30 while maximum value is 39, average price value is 33.92 and Standard Deviation is 2.058.

Validity and Reliability Test

Instrument's validity test aims to find out how far the instrument measures what (object) it wants to measure (Muri, 2017). Reliability testing in quantitative research is essentially synonymous with the words dependability, consistency and replicability over time, on an instrument and a group of respondents. It has to do with precision and accuracy; some features such as height, can be measured precisely (Sinambela, 2014). The results of testing the validity and reliability in the study can be seen in table 2.

Table 2. Validity and Reliability Results

Variable	Indicator	Validity Value	Conclusion		
Personal Selling	Personal confrontation	0.901	Valid		
		0.624			
	Cultivation	0.557			
		0.861			
	Response	0.694			
		0.487			
Alpha Cronbach's		0.782	Reliable		
Service Quality	Reliability	0.925	Valid		
		0.970			
	Responsiveness	0.973			
		0.935			
	Assurance	0.916			
		0.448			
	Empathy	0.963			
		0.970			
	Tangibles	0.960			
		0.953			
	Alpha Cronbach's			0.972	Reliable
	Product Mix	Product Mix Width		0.882	Valid
0.921					
Product Mix Length		0.930			
		0.602			
Depth of Product Mix		0.884			
		0.420			
Product Mix Consistency		0.771			
		0.839			
Alpha Cronbach's		0.909	Reliable		
Customer Loyalty	Make repeat purchases on a regular basis	0.634	Valid		
		0.870	Valid		
	Buying between product and service lines	0.542	Valid		
		0.731	Valid		
	Referring to others	0.878	Valid		
		0.732	Valid		
	Demonstrate loyalty or immunity to the pull of competitors	0.649	Valid		
		0.870	Valid		
	Alpha Cronbach's		0.877	Reliable	

The results of validity and reliability tests are in Table 2. It shows that the correlation value of each indicator for each latent variable, $r > 0.361$ and the Alpha-Cronbach value > 0.60 . This shows that all variables are declared valid and reliable.

Table 3. Normality Results

Construct	N	M	SD	Test Statistic	Sig
	160	0.000	1.424	0.065	0.091

Based on table 3. Above, it shows that the significance value 0.091 which is bigger than 0.05. So it can be concluded the data is stated to be normally distributed.

Multiple Linear Regression Test

In this study, classical assumption test has been fulfilled. Multiple linear regression analysis was processed using the SPSS version 22 application, with following regression equation:

$$\text{Customer Loyalty} = 18.772 + 0.023 \text{ Personal Selling} - 0.155 \text{ Service Quality} + 0.624 \text{ Product Mix} + e$$

Table 4. Regression Results Between Personal Selling, Quality Service, Product Mix on Customer Loyalty

Construct	B	SE B	B
Personal Selling	0.023	0.054	0.024
Quality Service	-0.155	0.049	-0.183
Product Mix	0.624	0.051	0.683

Constant of 18,772 is statistically interpreted that if personal selling, service quality and customer loyalty have no value or equal to 0, then value of customer loyalty is 18,772. The regression coefficient for personal selling variable (X1) is 0.023, indicating that if personal selling variable is increased by 1 unit, then customer loyalty will increase by 0.023 unit. If regression coefficient is positive, then influence of personal selling on customer loyalty is positive or increases in the same direction. This means that an increase in personal selling can affect customer loyalty at diah grocery store. Regression coefficient of service quality variable (X2) is -0.155 indicating that if service quality variable is increased by 1 unit, then customer loyalty will increase by -0.155 unit. If regression coefficient is negative, then effect of service quality on customer loyalty is negative or increases in different directions. Which means, the increase in service quality has no effect on customer loyalty at diah grocery store. Product mix variable regression coefficient (X3) of 0.624 indicates that if the product mix variable is increased by 1 unit, then customer loyalty will increase by 0.624 unit. If regression coefficient is positive, then effect of product mix on customer loyalty is positive or increases in the same direction. This means that an increase in the product mix can affect customer loyalty at the grocery store.

