

The Influence Of Product Diversity, Product Quality And Distribution Channels On Customer Loyalty At PT Pan Baruna Batam

Fernandi¹, Yunisa Oktavia²

Putera Batam University, Faculty of Social Sciences and Humanities

Abstrak

This research was conducted to find out the effect of product diversity, product quality and distribution channels on customer loyalty where each variable has problems such as expiration, torn packaging and excess and shortage of stock. So this type of research is quantitative research to test the relationship between hypothesized variables. This research has a population with the number of PT Pan Baruna customers in 2023, namely 826 customers from PT Pan Baruna marketing. This research uses a purposive sampling method. The results of this research show that the variables of product diversity, product quality and distribution channels are significantly positive on customer loyalty.

keywords : *product diversity, product quality, distribution channels, and customer loyalty*

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✉ Corresponding author :

Email Address : fernanditan4@gmail.com

INTRODUCTION

Progress in the economic sector so far has resulted in rapid developments in the business sector. In line with this, many trading companies have emerged that operate in the retail trade sector in the form of food courts, restaurants, hotels and coffee shops. This will create competition between these companies. In order for companies to win the competition, they must be able to take advantage of existing business opportunities and try to implement appropriate marketing strategies in order to dominate the market. Market control is one of the main activities carried out by entrepreneurs in their efforts to maintain the survival of their business, develop and obtain maximum profits. This can be achieved if consumers are satisfied with the performance of the products offered by entrepreneurs (Puspitaningrum & Aji Damanuri, 2022).

Several factors that can influence customer loyalty: Product diversity, product quality and distribution channels. Product assortment is a collection of all products and goods offered by a particular seller to buyers. Product diversity consists of the completeness of the products and goods sold, the types of brands sold, variations in the sizes of goods sold, and the availability of products sold so that this product diversity requires paying attention to the quality of each product that has been produced (Reza, 2021).

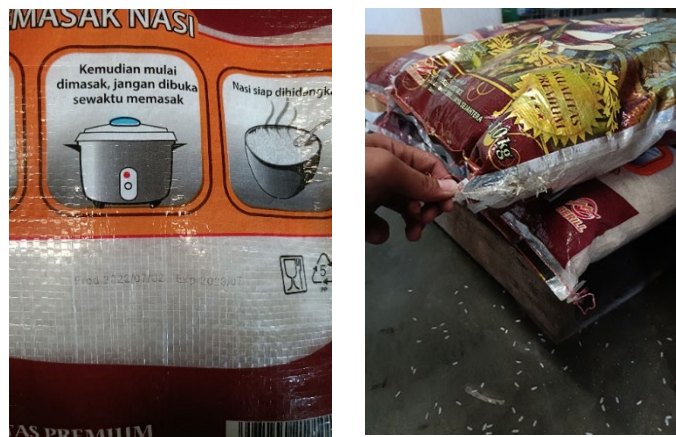
Product quality is one of the main things that is paid attention to in the company, quality is one of the important policies in increasing product competitiveness, the main thing is to provide satisfaction to consumers that exceeds or is at least the same as the quality of products from competitors (Santoso, 2019). The problem currently faced by PT Pan Baruna is regarding the quality of the products it produces, often receiving complaints from several customers regarding dirty and infested rice. Dirty and infested rice can worsen the good name of PT Pan Baruna and make food sellers become more careful in buying rice so that customers become doubtful and consider it before making the next purchase, so this factor has an impact.

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Figure 1.1 Rice with lice and dirty rice



Figure 1.2 Expired rice and torn rice



Outdated Quality

Torn Quality

Figure 1.3 Evidence of complaint conversations from customers



Apart from product diversity and product quality, there are also problems with distribution channels. Distribution channels are marketing channels owned by the company to distribute all the products owned by the company. The company provides good distribution to support sales and delivery of purchased products to customers as a form of service to customers. Good distribution channels need to be in place to create convenience for customers (Wijaya et al., 2019). From this convenience, customers will always make purchases continuously, resulting in customer loyalty. PT Pan Baruna distributes goods ordered by customers using its own transportation. Problem 1: The driver delivering 3 sales items is experiencing delays. However, there was a delay in delivering goods to the customer's location on time. This is proven by the complaint chat like the image below.

