THE EFFECT OF PUBLIC RELATION AND CUSTOMER VALUE MARKETING ON CUSTOMER LOYALTY IN STARBUCKS COFFEE BATAM CITY

Nur Rahmah Andayani [1] ✉, Fedila Machbo Zania [2] ✉

Business Management, Politeknik Negeri Batam

Abstract

This research aims to determine the effect of marketing public relations and customer value on customer loyalty at Starbucks Coffee Batam City. The research variables are marketing public relation (X1), customer value (X2). The research approach uses quantitative approaches and uses descriptive statistical analysis with data processing using multiple linear regression tests with SPSS tools. The population and research sample amounted to 100 respondents. Data collection for this study uses questionnaires with a Likert Scale. The conclusion of the research are positive and significant on customer loyalty in Starbucks Coffee Batam City. Hence, maintaining customer loyalty so that customers are willing to return repeating purchases of the same product and make customers choose Starbucks Coffee products as the first choice.

1. INTRODUCTION

At the time of the globalization era in the sphere of marketing where the market must compete with medium, large and foreign companies to face a competition. The market will also face many changes in science and technology precisely in the marketing sphere. It can be seen from the development of business competitors today with the rise of coffee shops or modern cafes.

The café business starts with drinks with similar words, coffee. This idea begins with the historic step of the emergence of Starbucks, which then makes people think that drinking coffee can look classy. Likewise, when Starbucks is presented in Indonesia. This brilliant idea of a top-class coffee shop was later adapted by the community. Since then, many cafes have been born which offer coffee with a modern atmosphere.

A much more expensive price of sachet coffee can finally be tolerated for reasons of comfort and high standard of living that everyone has. Many things can affect the back and forth of business and company goals that open a coffee business, including marketing public relations and customer value. To achieve the company's objectives, marketing strategies are needed, including marketing public relations and customer value.

The importance of marketing public relations and customer value also makes consumers survive as regular customers of the products they consume as they wish. So that customers can provide recommendations to others to become consumers who have loyalty to the product. The following is a table that shows Starbucks Coffee customer data that has decreased customers:

Table 1. List of Starbucks Coffee Customers in Batam City

No	Lokasi	Bulan	Jumlah Pelanggan Starbucks Coffee yang memiliki Member Card
1	Nagoya Hill Shopping Mall	September-November	55-30
2	Grand Mall Batam	September-November	40-28
3	Farindo Batam Centre	November	14
4	Harbour Bay Shopping Centre	September-November	30-16
5	Mega Mall Batam Centre	September-November	80-48

Based on the table above, it shows that Starbucks Coffee has decreased the numbers of customers as seen from the number of product purchase transactions by permanent member card users and submitting member card applications from September to November in 2019.

For this reason, public relations and customer value marketing strategy are needed that can have an important aspect in maintaining customer retention. The phenomenon of the decline in the number of Starbucks Coffee customers above may require the existence of innovation and changes in the marketing strategy of public relations and customer value from Starbucks Coffee. Based on the background above, the authors are interested in knowing how much influence marketing public relations and customer value have on customer loyalty by conducting a study about

2. REVIEW OF LITERATURE

2.1 Theoretical Review

2.1.1 Definition of *Marketing Public Relation*

Marketing public relations, according to Harris, quoted from (Wiwoho, 2018) is a process of planning and evaluating several programs that can encourage consumer purchase and satisfaction through a communication and also creates an impression that identifies companies and their products with various needs, desires, concerns, and consumer interests.

2.1.2 Definition of Customer Value

Customer Value as a preference or evaluation of the product, performance and consequences of using facilities by having price indicators, service quality, discounts and gifts, famous brands and advertisements. Customer value as a concept of perceptual and customer evaluation of the attributes of the products performance and the consequences obtained from the use of products that facilitate the achievement of goals and objectives in situation used (Griffin, 2010).

