

Customer Loyalty Analysis of Jamu Gendong in Surakarta

Veronica Titi Purwantini* Nani Irma Susanti Saptani Rahayu
Economics High School "Adi Unggul Bhirawa, Jl Mr.Sartono 46 Solo Indonesia
*E-mail of the corresponding author: veronica_purwantini@yahoo.co.id

Abstract

The purpose of this study was to obtain empirical evidence of the influential significance of Marketing Mix consisting of Product, Price, Place and Promotion of the "jamu gendong" Customer Loyalty in Surakarta. The sample in this study is customers in Surakarta which consists of 5 districts namely Laweyan, Banjarsari, Pasar Kliwon, Serengan, Jebres with the total of 100 research respondents. Mechanical Sampling is Purposive Random Sampling method. Data analysis technique consists of testing instrument (validity and reliability), Testing Classical assumptions and hypothesis testing (Regression Test, t test, F test and test R^2). Research proves that partially Promotions, Products carrying affect customer loyalty "Jamu gendong" in Surakarta (positive, significant), the price affects customer loyalty to "Jamu gendong" but significantly negative, while Place does not have significant negative effect on customer loyalty to "Jamu gendong" in Surakarta. Simultaneously all the independent variables are product, price, place and promotion significant effect. The test results indicate that the variable R^2 Product, Price, Place and Promotion able to explain 31.9% of "Jamu Gendong" Customer Loyalty variables

Keywords: Product, Price, Place, Promotion, Jamu gendong, Customer Loyalty

1. Introduction

Jamu or Herbal drink, who does not know it, especially for Javanese people, *Jamu Gendong*, which is identical to women on traditional clothes carrying baskets made of bamboo on her back and selling herbal drinks on foot. These herbal drinks are packaged in glass bottles along with its complementary such as glasses, chicken eggs, brewed herbal honey and a small bucket containing water to rinse. Herbal drinks being sold are not vary. These herbal drinks which are just for preventing disease, not to cure them, are made of mixed turmeric and tamarind, mixed rice and white turmeric, blood cleansing, galangal, betel, and drinks for stamina. All are made from fresh organic ingredients that have to be finished that day. Generally, the ingredients are taken from the leaves, roots and spices known from generation to generations that have healing effect. This research continues our previous research which was on the service provided by *Jamu gendong* seller, which results were that customer dissatisfaction due to inadequate knowledge of the *Jamu Gendong* seller toward the customers. This problem could be overcome by providing intensive training to improve the quality of herbal drinks products, the physical facilities and the *Jamu Gendong* hygiene so that they will not harm the customers. Currently, the same *Jamu Gendong*, is no longer sold on foot. Most of the sellers are riding bicycles or motorcycles. The sellers expect that they could have an extensive marketing area and of course an increase of their income. It is undeniable, people are starting to look at traditional medicine from natural ingredients or herbs.

Public awareness on keeping healthy than curing illness has increased. Nowadays, whenever possible, there are efforts to combine medical science treatment with herbal medicine. There are plenty of herbal medicines which claim themselves as having pure natural ingredients. There are also various ways and strategies to sell them such as through online media and running door to door with the price which is considerably not cheap. People now realize that being healthy is not cheap so regardless of its price as long as it is made of natural ingredients/herbs, they will definitely buy it.

Jamu gendong is herbal drink made of herbs which characteristics are only found in Indonesia, and it is unknown when *Jamu gendong* sellers started this business, in what way they introduced it to market. For sure, it is an Indonesian cultural heritage. Before it is claimed by other countries, before there is no more *jamu gendong* seller. Government, by implementing Consumer Protection Act number 8 of 1999 is expected to start paying attention to the quality of *jamu gendong* being sold. It is indeed difficult, but the government along with the community can make a system so that the existence of *jamu gendong* can be sustainable and can give better life for *jamu gendong* sellers and at the same time can keep conservation of medicinal herbs. Whenever it is at the state of intense competition, management strategies in the field of marketing is necessary for them to survive. Basically, marketing strategies that deliver direction in relation to the mix marketing (Marketing Mix) consists of product, price, promotion and Place.

Loyalty is a concept that must be considered, especially on market conditions with very low growth rate but the level of competition is intense, where consumers are loyal to a product is needed so that the company can survive. Retaining customers is an effective strategy rather than looking for new customers. Surakarta is an area where there is a palace that has a secret herbal medicine used for the palace. Providers of herbal ingredients derived from the area around Surakarta, particularly producing herbs such as Sukoharjo, which is part of the Solo

Raya, so *jamu gendong* derived from Sukaharjo area, which is sold in the entire region of Solo/Surakarta Kingdom, including in the area of Surakarta City, is the centre of culture and where Kasunanan palace is located. Thus, people will not be weary to take herbal drinks

The purpose of this research is to explain the influence of Marketing Mix on the Customer Loyalty to *jamu gendong* in Surakarta. The outcomes of this study will become an input for the community, especially *jamu gendong* sellers and central government and local governments to be able to make use this cultural heritage which can boost national identity and at the same time can create employment opportunities in the effort to make people prosperous through contributing in making healthy society, preserving culture while preserving natural resources. While Contribution to Science Knowledge Development To provide knowledge and understanding to the *jamu gendong* sellers in particular and society in general in order to safely consume herbal drinks as well as to preserve *jamu gendong* and can be a recognised culture globally.

