Impact of product design and sales promotion on eiger customer loyalty

Yuniar Rahma Adisti[1], Dina Lusianti[2], Faridhatun Faidah[3]
[1, 2, 3] Faculty of Economics and Business, Universitas Muria Kudus, Indonesia

Article Info

ABSTRACT

The needs of society and developing lifestyles will result in hobbies also developing, such as the hobby of adventuring in the wild. One brand of outdoor equipment is Eiger. This research analyzes the influence of Product Design and sales Promotion on Customer Loyalty through Consumer Satisfaction. The object of this research is the Eiger product in Kudus. The data used in this research was by distributing questionnaires via online form. The instrument test in this study used a reliability test and validity test. The analytical tool in this research uses SEM-AMOS. This research shows that product design has no effect on consumer satisfaction. Sales promotions have a positive and significant effect on consumer satisfaction. Product design has a positive and significant effect on customer loyalty. Sales promotions do not affect customer loyalty. Consumer satisfaction does not affect customer loyalty. Product design and sales promotions on customer loyalty through consumer satisfaction have a weak mediating influence. Product design, sales promotions, and consumer satisfaction are important in shaping consumer perceptions of loyalty. This perception will influence customer attitudes and behavior. Therefore, companies must design good strategies so that consumers can behave and behave as expected.

[1] *Corresponding Author:*

Dina Lusianti,
Faculty of Economics and Business,
Universitas Muria Kudus,
Jl. Lkr. Utara, Kayuapu Kulon, Gondangmanis, Kec. Bae, Kudus, Indonesia.
Email: dina.lusianti@umk.ac.id

1. Introduction

In this era, business competition is increasing. Due to increasingly fierce competition, especially in the digital era, companies must manage their capabilities. All business and technical activities are part of the business process, aimed at implementing the company's strategy [1]. Developing smart strategies in business activities is crucial, and one approach is to use information obtained through data analysis [2]. So, the company's vision and mission that has been created can be achieved [3]. Companies heavily rely on the effective distribution of their products and services to reach their target consumers [4]. To compete in the market, producers should create products that suit the needs and desires of consumers, starting from quality to product design, which can lead to consumer satisfaction with the product. The needs of society and developing lifestyles will result in hobbies also developing, such as the hobby of adventuring in the wild. One brand of outdoor equipment is Eiger. Eiger was first founded in 1989 as a product for outdoor activities. The Eiger product is designed to be stiff and has typical mountaineering characteristics [5], making mountain products rarely used for daily activities.

Table 1. Top brand for teens index of school bags in 2022

No	Brand	Percentage	Rating
1	Jansport	21.5%	TOP
2	Export	20.5%	TOP
3	Eiger	19.5%	TOP
4	Alto	9.4%	-
5	Polo	1.1%	-

Source: topbrandaward.com, 2023

Table 1 shows that the existence of the Eiger school bag product in 2022 is in the TOP category but is ranked 3rd with a score of 19.5%, still less than its competitors. The competitor with the top ranking is Jansport, with a value of 21.5%. Below that is Exsport with 20.5%. Below the Eiger is the Alto with 9.4% and the Polo with 1.1%.

Table 2. Top brand for teens sandal shoe index in 2022

No	Brand	Percentage	Rating
1	Carvil	19.2%	TOP
2	Brick	11.1%	TOP
3	Neckerman	10.3%	TOP
4	Kickers	10%	-
5	Eiger	8.8%	-

Source: topbrandaward.com, 2023

Table 2 shows that the existence of Eiger brand sandal shoe products is in the lowest ranking with a value of 8.8%, still less than its competitors. Top Brand Index data shows that there are still many people who don't know the product design of Eiger brand school bags and sandals.

