Building Print Newspaper Customer Loyalty

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Companies engaged in the industry of Newspapers in Jakarta are faced with the problems of maintaining and increasing customer loyalty. In strategic marketing, failure to maintain and increase customer loyalty greatly interferes with the performance of the company. This is reasonable because customer loyalty is an important component of corporate performance. If this happens, then the company will have difficulties in maintaining and developing the internal resources and advantages. Companies that are not able to maintain and develop the internal resources and advantages are threatened with bankruptcy because it will have implications on their revenue. The purpose of this study was to determine the customer relationship with Print Newspaper, identify the Newspaper Print product attributes, determine the relationship and the effect of customer and product attributes to the Print newspaper’s customer value, determine the effects of the relationship between customer and product attributes on the customer’s loyalty to Print Newspaper and determine the effects of customer value on customer loyalty Print Newspaper. The method used is descriptive, and the survey method of explanatory survey was used, with a sample size of 70 customers of the Print Newspaper in South Jakarta as the unit of analysis. The time horizon in this study was cross-sectional. Findings from this research are that their relationship program performance influences both customer and product attributes on customer value and customer loyalty, but customer relationship dominantly influences customer value, while the dominant product attributes influences customer loyalty.

\textbf{Key words:} Customer relationship, product attributes, customer value, customer loyalty.
Introduction

In the era of globalization, the degree of interdependence among nations is inevitable. The development of science, technology, and information which encourages free trade in the world seemed to work indefinitely. This will create a paradigm borderless world, a world that knows no territorial boundaries of nation and state sovereignty (Kocak & Abimbola, 2009).

The impact of globalization itself has entered into all aspects of society in the world, the consequences of the climate map of economic power and the business world will be characterized by increasingly fierce competition that will cause new uncertainties that go beyond the ability to anticipate any businessperson. Therefore, every business person should strive to further improve the ability and toughness by mobilizing all the potential to win the competition. (Wang & Lutsey, 2014) states that the services sector is a growing business sector as a result of globalization. This is partly characterized by the change in the sectoral contribution to national output as a result of a shift in the national labour force from the agriculture industry and then headed to the service sector. The service sector itself is considered as the highest stage in the process of economic development.

(Goerzen, Asmussen, & Nielsen, 2014) found that based on their research results, the most developed services sector today is the information services sector, which is characterized by rapid development in technology and systems in information management. The rapid growth of the information and technology services sector is also characterized by the power electronics (electronic forces), in communicating that starts with their website, blog, and others in creating a super-fast communication.

Communication is now one of the most competitive tools for companies in obtaining information to develop and implement a strategy, because there are some information media, i.e. print media such as newspapers, electronic media such as television, radio, and the internet. The information has become one of the most important requirements for human life, especially in the business and service industries. The media as a source of information of print media as mentioned above is a newspaper, print media is a provider of information, services and products in the form of news or event promotion companies and others in addition to the electronic media. In the newspaper's publication, there are different kinds of newspapers ranging from daily newspapers, to weekly and monthly newspapers (Šerić, Gil-Saura, & Ruiz-Molina, 2014).

The ability to provide the information needed by the public is very important to have, along with the development of science and technology that are steadily growing. Newspapers as information providers strive to meet the public demand for reliable information needs. Nowadays, competition among newspaper publishers is quite rigorous, they present their
Companies engaged in a Newspaper in Jakarta are faced with the problem of maintaining and enhancing customer loyalty. In strategic marketing, failure to maintain and increase customer loyalty greatly interferes with the performance of the company. If this happens, then the company will have difficulties in maintaining and developing their internal resources and the success of the company. Companies that are not able to maintain and develop the internal resources and success is threatened with bankruptcy because it will have major implications on revenue (“Industry news,” 2018).

**Literature Review**

Relationship marketing is irrelevant to the discussion in marketing. Given the disengagement and the interaction between consumers and producers is so high in most businesses. So, the marketing approach that is oriented transactions (transactional marketing) to target higher sales in the short term, becomes less supported as an effective business practice. Relationship marketing emphasizes the recruitment and maintenance (keeping) of customers through an increase in the company's relationship with its customers (Limakrisna, Priatna, & Roswina, 2018).

So, in relational marketing, new customer withdrawals are just the first step of the marketing process. Besides, it is much cheaper for the company to retain customers, rather than find new customers. This was confirmed by the results of research that found, it would cost five times more to get a new customer than to retain a customer. This understanding provides an additional point of view (Ashley, Noble, Donthu, & Lemon, 2011):

- There are changes in the company's perspective to see the relationship with the consumer. Emphases are moving from a focus on transactions into long-term relationships with customers (maintain and build relationships with customers).
- The recognition that quality, customer service, and marketing activities need to be run simultaneously. Relationship marketing focuses on three elements, guiding and ensuring the creation of potential synergistic combinations between these elements.