2.1.3 Definition of Customer Loyalty

Customer loyalty is a customer that is said to be loyal, meaning that the customer shows attitudes and behavior in regular purchases in the presence of a situation that requires customers to buy

approximately 3 times in a specified time interval.

2.2 Research Accomplished

1. Research from (Wiwoho, 2018)

   Under the title "The Influence of Market Relationship, Customer Value and Trust on Customer Loyalty at PT Asuransi Jiwasraya Malang City Branch " and the results of its research is Relationship marketing, customer value, and trust have a significant effect on customer loyalty.

2. Research from (Hidayat T. , 2015)

   Under the title "Effect of Marketing Public Relations on Customer Loyalty at PT. Nugraha Ekakurir Line (JNE) Bandung " and the results of the research Public Relations Marketing has a positive effect on customer loyalty

3. Research from (Sinaga, 2014)

   Under the title "The Effect of Marketing Public Relation on Brand Image" and its research results Publication, News Factor, Sponsorship, Media Identity simultaneously which have a significant effect on brand image variables.

4. Research from (Vellayati, Arifin & Yulianto, 2014)

   Under the title "Effect of Marketing Public Relations on Company Image and Its Impact on Customer Loyalty Survey on Toyota Auto 2000 Malang Customers " and the results of its research is a Marketing Public Relations has a significant effect on the company's image. Events and social activities do not significantly influence the company's image

5. Research from (Hanzae & Farsami, 2011)

   Under the title "The Effect of Brand Image and Perceived Public Relation on Customer Loyalty " and the results of its research are PR has a positive relationship with customer loyalty and this relationship is moderated by brand image.

2.3 Conceptual Framework

The Thought Framework is a diagram that outlines the flow of a study. The thought framework is made based on questions and research by presenting a variable from several concepts and the relationship between these variables. Framework are described in the following figure:
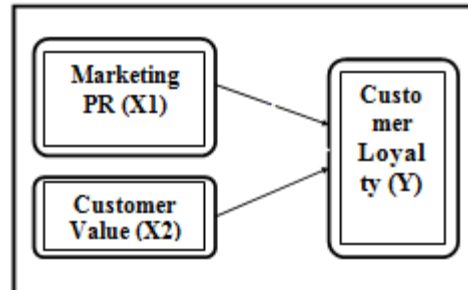

Figure 2. Conceptual Framework

2.4 Hypothesis

The hypothesis in a study is an assumption or (provisional) answer from the statements in the formulation of the research problem under study, the researcher will make a hypothesis in his research which will aim to make it a reference in determining the next steps so that get a conclusion from the research conducted by having accurate testing that can support the research so that research can be carried out according to the research we want.

Research that has been conducted by (Hidayat, 2015) entitled The Effect of Marketing Public Relations on Customer Loyalty at PT. The Nugraha Ekakurir (JNE) Bandung route, shows that public relations marketing has a positive effect on customer loyalty with a coefficient of determination of 0.5655.

Then Ha is accepted because there is a significant relationship between variable X and variable Y. Based on this description, the first hypothesis proposed in this study is as follows:

Hypothesis 1: Marketing Public Relation has a positive effect on Starbucks Coffee customer loyalty in Batam City.

Research that has been conducted by (Wiwoho A.S, 2018) with the title The Effect of Relationship Marketing, Customer Value, and Trust on Customer Loyalty at PT. Jiwasraya Insurance, Malang City Branch, shows that customer value has a positive effect on customer loyalty with the customer value variable obtaining t count> t table, namely 2,614> 1,988

with a significant level of 0.010 <0.05, which means that Ho is rejected and Ha is accepted. Based on this description, the second hypothesis proposed in this study is as follows:

Hypothesis 2: Customer Value has positive effect on Starbucks Coffee customer loyalty in Batam City.