Tables 1 and 2 show that the existence of Eiger products in the school bags and sandals product categories is ranked 3rd and 5th, still inferior to its competing brands. This shows that many people still don't know the product design of Eiger brand school bags and sandals. Eiger also does sales promotions, including discounts, because it attracts customer interest more quickly and effectively [6]. Sales promotions are short-term incentives to buy or sell products or services [7].
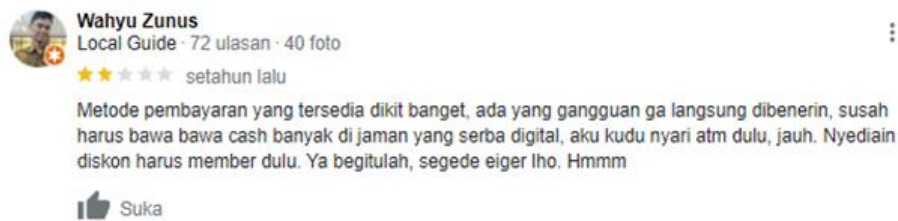
Source: Google Review, 2023
Figure 1. Consumer reviews about sales promotions at eiger store kudus

Communication on social media reflects the emotions that individuals experience [8]. Figure 1 shows consumer reviews that complain about discounts for members only. From these complaints, consumer dissatisfaction arises. Satisfaction will influence the customer's subsequent attitude after using or experiencing the product or service offered; therefore, satisfied customers will repeat using the product or service offered [9]. Customer loyalty is a firmly held commitment to repurchase or re-subscribe from a preferred product or service in the future, even though situational influences and marketing efforts can potentially cause switching behavior [10]. The better the customer experience, the more satisfied the customer [11].

Table 3. Data on number of visitors

Year	Visitors
2020	20,000
2021	15,000
2022	17,050

Source: Eiger Store Kudus, 2023

Shows data on the number of visitors to the Eiger Store Kudus, as seen in Table 3. There was a decrease in the number of visitors in 2021. This shows decreasing customer loyalty in 2020, Indonesia had a pandemic. Loyal customers will make repeat purchases in the future without paying attention to situational influences. From this statement, Eiger Store Kudus is experiencing unstable customer loyalty, as evidenced by decreased visitors in 2021.

2. Method

This study uses a quantitative approach. Sugiyono [12] states that quantitative research is based on positivism, which aims to examine a specific population or sample. This research analyzes the influence of product design and sales promotions on customer loyalty using the intervening variable of consumer satisfaction. This research uses the help of the SEM AMOS version 24 application. The object of this research is the Eiger product in Kudus. The number of respondents was 120, with a non-probability sampling technique using a purposive sampling technique. The criteria for respondents in this study include:

1. Respondents aged 17 years and over were considered to understand the questions given by the researcher.
2. Respondents use Eiger products in outdoor activities or daily activities.
3. Eiger product customers in Kudus who have purchased Eiger products at least three times in the last year.

The validity test results calculated by the researcher using the AMOS application obtained an AVE value for the variable indicator ≥ 0.50. The research variable can be declared valid (Appendix 1). The reliability test using AMOS showed that all the values were reliable. This value meets the CR value ≥ 0.60, so all constructs in this research are suitable for use (Appendix 2). On the normality test results in this research column, c.r. from the skew and kurtosis values were found in the range of 2.58 and -2.58. Therefore, the data used in this research meets the data normality requirements, and the data can be said to be normally distributed (Appendix 3).

3. Results and Discussion

Respondent Characteristics

According to Table 4, respondents are the most dominant Eiger product customers aged 17-27, with 94 people. Ages 17-27 years tend to shop not because of necessity but to look attractive to be appreciated and accepted by certain groups or other friends.

Table 4. Characteristics of respondents according to age

No	Age	Frequency	Percentage
1	17-27 Years	94	78%
2	28-38 Years	17	14%
3	>38 Years	9	8%
Amount		120	100%

Source: Primary data obtained, 2023

According to Table 5, respondents show that the most dominant customers for Eiger products are respondents with male gender dominating 70 people. Men tend to shop for Eiger products not because of necessity but because shopping is often

seen as a form of relaxation and release of stress. Because nature lovers are primarily men, the Eiger brand is certainly no stranger. Eiger is specially provided for adventurers in the wild. So, the resulting product will be stronger and longer lasting.

Table 5. Characteristics of respondents according to gender

No	Gender	Frequency	Percentage
1	Woman	50	42%
2	Man	70	58%
Amount		120	100%

Source: Primary data obtained, 2023

According to Table 6, respondents show that the most dominant Eiger product customers are respondents who work as students, dominating 91 people. College students shop not only for necessities but also for pleasure and their lifestyle. Especially for nature lovers, some people consider this to be a personal waste or can be seen as consumer behavior.