Hypothesis Test

Table 5. t Test (Partial Test)

Construct	T	Sig
Personal Selling	0.423	0.673
Quality Service	-3.196	0.002
Product Mix	12.151	0.000

The results of this study prove that personal selling variable has significant partial effect on customer loyalty at diah grocery store. Based on the results in Table 5, Personal selling variable shows t-count value is 0.423 smaller than t-table 1.974 and significance value is 0.673 bigger than 0.05. Thus, personal selling variable has no partial and insignificant on customer loyalty at diah grocery store, so H1 cannot be accepted. This research can be interpreted that if customer does not get persuasion from the shop

owner, it will not affect the customer's willingness to return to shopping. In other words, customer will continue to shop at diah grocery store. The results of this study are not in line with(Rahmayani, 2016)which states that personal selling variable simultaneously has a significant effect on customer loyalty of JNE Cipadung agents. The results of multiple linear regression analysis also show that service quality variable has a t-count value of -3.196 which is smaller than t-table 1.974 and significance value is 0.002 which is smaller than 0.05. Thus, service quality variable does not have a partial and significant effect on customer loyalty at the grocery store, so H2 cannot be accepted. The results of this study are not in line with (Widodo, 2018)which states that service quality variables simultaneously have a significant effect on customer loyalty at Ahart Mart Cinere.The results of the multiple linear regression analysis also show that product mix variable has a t-count value of 12,151 bigger than t-table 1.974 and significance value is 0.000 smaller than 0.05. Thus, product mix variable has a partial and significant effect on customer loyalty at diah grocery store, so H3 can be accepted. The results of this study are in line with (Simanjuntak et al., 2020)which simultaneously expresses that product mix variable have a significant effect on customer loyalty in Remixed Mortar.

Table 6. t Test (Partial Test)

Construct	T	Sig
Personal Selling	0.423	0.673
Quality Service	-3.196	0.002
Product Mix	12.151	0.000

F Test (Simultaneous Influence)

Based on the results of F test in Table, F-count obtained 56,468 with a significance level of 0.000, while F-table with a significance level of 5% and degrees of freedom (df) = (k-1) (n-k) = (3 – 1) (160 – 3) = (2 ; 157), then F-table value is obtained at 3.05. Thus, the fourth hypothesis can be accepted, because the F-count (56,468) is bigger than the F-table (3.05) with a significance level 0.000 smaller than 0.05. These results indicate that variables of personal selling, quality service and product mix have a simultaneous and significant effect on customer loyalty at diah grocery store. The results of this study are in line with(Dwihandrianto, 2020)which simultaneously expresses relationship marketing, quality service and personal selling variables have a significant effect on customer loyalty (Study at Bank BRI Tulungagung Branch)

Table 7. F Test (Partial Test)

Construct	F	Sig
Personal Selling, Quality Service, Product Mix	56.468	0.000

Coefficient of Determination Test (R²)

The results of coefficient determination test(R²)show a number of 0.511 or 51.1% (Table 6). These results indicate that variables of personal selling, service quality and customer loyalty at diah grocery store are able to explain variation in the customer loyalty variable by 51.1%, while the remaining 48.9% is explained by other variables that are not used in this research model.

Table 8. Coefficient of Determination Test Result

Construct	Adjusted R Square	Std Error
Personal Selling, Quality Service, Product Mix on Customer Loyalty	0.511	1.438

CONCLUSION

Based on the results of statistical calculations in the partial test (t test), personal selling variables, and service quality do not have a partial effect and insignificant on customer loyalty at diah grocery store or H1 and H2 cannot be accepted. But on product mix variable has a partial and significant effect on customer loyalty at the Diah grocery store or H3 is acceptable. Other statistical results, namely simultaneous test (F test) also proves that variables of personal selling, service quality and product mix simultaneously have a significant effect on customer loyalty at the grocery store or H4 is acceptable. Result from coefficient of determination shows that personal selling, service quality and product mix are able to explain the variations that occur in customer loyalty at Diah grocery store is 51.1%, while the remaining 48.9% is explained by other variables outside the research method. Therefore, it is necessary to improve product mix at Diah Grocery Store, because having various types of goods can make customers feel satisfied and will come back again to make purchases. But apart from that, personal selling and service quality must also be improved in order to attract more new customers.

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