3   METHOD OF RESEARCH
3.1 Research Design

This article will use quantitative research methods. Data analysis is in the form of numbers and discussion through statistical calculations. The calculation results of the scores of the values are then analyzed using the SPSS program to prove the relationship or influence between research variables.

This thesis is in accordance with the level of explanation used, which is associative where one must look for relationships between variables and more (Kuswanto, 2012)

3.2   Population and Sample

A population is a place that is divided into objects and research subjects that have a number of characteristics that are applied from researchers to study and draw conclusions. (Sugiyono, 2017). In this study the population is customers who consume products at 5 Starbucks Coffee locations (Nagoya Hill Shopping Mall, Batam Grand Mall, Fanindo Batam Center, Harbor Bay Shopping Center, and Mega Mall Batam Center) in September, October and November 2019.

This research has a minimum sample of 100 respondents. The characteristics applied by researchers are customers who have consumed the product more than 3 times. Furthermore, to obtain samples, in this study researchers used the Slovin formula as follows:

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

Formula 1. Slovin Formula

Information:
n : Number of samples
N : Total Population
e : Estimate Error Rate (10%)
n :

$$n = \frac{136}{1 + 136\,(0,10)}2 = 57.62711864 = 60$$

Based on the above calculation, a sample of the customer population in this study obtained 57.62711854 rounded to 100 with an error rate of 10%.

3.3   Data Collection Techniques

The data collection techniques of this research were questionnaire or questionnaire, survey and documentation. The questionnaire used is a type of closed questionnaire means that alternative answers are provided by researchers and surveys are a way to collect data that will be used to obtain information related to theories and concepts that are closely related to the problem being investigated by directly reviewing the object of research and documentation by finding data about things such as newspapers.

As for each instrument the questions or statements in the questionnaire were given the following values:

Table 2. Likert Scale

1.	Very Agree	4
2.	Agree	3
3.	Disagree	2
4.	Very Disagree	1

3.4   Data Analysis Method

The writer used descriptive statistics by describing data that has been collected as it is without intending to make conclusions that apply to the public or generalization with the approach used is the calculation mode, median, mean, presentation of data through graphs, tables, diagrams and percentage calculations (Sugiyono,2017)

Table 3.Score Category Research Variable

Interval	Category
1,00 – 1,75	Very Unkind
1,76 - 2,50	Not Good
2,51 – 3,25	Good
3,26 – 4,00	Very Good

4 RESULT AND DISCUSSION

4.1 Validity Test

Here are the details of the validity of the test results table for each variable used in this study, namely:

Table 4. Validity Test Results

Variable	Validity			
	Items	r count	r table	Remarks
Marketing Public Relation (X1)	X1.1	0.422	0.1966	Valid
	X1.2	0.506	0.1966	Valid
	X1.3	0.387	0.1966	Valid
	X1.4	0.458	0.1966	Valid
	X1.5	0.471	0.1966	Valid
	X1.6	0.689	0.1966	Valid
	X1.7	0.352	0.1966	Valid
	X1.8	0.474	0.1966	Valid
	X1.9	0.558	0.1966	Valid
	X1.10	0.492	0.1966	Valid

From the validity test on the statement indicators on marketing public relations (X1), customer value (X2) and customer loyalty (Y) variables tested with SPSS version 20, it can be seen that the r count value of all items / statement indicators is greater than r table of 0.1966 can be said that all statements are worth using as a measurement.

4.2 Reliability Test

The reliability test results of each variable in this study can be seen the results of the calculation in the following:

Table 5. Reliability Test Results

Variable	Alpha Cronbach	Standard Value	Remarks
Marketing Public Relation (X1)	0.642	0,60	Reliable
Customer Value (X2)	0.875	0,60	Reliable
Customer Loyalty (Y)	0.832	0,60	Reliabel

Based on the reliability test results in the table above it can be seen that all items / indicators of statements in marketing public relations, customer value and customer loyalty have a value greater than 0, 60 so that all items / indicator statements are.