Table 6. Characteristics of respondents according to occupation

No	Gender	Frequency	Percentage
1	Student/Students	91	76%
2	Self-employed	14	12%
3	Civil servants	3	2%
4	Other	12	10%
Amount		120	100%

Source: Primary data obtained, 2023

Hypothesis Test

The research hypothesis will be declared accepted if the probability (P) value is <0.05 and the critical ratio (CR) value is > ttable, namely > 1.64. The results of hypothesis testing in this research can be seen in Table 7 as follows:

Table 7. Hypothesis testing

			Estimate	S.E	CR	P	Label
Consumer Satisfaction	<---	Product Design	-.045	,065	-.695	,487	par_10
Consumer Satisfaction	<---	Sales promotion	,759	.073	10,369	***	par_11
Customer loyalty	<---	Product Design	,267	,084	3,189	,001	par_14
Customer loyalty	<---	Sales promotion	,345	,479	,720	,471	par_13
Customer loyalty	<---	Consumer Satisfaction	-.170	,617	-.276	,783	par_12

Source: Primary data obtained, 2023

Table 7 shows that the results of hypothesis testing are as follows:
   a. The first hypothesis in this research is rejected: product design does not affect consumer satisfaction. Based on the statistical analysis output, the research findings indicate that the estimated regression coefficient between the "Product Design" and "Consumer Satisfaction" variables is -0.045.

Despite the negative direction of the relationship, the obtained p-value (0.487) is higher than the commonly used significance level (typically 0.05). Therefore, there is insufficient evidence to reject the null hypothesis, suggesting that product design does not have a significant impact on consumer satisfaction. In this context, the analysis results do not support the claim that product design has a significant effect on consumer satisfaction, at least based on the sample data used in the study.

b. The second hypothesis in this research was declared accepted: sales promotions positively and significantly affect consumer satisfaction. The statistical analysis reveals a significant and positive impact of sales promotions on consumer satisfaction. The estimated regression coefficient for "Sales Promotion" is 0.759, with a critical ratio of 10.369 and a highly significant p-value (***<0.001). These results support the acceptance of the second hypothesis, indicating that sales promotions have a substantial and positive influence on consumer satisfaction. The findings suggest that the implemented sales promotion strategies contribute significantly to enhancing consumer satisfaction, as reflected in the statistical significance and strength of the observed relationship.

c. The third hypothesis in this research is declared accepted: product design positively and significantly affects customer loyalty. The statistical analysis provides compelling evidence supporting the acceptance of the third hypothesis. The estimated regression coefficient for "Product Design" is 0.267, suggesting a positive relationship with "Customer Loyalty." The critical ratio (CR) is 3.189, and the p-value is 0.001, both of which are indicative of statistical significance. These results collectively affirm that product design has a positive and significant impact on customer loyalty. The findings imply that improvements or enhancements in product design positively contribute to fostering customer loyalty. The strong statistical support strengthens the confidence in concluding that there is a meaningful association between product design and customer loyalty in the context of the study.

d. The fourth hypothesis in this research is rejected: sales promotions do not affect customer loyalty. The statistical analysis indicates that the fourth hypothesis, asserting the impact of sales promotions on customer loyalty, is not supported by the data. The estimated regression coefficient for "Sales Promotion" is 0.345, and the critical ratio (CR) is 0.720, with a p-value of 0.471, which is not statistically significant. These results suggest that sales promotions do not have a meaningful and statistically significant effect on customer loyalty in the context of the study. Therefore, based on the data at hand, the research rejects the hypothesis that sales promotions play a significant role in influencing customer loyalty. It implies that other factors or strategies may have a more pronounced impact on fostering loyalty among customers in the specific context investigated. Further exploration

may be necessary to identify the key drivers of customer loyalty in this particular domain.