Figure 1.4 Problems with distribution channels



According to Tarigan et al., (2019), customer loyalty is holding a commitment to consistently repurchase a preferred product or service in the future, despite situational influences and marketing efforts that have the potential to cause a shift in behavior. Customer loyalty in the context of services marketing as a response that is closely related to the promise of relationships, and is usually reflected in continued purchases from the same service provider on the basis of dedication and pragmatic constraints. Customer loyalty is the most important thing to do in order to always maintain customer loyalty and satisfaction with the use of company services. This is stated, because customer loyalty is demonstrated through the customer's sense of loyalty in consuming products/services by purchasing the product repeatedly (Oktaviani, 2019).

This research was carried out at PT Pan Baruna, a company founded by Iskandar in 1993, this company is engaged in distributing basic necessities such as indomie, cooking oil, butter, rice. PT Pan Baruna is located in Cammo Industrial Park Blok G No. 1, Batam City. In a world of tight business competition, the quality of a company's products is a very important element in becoming a good competitor.

So PT Pan Baruna has 826 customers starting from 2021 to 2023. The following is the annual data obtained by PT Pan Baruna.

Table 1.2 Number of customers at PT Pan Baruna

No	Bulan	Jumlah Pelanggan		
		2021	2022	2023
1	Januari	20	20	30
2	Febuari	18	20	25
3	Maret	25	25	30
4	April	19	27	24
5	Mei	19	23	25
6	Juni	17	22	21
7	Juli	18	24	24
8	Agustus	17	25	32
9	September	19	22	15
10	Oktober	16	20	20

11	November	19	23	33
12	Desember	18	21	40
Jumlah		225	272	329

Source: PT Pan Baruna Marketing

This can be seen from PT Pan Baruna's sales data as in the table below, which is as follows:

No	Data Penjualan PT Pan Baruna		
	2021	2022	2023
1	2.530.235.000	2.750.780.000	3.200.000.000

The problem that PT Pan Baruna tends to face is product diversity where the company has difficulty controlling stock, which causes frequent excesses and shortages of stock. This also affects the product that the customer wants to buy is not available and causes customer loyalty to make the next transaction or purchase. Thus, product diversity is one of the problems faced by PT Pan Baruna. Rice from November 2023 to March 2024 PT Pan Baruna will not provide rice stocks again. This is due to the many complaints from customers, such as the presence of lice in the rice, the expiration date on the rice packaging and the large number of competitors in rice products currently. Below is attached data in the form of stock of goods at PT Pan Baruna which has advantages and disadvantages.

Pengaruh Keragaman Produk Terhadap Loyalitas Pelanggan

Product diversity develops continuously to achieve certain profitability without dependence on one product and can affect customer loyalty (Sinambela & Mardikaningsih, 2022).

Pengaruh Kualitas Produk Terhadap Loyalitas Pelanggan

Research by Haroen, (2020) with the title "Analysis of the Influence of Product Quality, Service Quality, Customer Trust on Customer Loyalty (Case Study at PT Nusantara Surya Sakti)". Concluding that product quality has a positive and significant influence on customer loyalty

Pengaruh Saluran Distribusi Terhadap Loyalitas Pelanggan

According to Sri Rezeki et al., (2021) , Distribution channels are intermediary routes in conveying goods from producers to consumers. Every customer certainly hopes that the company can distribute or send the ordered product quickly. If the customer's expectations can be realized by the company, then the customer will feel satisfaction.

METHODOLOGY

This type of research is quantitative research to test the relationship between hypothesized variables. In this type of research, there is clearly a hypothesis that will be tested for truth (Sugiyono, 2014). In this research, the author uses a type of quantitative research, where this type of research involves collecting respondents via Google Form in the form of a link and the link will be distributed to potential respondents to obtain data and the data can be processed using a data processing application. The population in this research is the number of PT Pan Baruna customers in 2023, namely 826 customers from PT Pan Baruna marketing. The sample used in this research uses samples from respondents who are customers of PT Pan Baruna Batam.