4.3 Normality Test

Table 6. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	1.50649688
Most Extreme Differences	Absolute	.086
	Positive	.047
	Negative	-.086
Kolmogorov-Smirnov Z		.859
Asymp. Sig. (2-tailed)		.452
a. Test distribution is Normal.		
b. Calculated from data.		

Based on the above table, it can be seen that the data is abnormal due to distributed significance values normally distributed data, which is 0,452 greater than 0.05.

4.4 Multicollinearity Test

The goal in multicollinearity testing is to test between independent variables whether they are correlated or not. Insignificant regression equations are said when the independent variable approaches the numbers +1 or -1. Multicollinearity can be seen from the amount of tolerance and VIF. Having a tolerance number close to 1 is a guideline for multicollinearities free regression models. And the VIF limit is 10, then a VIF value below 10 means no multicollinearity occurs (Gurajati D, 2012)

Table 7. Multicollinearity Test Result

Variable	Tolerance	VIF
Marketing Public Relation (X1)	0,525	1.904
Customer Value (X2)	0.525	1.904

Based on the table above, it can be seen that the variable marketing public relations and customer value have a tolerance value> 0.10 and VIF <10. So, it can be said that there are no symptoms or multicollinearity problems in the regression model in this study.

4.5 Heteroscedasticity Test (Scatterplot)

This test is carried out to test whether in the regression model there is an unequal variance between the residuals of one observation to another. A good regression model is a regression model without heteroscedasticity (Ghozali, 2018).
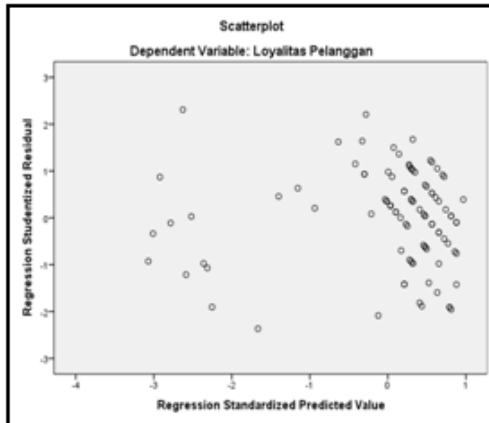

Figure 3. Scatterplot Framework

Based on the Figure above, it can be seen that there are no specific patterns in the scatterplot graph. So it can be said that there are no symptoms or heteroscedasticity problems in the regression model in this study.

4.6 t Test

The test was used to test the significance of the relationship between the independent variable (X) whether it affected the variable (Y) separately or partially. Here are the results of the test in this study:

Table 8. Test Results (Partial)

	Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	-2.597	1.185			-2.192	0.031
Marketing Public Relation	0.266	0.053	0.316		5.026	0.000
Customer Value	0.471	0.046	0.646		10.271	0.000
a. Dependent Variable: Customer Loyalty						

To find the value of t table can be searched using the formula value df (degree of freedom) as follows df = (n-k) df = (100-3) df = 97 with a significance level of α = 5% so that a t value of 1.984 is obtained. Then the partial effect in this study can be seen as follows:

Marketing Public Relation (X1)

From the results of the test (partial) obtained the value of t count marketing public relations (X1) amounted to 5.026> t table 1.98 and sig value of 0.000 <0.05. Thus, it can be stated that the variable public relations marketing (X1) has a partially positive effect on the variable customer loyalty at Starbucks Coffee Batam City. Therefore, it can be concluded that H1 from this study which states that "marketing public relations has a positive and significant effect on customer loyalty at Starbucks Coffee Batam City" is accepted.

Customer Value (X2)

From the results of the test (partial), the value of the tcount of the customer value (X2) was 10.271> ttable 1.98 and the sig value was 0.000 <0.05. Thus, it can be stated that the variable customer value (X2) has a positive effect on the variable customer loyalty at Starbucks Coffee Batam City. Therefore, it can be concluded that H2 from this study which states that "customer value has a positive and significant effect on customer loyalty at Starbucks Coffee Batam City" is accepted.