e.   The fifth hypothesis in this research is rejected, consumer satisfaction does not affect customer loyalty. The statistical analysis results lead to the rejection of the fifth hypothesis, which posits a relationship between consumer satisfaction and customer loyalty. The estimated regression coefficient for "Consumer Satisfaction" is -0.170, and the critical ratio (CR) is -0.276, with a p-value of 0.783, indicating a lack of statistical significance. These findings suggest that, based on the data analyzed, consumer satisfaction does not have a substantial and statistically significant impact on customer loyalty in the specific context of the study. Despite the negative direction of the coefficient, the lack of significance implies that changes in consumer satisfaction may not be a significant predictor of variations in customer loyalty in the examined scenario. This result prompts the rejection of the hypothesis, indicating the need for further investigation into the factors that more prominently influence customer loyalty in this particular context.

Direct and Indirect Influence Analysis

The table of direct effect and indirect effect values in this research is as follows:

Table 8. Indirect effect and total effect estimation results

Exogenous Variables	Intervening Variables	Endogenous Variables	*Direct Effects*	*Indirect Effects*	*Total Effect*	Note
Product Design	Consumer Satisfaction	Customer loyalty	0.372	0.011	0.383	The role of consumer satisfaction as partial mediation
Sales promotion	Consumer Satisfaction	Customer loyalty	0.578	-0.217	0.361	The role of consumer satisfaction as partial mediation

Source: Primary data obtained, 2023

After conducting research, it can be seen that product design has a direct effect value of 0.372 and an indirect effect of 0.011. The indirect effect value is smaller than the direct effect value. With these results, it can be concluded that product design in influencing customer loyalty has a more significant influence directly than indirectly through consumer satisfaction. Sales promotions have a direct effect value of 0.578 and an indirect effect of -0.217. The direct effect value is greater than the indirect effect value. With these results, it can be concluded that sales promotions in influencing customer loyalty have a more significant influence directly than indirectly through consumer satisfaction.

The first hypothesis (H1) is that product design variables do not positively and significantly affect consumer satisfaction. The results of this research contradict

research conducted by Isfahila [13], which states that product design has a positive and significant effect on consumer satisfaction. This is supported by research [14] that product design does not positively and significantly affect consumer satisfaction.

The second hypothesis (H2) is that sales promotions positively and significantly affect consumer satisfaction. The results of this research are supported by research conducted by Madjukie & Harjati [15], stating that sales promotions have a positive and significant effect on consumer satisfaction. This contradicts research by Sondak, et al [16] that sales promotions do not affect consumer satisfaction.

The third hypothesis (H3) from the results of this research shows that product design has a positive and significant effect on customer loyalty. The results of this research are supported by research conducted by Haris [14], stating that product design has a positive and significant effect on customer loyalty.

The fourth hypothesis (H4) from the results of this research shows that sales promotions do not have a positive and significant effect on customer loyalty. The results of this research are supported by research conducted by Pratama [17], which states that sales promotions affect customer loyalty. This contradicts research by Iswati & Lestari [18], which states that sales promotions do not affect customer loyalty.

The fifth hypothesis (H5) from the results of this research shows that consumer satisfaction does not have a positive and significant effect on customer loyalty. The results of this research are supported by research conducted by Haris [14], which states that consumer satisfaction has no significant effect on customer loyalty. This research is inversely proportional to research [9] and [11], which state that consumer satisfaction significantly affects customer loyalty.

4. Conclusion

Based on the research findings, it can be concluded that product design does not exert a discernible impact on consumer satisfaction. However, sales promotions demonstrate a noteworthy and positive influence on consumer satisfaction. Moreover, product design exhibits a positive and significant effect on fostering customer loyalty. In contrast, the study indicates that sales promotions do not play a role in influencing customer loyalty. Surprisingly, the research suggests that consumer satisfaction does not have a direct impact on customer loyalty. Additionally, the role of consumer satisfaction as an intervening variable is identified as a partial mediation. This implies that there may be other variables influencing the relationship, suggesting avenues for further research to explore additional contributing factors.

REFERENCES

[1]   N. A. Syarifudin, M. D. Izzuddin, and T. A. Amaliyah, "Evaluation Of Business Process in Convention Production Companies Using Business Process Improvement (BPI)," *J. Soft Comput. Explor.*, vol. 3, no. 1, pp. 1–7, Mar. 2022, doi: 10.52465/joscex.v3i1.56.