Determining the sample in this study used the purposive sampling method. Purposive sampling is a sampling technique used by researchers if the researcher has certain considerations in taking the sample. In this study, a sample calculation formula using the Slovin formula approach can be used to calculate the number of samples with a total population that cannot be known with certainty.

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RESULTS AND DISCUSSION

Validity Test

Tabel 3 Results of Product Diversity Validity Testing (X¹)

Product Diversity (X1)		
R count	statement	Information
X1.1	0,703	Valid
X1.2	0,739	
X1.3	0,743	
X1.4	0,764	
X1.5	0,822	
X1.6	0,702	
X1.7	0,765	
X1.8	0,751	
X1.9	0,654	
X1.10	0,753	

Tabel 4 Product Quality Validity Test Results (X2)

Product Quality (X2)		
R count	statement	Information
X2.1	0,745	Valid
X2.2	0,818	
X2.3	0,820	
X2.4	0,723	
X2.5	0,789	
X2.6	0,760	
X2.7	0,767	
X2.8	0,792	
X2.9	0,780	

Tabel 5 Distribution Channel Validity Test Results (X3)

Distribution Channel (X3)		
R count	statement	Information
X3.1	0,756	Valid
X3.2	0,840	
X3.3	0,750	
X3.4	0,672	

Tabel 6 Customer Loyalty Validity Testing Results (Y1)

Customer Loyalty (Y1)

R count	statement	Information
Y.1	0,756	Valid
Y.2	0,840	
Y.3	0,750	
Y.4	0,672	
Y.5	0,733	

Reliability Test

Tabel 7 Hasil Pengujian Reliabilitas

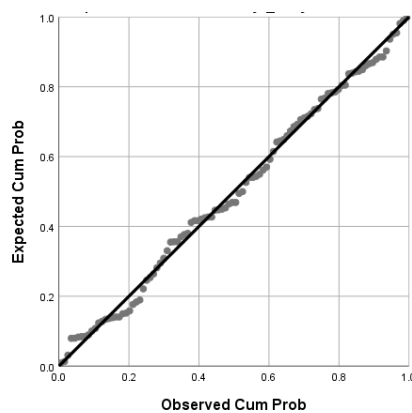
No	Variabel	Cronbach’s Alpha	Keterangan
1	Product diversity	0,908	Reliabel
2	Product quality	0,916	Reliabel
3	Distribution channel	0,800	Reliabel
4	Customer Loyalty	0,844	Reliabel

In the table above, it can be seen that the results of reliability testing for the product diversity variable (X1) show a Cronbach's Alpha value of 0.879, the product quality variable (X2) shows a Cronbach's Alpha value of 0.779, the distribution channel variable (X3) shows a Cronbach's Alpha value of 0.820 and the customer loyalty variable (Y) shows a Cronbach's Alpha value of 0.740. Based on the data above, all variables show a Cronbach's Alpha (α) value > 0.60 , thus indicating that all items or variables are said to be reliable.

Normality Test

The line curve in the histogram above can be concluded that the normal data requirements have been met by this model. The shape of the curve in the form of a bell in the middle of the bar graph in the diagram indicates that this data is normally distributed. These results supported by a normal p-p plot image which is described as follows:

Source: SPSS version 26 data processing results



Multicolinearity Test

Tabel 4.1 Uji Multikolonieritas

Model	Collinearity Statistic	
	Tolerance	VIF

1	Product diversity	.170	5.886
	Product quality	.125	7.988
	Distribution channel	.260	3.846

Source: Output SPSS version 26

This research can be said to have no correlation between independent variables if the VIF value is < 10 and the tolerance value is > 0.10 . So it can be concluded that there is no multicollinearity for the independent variables because the VIF value of X1 is $3.846 < 10$, X2 is $5.886 < 10$ and is $0.260 > 0.10$.