The main core value of the relationship is trust. Some other opinions that say that "commitment" and "trust", is the central role of relationship marketing.
A view that emphasizes long-term strategy and the human side of the interaction of buyers and sellers. It focuses on the importance of relational ties to build commitment and trust with consumers.

The company must always strive to offer new opportunities to create a more individualized relationship between the seller and the customer. The task of marketing personnel is no longer just to bring products "out" onto the market, but to lead customers "entered" into the company, to get feedback, as well as ensure their wishes and needs are known early. If the company does not have an attachment with its customers then it will never have any customers.

Most theories put more emphasis on arts marketing to attract new customers than to retain their existing customers. This means putting more emphasis on sales alone, rather than building a "relationship", and prioritising sales more than the pre selling and caring for the consumer.

Companies must provide value to the products/services provided, which contains an element of trust to consumers. For consumers who feel confident that they are appreciated as a customer, they will decide to commit to the company long term.

Consumer confidence in the company should be perceived in such a way that indicates to consumers that the company has value if used as a partner. We must prove by actions that the relationship with the customer has meaning. Based on the above, there was indeed a relationship between customer engagement, with the creation of value and a shift in values.

Business customers often want to have a partner who they trust (trusts). This will give a more personal relationship, and in extreme situations is said to influence One-on-One personal contact (Grönroos, 2011).

Commitment is also considered as one of the main problems in relationship marketing. Commitment has the implications that one or both parties will be loyal and show stability in connection with one another (Kassim et al., 2009).

Consumers who are emotionally committed to the company are more important than the consumers who buy at random or even consumers who buy a lot.

The main aim of relationship marketing is to build and retain customers who are committed to the company, which will ultimately increase the profitability of the organization. To achieve this goal, the company should focus on acquiring, pulling back and improving relationships with their consumers (Chen, 2010).
Product offering and brand related products with a value that has a set of benefits are offered to consumers to satisfy their needs. Value, satisfaction, and correspondence between product performance to customer demands will shape consumer satisfaction. In this case, customer satisfaction involves the performance component of products bought and the demands or expectations of the product. The level of customer satisfaction depends on the agreement between the two components. Satisfaction can also be assessed from the value of consumers in the form of consumer benefits, suitability of a product bought at a cost, or the sacrifice incurred to obtain the product. The perceived benefits of consumers are in the form of functional benefits and emotional benefits. While the costs are incurred in the form of money, energy, time and mental costs (Suryati & Krisna, 2015).

Product mix, is one element of the marketing mix, the overall product, and the item offered for sale. The product mix of a company has four important dimensions which are: width (product lines), length (number of items of the product line), depth (the number of versions of each product offered) and consistency (consistency of the product to its target market, production, distribution and other). The fourth dimension of this product to behold in the preparation of product strategy (Schilke, Reimann, & Thomas, 2009).

In designing the attributes of the products offered, companies need to identify opportunities that match the consumer value distinctive capabilities. Consumer value consists of the benefits and costs of the purchase and use of a product. Management must determine where and how to offer superior customer value, using capabilities in a way that generates a match in value. In this case, distinctive capabilities are used to increase the value by offering a unique product or a relatively low price or a combination of both. If the above conditions are met, the company can achieve better performance (Tajeddini, 2010).

Good companies not only rely on how to attract new customers, but they need to focus on maintaining and retaining the customers they have gained. Besides attracting consumers - many companies should pay attention to consumers to stay afloat, as loyal customers will make repeat purchases (Retained customer), based on a shift in values.

Often companies do not care about the consumer they have obtained, so those consumers are at risk of relocating to the company's other competitors (at-risk customers). If the consumer is not saved from making this switch, then the consumer –is lost and they will buy another product from a different supplier (lost customers) (Mileski, Wang, & Lamar Beacham, 2014).

In the case where consumers are not buying any more (lost customers), the company must take the appropriate steps with the correct strategy to win back these consumers through the creation of value. If consumers are missing / not buying anymore, they can be saved and then
become a customer of the company again. Conversely, if they cannot get the customer to make another purchase, then it really would be the end of the relationship with the consumer (retire relationship), and eventually this will have an impact on the company's sales and profits. It is described in Figure 1 below.