[2]   A. A. Sitorus, A. Ikhwan, and M. H. Aly, "Clothing Sales Prediction Information System Using Web-Based Double Exponential Smoothing Method," *Sci. J. Informatics*, vol. 10, no. 3, 2023, doi: https://doi.org/10.15294/sji.v10i3.44919.

[3]   Rusdiyanto, Susetyorini, and U. Elan, *Good Corporate Governance: Teori dan Implementasinya di Indonesia*. Bandung: Refika Aditama, 2019.

[4]   A. Raihan, A. S. Kanza, A. U. Rohmah, and D. Z. Khairani, "Analysis and recommendations for business process improvement for retail companies using the business process improvement (BPI) Method," *J. Student Res. Explor.*, vol. 1, no. 1, pp. 1–6, Dec. 2022, doi: 10.52465/josre.v1i1.109.

[5]   O. Irvanto and S. Sujana, "Pengaruh Desain Produk, Pengetahuan Produk, Dan Kesadaran Merek Terhadap Minat Beli Produk Eiger," *J. Ilm. Manaj. Kesatuan*, vol. 8, no. 2, pp. 105–126, Aug. 2020, doi: 10.37641/jimkes.v8i2.331.

[6]   A. Prabarini, B. Heryanto, and P. Astutik, "PENGARUH PROMOSI PENJUALAN DAN POTONGAN HARGA TERHADAP KEPUTUSAN PEMBELIAN KONSUMEN DI TOSERBA BOROBUDUR KEDIRI (STUDI KASUS PRODUK KECANTIKAN WARDAH)," *JIMEK J. Ilm. Mhs. Ekon.*, vol. 1, no. 2, p. 259, Apr. 2019, doi: 10.30737/jimek.v1i2.308.

[7]   P. Kotler and G. Amstrong, *Pemasaran*, 1st ed. Jakarta: Salemba Empat, 2017.

[8]   J. Jumanto, M. A. Muslim, Y. Dasril, and T. Mustaqim, "Accuracy of Malaysia Public Response to Economic Factors During the Covid-19 Pandemic Using Vader and Random Forest," *J. Inf. Syst. Explor. Res.*, vol. 1, no. 1, pp. 49–70, Dec. 2022, doi: 10.52465/joiser.v1i1.104.

[9]   N. P. S. Supertini, N. L. W. S. Telagawati, and N. N. Yulianthini, "Pengaruh kepercayaan dan kepuasan pelanggan terhadap loyalitas pelanggan pada Pusaka Kebaya di Singaraja," *Prospek J. Manaj. dan Bisnis*, vol. 2, no. 1, p. 61, Jul. 2020, doi: 10.23887/pjmb.v2i1.26201.

[10]   P. Kotler and K. L. Keller, *Manajemen Pemasaran*, 12th ed. Jakarta: Indeks, 2016.

[11]   A. Irawan, D. Lusianti, and F. Faidah, "Customer Satisfaction in the Era of Competition 5.0," *J. Appl. Bus. Technol.*, vol. 4, no. 2, pp. 144–154, May 2023, doi: 10.35145/jabt.v4i2.127.

[12]   Sugiyono, *Metode Penelitian Manajemen*. Bandung: Alfabeta, 2022.

[13]   A. Isfahila, F. Fatimah, and W. E. S, "PENGARUH HARGA, DESAIN, SERTA KUALITAS PRODUK TERHADAP KEPUASAN KONSUMEN," *J. Sains Manaj. dan Bisnis Indones.*, vol. 8, no. 2, Dec. 2018, doi: 10.32528/jsmbi.v8i2.1790.

[14]   Dani Haris, "KUALITAS DAN DESAIN PRODUK DALAM MENINGKATKAN KEPUASAN DAN LOYALITAS KONSUMEN (Studi Kasus Baju Dagadu Yogyakarta)," *AT-TASYRI' J. Ilm. PRODI MUAMALAH*, pp. 21–41, Dec. 2019, doi: 10.47498/tasyri.v11i1.277.