4.7 Multiple Linear Regression Test

Multiple linear regression analysis is used to determine whether there is an influence of the independent variable on the dependent variable. The following results of multiple linear regression tests in the following table:

Table 9. Multiple Linear Regression Result

	Coefficients^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2.597	1.185		-2.192	0.031
Marketing Public Relation	0.266	0.053	0.316	5.026	0.000
Customer Value	0.471	0.046	0.646	10.271	0.000
a. Dependent Variable: Customer Loyalty					

Based on the results of the multiple linear regression tests above, the value of the equation is obtained:

$$Y = -2,597 + 0,266 + 0,471 + e$$

4.8 Coefficient of Determination (R^2)

Determination coefficient test (R^2) is used to determine the ability of the model in explaining the dependent variable. The results of the coefficient of determination (R^2) test can be seen in the following table:

Table 10. Coefficient of Determination (R^2) Result

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894[a]	.798	.794	1.522

a. Predictors: (Constant), Customer Value, Marketing Public Relation

Based on the table above, it can be concluded that the adjusted determination coefficient (Adjusted R Square) is 0.794 or 79.4%, ranging from 1-0, with the greater the Adjusted R Square number, the stronger the relationship of the three variables in the model regression.

4.9 Discussions

The research approach uses a quantitative approach and uses descriptive statistical analysis with data processing using multiple linear regression tests with SPSS tools. The hypothesis test results proved that:

The Marketing Public Relations (X1)

Variable is stated as the Marketing Public Relations (X1) variable positively influencing the Starbucks Coffee Customer Loyalty variable in Batam City.

From the respondent's statement to the third statement (X1.3) about customers admiring the logo, interior design, and uniforms of Starbucks Coffee employees where it is recommended to have an average value of 3.20 so that it can be determined according to the respondents' answers according to the category very well.

The lowest average value (X1.6) about Starbucks Coffee is through bazaars and exhibitions where it has an average value of 2.84 with those determined as respondents' answers in either category.

In the t test (partial) obtained the value of t count marketing public relations (X1) is 5,026> ttable 1,98 and sig value is 0,000 <0,05. Thus it can be stated that the variable public relations marketing (X1) has a partially positive effect on the variable customer loyalty at Starbucks Coffee Batam City Research that has been conducted by (Hidayat, 2015) entitled The Effect of Marketing Public Relations on Customer Loyalty at PT. The Nugraha Ekakurir (JNE) Bandung route.

The Customer Value (X2)

Variable states that the customer value variable has a partially positive effect on the Starbucks Coffee Customer Loyalty variable in Batam City. The respondent's statement stated that the respondent's answer was in the very good category and the statement that had the highest mean value was the second statement (X2.2) regarding the process of handling complaints by Starbucks Coffee employees who were considered fast customers. Then the statement that has the lowest mean value is the fifth statement (X2.5) regarding the services and facilities provided by Starbucks Coffee where this statement has a mean value of 3.24 by stating that the respondent's answer is in the good category.

In the t test (partial) obtained value of tcount customer value (X2) is 10.271> t table 1.98 and sig value is 0.000 <0.05. Thus, it can be stated that the variable customer value (X2) has a partially positive effect on the variable customer loyalty at Starbucks Coffee Batam City.

Research that has been conducted by (Wiwoho A.S, 2018) with the title The Effect of Relationship Marketing, Customer Value, and Trust on Customer Loyalty at PT. Jiwasraya Insurance, Malang City Branch

Customer Loyalty Variable (Y)

The respondent's statement of the highest variable (Y) is about the second statement (Y.2) about the customer who will recommend Starbucks Coffee products to others. Means value of this statement is 3.33 so that it can be stated that the respondents' answers are in the very good category.