**Figure 1. Model of Research**

Research Methods

The purpose of this research is the study of verification and descriptive research, that aims to obtain a description of the characteristics of variables. The nature of verification research was to test the truth of a hypothesis that is carried out through data collection in the field.
Given that this research is descriptive in nature, verification was conducted through field data collection, and the research method used is descriptive survey and explanatory survey methods. The type of investigation is causalities because it will test the causal relationship between both the independent and dependent variables. The unit of analysis in this study is the individual, because of the customers in the area and Print Newspaper South Jakarta as respondents. The time horizon in this study was cross-sectional because the information collected from the majority of the population (the sample of respondents), was collected directly at the scene empirically, to get to know the opinion of the majority of the population of the object that are being studied.

Sources of data were obtained by researchers using the following techniques in the interview, as direct communication techniques were used to obtain the necessary data and were addressed to the party leaders or their representatives. A questionnaire, listing the statements made in the form of simple method questions were given to respondents (customers) of Print Newspaper in South Jakarta, to obtain the data related to the thesis.

Results and Discussion

*The Influence of Customer Relationship and Product Attributes on the Customer Value of Print Newspaper*

To reveal the influence of a variable or set of variables to another variable, we can use the Path Analysis (Path Analysis), which has been developed by Sewall Wright. In this Path Analysis the influence of a variable to another variable, either directly or indirectly, can be known. Before taking a decision regarding the influence of a variable to another variable, the first hypothesis is tested, testing both in whole or individually.

To determine whether the variables are not namely relationship Customer (X1) (the X1, in this case, is relationship Customers of Newspaper Print) and attributes of products (X2) simultaneously affect the Customer Value Print Newspaper in South Jakarta (Y), do by using path analysis (path analysis) and the software used was SPSS release 17.

The steps taken is to calculate the correlation between variables, to obtain as the table 1 below.

**Table 1: Matrix Correlation Between Variables**

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>1.000</td>
<td>0.492</td>
</tr>
<tr>
<td>X2</td>
<td>0.492</td>
<td>1.000</td>
</tr>
</tbody>
</table>
Based on table 1 above, there is a correlation matrix between variables that show the relationship among independent variables. Proportion to the path diagram is two independent variables (X) having a relationship between variables, and each independent variable (X), and the relationship of operational variables outside the (X) residues of the dependent variable (Y) and (Z).

Based on the framework of the theory (Figure 1) that there is a positive influence between relationship customer and product attributes to the Customer Value of Print Newspaper in South Jakarta, will test the overall hypothesis that the following forms:

1) Simultaneous Hypothesis Testing:
To determine whether the independent variable, namely relationship Customer (X1) and product attributes (X2) simultaneously affect the Customer Value of Print Newspaper in South Jakarta (Y), where statistical hypotheses can be expressed in the following forms:

Ho: Pyx1 = Pyx2 = 0

Customers' relationship (X1), Product attributes (X2) simultaneously does not affect the Customer Value of Newspaper Print (Y).

H1: At least there is a Pyxi $\neq$0

Customer's relationship (X1), Product attributes (X2) simultaneously influence the Print Newspaper Customer Value (Y).

Hypothesis testing is done through F test statistic, provided accept Ho if F count <F table, reject Ho if F count > F table or Sig. Level <0.05.

From calculations using SPSS software obtained as follows:

<table>
<thead>
<tr>
<th>Alternative hypothesis</th>
<th>Fitting</th>
<th>Sig.Level (5%)</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X1, X2) simultaneously affect the Y</td>
<td>25 498</td>
<td>0.000 &lt;0.05</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**Source: results of calculations by SPSS**

Based on table 2, the results of these calculations are the F value being 25.498 with Sig Level 0.000 less than 0.05, so that the H0 hypothesis is accepted or rejected. Means testing of individuals with hypotheses can continue to do that:
2) Hypothesis Testing of Individually:
Testing individually is performed when testing simultaneously to reject the null hypothesis, this means that at least one path coefficients are not equal to zero. This test is used to determine or test the influence of each independent variable individually whether significant or not. Because the overall test results in a significant test, the subsequent analysis is done by testing the individual (partial test).