[15]   R. Madjukie and H. Lily, "PENGARUH PROMOSI DAN KUALITAS LAYANAN TERHADAP KEPUASAN KONSUMEN ZALORA INDONESIA DI JAKARTA," *J. Manaj.*, vol. 7, no. 2, pp. 124–137, Dec. 2018, [Online]. Available: https://jurnal.kwikkiangie.ac.id/index.php/JM/article/view/582

[16]   C. Sondak, A. L. Tumbel, and D. C. A. Lintong, "Analisis Pengaruh Promosi Penjualan dan Harga Terhadap Kepuasan Pelanggan di PT. Indogrosir Manado," *J. EMBA J. Ris. Ekon. Manajemen, Bisnis dan Akunt.*, vol. 10, no. 1, pp. 754–764, 2022, doi: 10.35794/emba.v10i1.38323.

[17]   A. Pratama, "Pengaruh Promosi Penjualan Terhadap Tingkat Loyalitas Konsumen Pada Distro Bloods Industry Kota Bandung," *Pros. Manaj.*, vol. 5, no. 1, pp. 735–742, 2019.

[18]   H. Iswati and N. Indah Lestari, "Pengaruh Display, Promosi Penjualan dan Kualitas Produk Pada Toko Online Terhadap Loyalitas Konsumen Dengan Variabel Intervening Kepuasan Pelanggan," *J. Manaj.*, vol. 11, no. 1, pp. 14–30, Mar. 2021, doi: 10.30656/jm.v11i1.2550.

APPENDIX

Appendix 1. Validity Test

			Loading (l)	(m)²	1-(l)²	AVE	Loading Factor	Note.
DP5	<---	Product_Design	0.862	0.743	0.257			
DP4	<---	Product_Design	0.813	0.661	0.339	0.696	0.834	Valid
DP3	<---	Product_Design	0.827	0.684	0.316			
				2,088	0.912			
PP5	<---	Sales promotion	0.879	0.773	0.227			
PP4	<---	Sales promotion	0.883	0.780	0.220			
PP3	<---	Sales promotion	0.877	0.769	0.231	0.777	0.881	Valid
PP2	<---	Sales promotion	0.886	0.785	0.215			
				3,106	0.894			
KK4	<---	Consumer_Satisfaction	0.800	0.640	0.360			
KK1	<---	Consumer_Satisfaction	0.784	0.615	0.385	0.627	0.792	Valid
				1,255	0.745			
LP2	<---	Customer loyalty	0.674	0.454	0.546			
LP3	<---	Customer loyalty	0.829	0.687	0.313			
LP4	<---	Customer loyalty	0.785	0.616	0.384	0.587	0.766	Valid
LP5	<---	Customer loyalty	0.769	0.591	0.409			
				2,349	1,651			

Source: Primary data obtained, 2023

Appendix 2. Reliability Test

No	Research Variables	Construct Reliability	Cut Off	Ket.
1.	Product Design	0.873	0.60	Reliable
2.	Sales promotion	0.932	0.60	Reliable
3.	Customer loyalty	0.771	0.60	Reliable
4.	Consumer Satisfaction	0.850	0.60	Reliable

Source: Primary data obtained, 2023

Appendix 3. Normality Test

Variables	min	max	skew	cr	kurtosis	cr
LP5	1,000	5,000	,317	1,417	,655	1,466
LP4	1,000	5,000	,439	1,963	1,218	2,724
LP3	1,000	5,000	,503	2,251	2,646	5,917
LP2	1,000	5,000	,179	,802	2,362	5,281
KK1	1,000	4,000	-.212	-.949	-.292	-.654
KK4	1,000	5,000	,000	,000	-.200	-.447
PP2	1,000	5,000	,312	1,396	.121	,270
PP3	1,000	5,000	,146	,655	,283	,632
PP4	1,000	5,000	,202	,905	-.041	-.091
PP5	1,000	5,000	,431	1,929	.136	.304
DP3	1,000	5,000	-.153	-.685	1,449	3,241
DP4	1,000	5,000	-.288	-1,288	1,212	2,709
DP5	1,000	5,000	-.362	-1,619	1,197	2,676
Multivariate					4,361	1,210

Source: Primary data obtained, 2023