Heteroscedasticity Test

The heteroscedasticity test is a test that aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. This test is declared not to show heteroscedasticity if the significance value is > 0.05 . The results of this test can be seen from the table as follows:

Tabel 4.2 Heteroscedasticity Test

Model		Unstandarized Coeffisient		Standarized Coeffisient	t	Sig
		B	Std. Error	Beta		
1	Constant	1.806	.999		1.808	.074
	Product diversity	-.051	.056	-.099	-.907	.366
	Product quality	.454	.071	.814	6.406	.000
	Distribution channel	.249	.113	.195	2.216	.029

Analisis Linear Berganda

Multiple linear regression analysis is used to analyze the magnitude of the relationship and influence of more than two independent variables. Multiple linear regression analysis is used. The results of this test can be seen in the following table:

Model		Unstandarized Coeffisient		Standarized Coeffisient	t	Sig
		B	Std. Error	Beta		
1	Constant	1.806	.999		1.808	.074
	Product diversity	-.051	.056	-.099	-.907	.366
	Product quality	.454	.071	.814	6.406	.000
	Distribution channel	.249	.113	.195	2.216	.029

a. Dependent Variabel: Customer Loyalty

Source: Output SPSS versi 26

Conclusion:

1. The constant has a regression coefficient of 1.806, this shows that product diversity, product quality and distribution channels have a value of 0, then customer loyalty has a value of 1.806.
2. The product diversity variable (X1) has a regression coefficient of 0.051 or 5.1%, this indicates that other independent variables have constant or fixed values.
3. The product quality variable (X2) has a regression coefficient of 0.454 or 45.4%, this indicates that other independent variables have constant or fixed values.
4. The Distribution Channel variable (X3) has a regression coefficient of 0.249 or 24.9%, this indicates that other independent variables have constant or fixed values.

The coefficient of determination (R²) measures how far the model's ability to explain variations in the dependent variable. The results of this test can be seen from the table as follows:

Variabel Dependen	Adjusted R Square	Persentase
customer loyalty	0,806	80,6%

From the table above, the test results for product diversity, product quality and distribution channels are 0.806 with a percentage of 80.6%. and 19.4% was obtained from other factors outside the model.

T Test

Variabel	Koefisien	Sig.	Conclusion	Hypothesis
Independen	B			
Product diversity	-.051	.000	Signifikan +	Diterima (H1)
Product quality	.454	.000	Signifikan +	Diterima (H2)
Distribution channel	.249	.029	Signifikan +	Diterima (H3)

a. Product Diversity Test Results

Product Diversity shows a β_1 value with a magnitude of - 0.051 and a significance value of 0.000, which means Product Diversity has a significantly positive effect on Customer Loyalty.

b. Product Quality Test Results

Product Quality shows a β_1 value of 0.454 and a significance value of 0.000, which means that Product Quality has a significantly positive effect on Customer Loyalty.

c. Distribution Channel Test Results

Distribution Channels show a β_1 value of 0.249 and a significance value of 0.029, which means that Distribution Channels have a significantly positive effect on Customer Loyalty. Uji F

Variabel	Sig	Result
Customer loyalty	0,000	Significant

Source: SPSS 26 (2023)

Based on the data above, the results of the F test show a value of 0.000 with a significant value of less than 0.05, which means that it can be concluded that there is a significant influence by the independent variable on the dependent variable.

CONCLUSION

The results of this research were carried out with the aim of knowing the influence of product diversity, product quality and distribution channels on customer loyalty at PT Pan Baruna Batam. Through the research carried out, the results of the relationship between each variable show significant results, as a result each hypothesis from this research can be accepted. The conclusions that can be drawn are:

1. Hypothesis 1 can be accepted because product diversity has a significant positive relationship with customer loyalty.
2. Hypothesis 2 cannot be accepted because product quality has a significant influence on customer loyalty.
3. Hypothesis 3 can be accepted because distribution channels have a significant positive relationship with customer loyalty.

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