With the results of calculations can be seen through the existing table 3 below:

**Table 3:** Testing the hypothesis X1 and X2 on Y

<table>
<thead>
<tr>
<th>Coefficient Line</th>
<th>Score</th>
<th>Sig.Level</th>
<th>Compare 0.05</th>
<th>Conclusion</th>
</tr>
</thead>
</table>
| Pyx1             | 0.0638| 0.000     | <0.05        | **H0 rejected**  
Consumers relationship there is an impact on Customer Value of Print Newspaper |
| Pyx2             | 0.238 | 0.000     | <0.05        | **H0 rejected**  
There is the influence of product attributes on the Customer Value of Print Newspaper |

*Source: the calculation results.*

Based on table 3, the calculation of the variable path coefficient value (X1), (X2) to (Y), which is obtained by using the program as release SPSS 17 for windows, thus in accordance with the rules of the decision, that in order to have a product attribute sig. level <0.05 area H0 is rejected, 3 accepted hypothesis means that a significant path coefficient, as well as to the relationship Customers have sig. level <0.05 area Ho is rejected. The concept can be explained that all aspects of Customer and Product attribute relationships together have a positive effect on Customer Value of Print Newspaper in South Jakarta, as well as partial, but customer relationship dominant influence Customer Value Print Newspaper than product attributes. The results of the SPSS output is as follows in Table 4:

**Table 4:** Testing Correlation between variables X1 and X2

<table>
<thead>
<tr>
<th>Correlation coefficient</th>
<th>Sig.Level</th>
<th>Compare 0:05</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>rx1x2</td>
<td>0.492</td>
<td>0.000</td>
<td>&lt;0.05</td>
</tr>
</tbody>
</table>

*Source: SPSS output results*
Results of testing the hypothesis in table 3, simultaneously or partially strengthen the research results presented by Kenna (1998: 132), that relationship with a customer has two important elements, namely trust and commitment. As well as the relationship customers will create trust (trust) and commitment (commitment) with the customer, so that eventually will awaken Customer Value. Likewise, in this study relationship customers improve Customer Value. While (Homburg, Wilczek, & Hahn, 2014) states that the right product attributes will increase customer value.

Another factor of 56.8%, which affects customer value, in addition to product attributes and customer relationship, as proposed by (Grégoire, Salle, & Tripp, 2015), is that Customer Value is influenced by several factors, such as the quality of service, trust, and communication. Because it is expected to be further investigated.

**The Influence of Customer Relationship and Product Attributes on Customer Loyalty of Print Newspaper**

As per the above analysis, to reveal the influence of a variable or set of variables to another variable, Path Analysis (Path Analysis) which has been developed by Sewall Wright can be used. In this path analysis the influence of a variable to another variable, either directly or indirectly, can be known. Before taking a decision regarding the influence of a variable to another variable, the first hypothesis test is undertaken, testing both in whole or individually.

To determine whether the variables are not namely relationship Customer (X1) (the X1, in this case, is relationship Customers of Newspaper Print) and attributes of products (X2) simultaneously affect the customer loyalty (Z), is done by using path analysis (path analysis) and the software used was SPSS release 17.

The steps taken is to calculate the correlation between variables, to obtain as the table 5 below.

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>1.000</td>
<td>0.492</td>
</tr>
<tr>
<td>X2</td>
<td>0.492</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Based on table 5 there is a correlation matrix between variables that show the relationship among independent variables. Proportion to the path diagram is two independent variables (X) having a relationship between variables, and each independent variable (X), as well as the relationships of the variables outside operational (X) residues of the dependent variable (Z).
Based on the framework of the theory that there is a positive influence between the relationship of Customer and Customer Loyalty Product attributes of the Print Newspaper in South Jakarta, will test the overall hypothesis that the following forms:

1) Simultaneous Hypothesis Testing
   To determine whether the independent variable, namely relationship Customer (X1) and product attributes (X2) simultaneously affect the Customer Loyalty of Print Newspaper in South Jakarta (Z), where statistical hypotheses can be expressed in the following forms at table 6: From calculations using SPSS software obtained as follows:

   Table 6: Testing Simultaneous

<table>
<thead>
<tr>
<th>Alternative hypothesis</th>
<th>Fitting</th>
<th>Sig.Level (5%)</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(X1, X2) simultaneously effect on Z</td>
<td>27 886</td>
<td>0.000 &lt;0.05</td>
<td>Significant</td>
</tr>
</tbody>
</table>

   Source: results of calculations by SPSS

   Based on table 6, the results of these calculations, it turns out F value 27.886 with a Sig Level 0.000 less than 0.05, so that the H0 hypothesis is accepted or rejected. Means testing of individuals with hypotheses can continue to do that:

2) Testing Hypothesis Individually
   Testing individually performed when testing simultaneously reject the null hypothesis means that at least one path coefficients are not equal to zero. This test is used to determine or test the influence of each independent variable individually whether significant or not. Because the overall test results in a significant test, the subsequent analysis is done by testing the individual (partial test).