Then the statement that has the lowest mean

value is the third statement (Y.3) about Starbucks Coffee is the customer's first choice in purchasing modern coffee drinks where this statement has a mean value of 3.27 by stating that the respondent's answer is in the very good category.

5.1 Conclusion

Based on the results of research on the effect of marketing public relations and customer value on Starbucks Coffee customer loyalty in the city of Batam, the conclusions of this study are as follows:

1. Marketing Public Relations (X1) has a positive and significant effect on customer loyalty in Starbucks Coffee Batam City
2. Customer Value (X2) has a positive and significant effect on customer loyalty in Starbucks Coffee Batam City

Based on the results of research on the effect of marketing public relations and customer value on Starbucks Coffee customer loyalty in the city of Batam, the suggestions in this study are as follows:

1. Starbucks Coffee Batam City must maintain the reputation of marketing public relations and customer value that will increase customer loyalty, should provide services and facilities that make customers feel their needs are met such as Wi-fi with stable internet and a complete power outlet and by introducing products to customers through events bazaar and exhibition to promote the brand and its products, the results will give a good impression to the customer so that the customer will continue to remember the product.
2. Starbucks Coffee Batam City must maintain customer loyalty that will enhance the company's reputation by continuously providing good services and facilities to customers so that customers feel satisfied and willing to return to repeat the purchase of the same product and make customers choose Starbucks Coffee products which are the first-choice customers among other coffee products.

5.2 Recommendations

1. Starbucks Coffee Batam City must maintain the reputation of marketing public relations

and customer value that will increase customer loyalty, should provide services and facilities that make customers feel their needs are met such as Wi-Fi with stable internet and a complete power outlet and by introducing products to customers through bazaar events and exhibitions to promote the brand and its products, the results will give a good impression to the customer so that the customer will continue to remember the product
2. Starbucks Coffee Batam City must maintain customer loyalty that will enhance the company's reputation by continuously providing good services and facilities to customers so that customers feel satisfied and willing to return to repeat the purchase of the same product and make customers choose Starbucks Coffee products which are the first-choice customers among other coffee products.

Reference

Ghozali. (2018). *Aplikasi analisis Multivariate dengan Program IBM SPSS 25. Edisi 9.* Semarang: Badan Penerbit Universitas Diponegoro.

Ghozali, I. (2012). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 20.* Semarang: Badan Penerbit- Universitas Diponegoro.

Gurajati D. (2012). *Dasar-dasar Ekonometrika.* Jakarta.

Hanzae & Farsami. (2011). *The Effect of Brand Image and Perceived Public Relation on Customer Loyalty. Bisnis & Entrepreneurship.*

Hidayat, T. (2015). Pengaruh Marketing Public Relation terhadap Loyalitas Pelanggan pada PT. Jalur Nugraha Ekakurir (JNE) Bandung. *Jurnal Ekonomi, Bisnis & Entrepreneurship.*

Inggrid Sinaga. (2014). *The Effect Of Marketing Public Relation*

Kuswanto (2012). *Panduan Modern Penelitian Kuantitatif.* Jakarta

Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif dan R&D.* Bandung: Alfabeta.

Sunariah, K. (2014). Panduan Modern Penelitian Kuantitatif. Bandung: Alfabeta.

Tjiptono, S. (2014). *Pemasaran Jasa.* Jakarta Selatan.

Vellayati, Arifin & Yulianto. (2014). *The Effect of Marketing Public Relations on Company Image and Its Impact on Customer Loyalty Survey on Toyota Auto 2000 Malang Customers.* Jurnal Ekonomi, Bisnis & Entrepreneurship..

Wiwoho, A. (2018). Pengaruh Relationship Marketin, Customer Value dan Trust terhadap Loyalitas Pelanggan pada PT Asuransi Jiwasraya Cabang Kota Malang. *Jurnal Manajemen Bisnis, Vol*