   Testing the hypothesis XI and X2 to Z can be seen as follows:

   Table 7: Testing the hypothesis X1 and X2 on Z

<table>
<thead>
<tr>
<th>coefficient Line</th>
<th>Score</th>
<th>Sig.Level</th>
<th>Compar e 0.05</th>
<th>Conclusion</th>
</tr>
</thead>
</table>
   | Pzx1             | 0.026 | 0.033     | <0.05        | Ho rejected
   |                  |       |           |              | Customers relationship there is an impact on Customer Loyalty Print Newspaper |
   | Pzx2             | 0.534 | 0.000     | <0.05        | Ho rejected                     |
There is the influence of product attributes on the Customer Loyalty of Print Newspaper

Based on the calculation of the variable path coefficient value (X1), (X2) to (Z), which is obtained by using the program as release SPSS 17 for windows, thus in accordance with the rules of the decision, that in order to have a product attribute sig.level <0.05 area H0 is rejected, it means a significant path coefficients, as well as to relationship Customers have sig.level <0.05 area Ho rejected. In the concept, it can be explained that all aspects of Customer and Product attribute relationships together have a positive effect on Customer Loyalty of Print Newspaper in South Jakarta, as well as partial, but the dominant product attributes affecting Customer Loyalty to the Print Newspaper than the relationship with customers.

Results of testing the hypothesis above, it turns out simultaneously or partially strengthens the research results presented by (Im, Kim, Elliot, & Han, 2012) that customer loyalty will increase if product performance is perceived by the customer according to his expectations. While (Fraering & Minor, 2013) states that the right product attributes will increase the Value and Customer Loyalty.

Another factor of 54.6%, which affects customer loyalty, in addition to product attributes and customer relationship, as proposed by the idea that the Customer Loyalty is influenced by several factors, among others, customer satisfaction and the value of services. Because it is expected to be further investigated (Kassim et al., 2009).

**The Effect of Customer Value on the Customer Loyalty of Print Newspaper**

To reveal the influence of a variable or set of variables to other variables, the Pearson correlation analysis that has been developed by Sewall Wright can be used. Before deciding the influence of a variable to another variable, the first hypothesis is tested.

To determine whether smoking is a variable of Customer Value (Y) effects on Customer Loyalty (Z), analysis was carried out using the Pearson correlation analysis and the software used was the SPSS release 17.

By using the t distribution table 8 is obtained: (SPSS results according to Appendix).
Table 8: Testing the hypothesis Y on Z

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation Coefficient</th>
<th>t</th>
<th>Sig.</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pyz</td>
<td>0492</td>
<td>4660</td>
<td>0000</td>
<td>Ho rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>There is the influence of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Customer Value Customer Loyalty</td>
</tr>
</tbody>
</table>

*Source: the calculation results*

The relationship between variables with parameter values of the above structure, the influence of the variable cause to a variable, then the influence of the Customer Value Customer Loyalty is:

Table 9: Effect of variable Y to Z and Influence Outside the variable Y

<table>
<thead>
<tr>
<th>Interpretation Path Analysis</th>
<th>Influence</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of Y to Z</td>
<td>0492</td>
<td>24.2</td>
</tr>
<tr>
<td>Another influence Excluding Y</td>
<td>0871</td>
<td>75.8</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Statistics Processing SPSS*

From table 9 above it can be seen that the influence of Customer Value on Customer Loyalty is by 24.2%, and the other influence is by 75.8%, so the effect is significant. Hypothesis 5 is accepted, meaning the better the value for customers led to an upgrade un customer loyalty to the Newspaper Print, as is stated by (Im et al., 2012), to gain customer loyalty, the company should do in such a way that indicates to consumers that the company has a high customer value. Likewise, (Rizan, Warokka, & Listyawati, 2014) argues that for business services, customers often want to have a partner who they trust and watch. This will give a more personal relationship and in extreme situations is said to lead to one-on-One personal contact.

**Conclusion**

1. Customer relationship and product attributes affect the value of customers, but when viewed in partial turns, the customer relationship has dominant influences on customer value. Results of the analysis showed that relationship with the customer has two important elements, namely trust, and commitment. The customer relationship will create confidence (trust) and commitment (commitment) of the customer so that eventually will awaken Customer Value. Likewise, the right product attributes will increase customer value.
2. Customer relationship and product attributes affect customer loyalty, but when viewed in partial turns, dominant product attributes influence customer loyalty. The results of the above analyses show that customer loyalty will increase if the products performance is perceived by the customer as exceeding their according to his expectations. The right product attributes will increase the Value and Customer Loyalty.

3. Customer value has an effect on customer loyalty. To gain customer loyalty, the company should work in a way that indicates to consumers that the company has a high customer value. For business services, customers often want to have a partner who they trust (trusts) and watch. This will give a more personal relationship between the corporation and the customer, and in extreme situations is said to lead to one-on-one personal contact.
REFERENCES