Skills development, by having training, is able to enhance the skills of *jamu gendong* sellers, so that the composition and dosage of herbs could be in accordance to the expected results. Progressing Development, after the communities able to benefit from the knowledge and skills on making herbal drinks properly, it is expected that it could be developed into a creative business, so that they have an increased income and a more employment opportunities. Institutional development and *jamu gendong* management process technology package are expected to be the means to transfer knowledge so that it will be useful because it can be used by many people. Realizing *jamu gendong* management process technology package is expected to form uniqueness of the area and can become a tourism attraction or a place for comparative studies for other regions, because herbal drinks are not only produced in Java, but also in other islands so that there will be more types of herbal drinks being sold. Having the support from local government and central government as well as integrating advanced technology, it is likely that *jamu gendong* could be an Indonesian culture that can go global similar to Chinese medicine.

2. Jamu gendong

Jamu gendong seller as a profession is part of informal sector with micro/small scale. Requirements for this business are just willingness, a little knowledge, practical skill, simple equipment and tenacity in putting effort. It means that to enter this informal sector, *jamu gendong* sellers are only need to have practical skills, such skills in making *jamu gendong* and then they carry the herbal drinks that have been put into bottles and then on foot they are going from house to house to sell the herbal drinks. Most sellers are female and they are housewives. Usually they wear typical traditional clothes named *kebaya* and *jarik*.

2.1 Customer Loyalty

The term loyalty is often heard, such as emotion and satisfaction, loyalty is another concept that seems easy to be discussed in the context of everyday life, but it becomes more difficult when its meaning is analysed. Not much literature discuss about the definition of loyalty. Loyalty can be understood as a concept that emphasizes the sequence of purchase as quoted by Mardalis (2005:12). If the customer loyalty emphasizes the sequence of purchase, the proportion of purchase or possibly purchase probabilities, it is more operational rather than theoretical. Consumer loyalty is a commitment to defend in depth with the re-purchase or re-subscribe to the selected product or service consistently in the future, although the influence of the situation and marketing efforts have the potential to cause a change in behaviour (Bowen and Shiang Lih, 2001:214). Consumer loyalty is developed because of the competition in today's business that market cost to win new customers is increasingly expensive and consequently customer acquisition becomes a natural thing to happen. Therefore, preserving customer loyalty is a compulsory for every company. Loyalty is a very deep commitment to re-purchase a product on a consistent basis in the future. Customer loyalty is definitely aimed at a particular object and the object in question is a trademark or any other attribute that is attached to the product. Brand is considered more prevalent and become more loyal object being perceived as a product that is easily recognizable identity. Brand loyalty is at the core brand equity. But of course, the consumers are not only loyal to brand, but they could also be loyal to store, manufacturer, sales person and product categories.

Loyalty can be characterized also by the recommendation from other consumers who are satisfied with the products they consumed. It means that there will be more and more consumers come to the company that has managed to win the game by being able to give satisfaction to the consumer through the product which is really needed and wanted by the consumer.

While the term brand loyalty is used to describe specifically how the attitude of consumer towards enjoying a brand regardless of other factors that may be indirectly burden the consumer. Consumer's loyalty may fade over time. What started as a fully loyal situation gradually became a situation where the company only gets a portion of the customer's business. Another aspect of customer loyalty that indicates the existence of a customer relationship is the willingness of customers to recommend it to others. Loyalty is a continuation of consumer satisfaction in using the facilities and services provided by the companies included as evidence of

customer loyalty that has the strength and positive attitude on the company concerned.

2.1.1 *The types of Customer Loyalty*

From the above explanation, it can be seen that each customer has different loyalties depending on their objectivity. The types of Customer Loyalty: Based on the attitudes and behaviour of repeat purchase, Tjiptono (2005: 60) distinguishes loyalty in several types

- No Loyalty, formed when attitudes and buying behaviour of customers are weak. Superior Loyalty, occurs when a weak attitude is accompanied by a strong pattern repeat purchases. This situation is characterized by the influence of non-attitudes toward behavioural factors. It is difficult to distinguish various brands in the category of production with low involvement, so that repeat purchases made on the basis of situational considerations.
- Latent Loyalty: Reflected when a strong stance accompanied by a weak pattern repeat purchases. Loyalty: This is the ideal situation which is most expected where the consumers show positive behaviour coupled with a consistent pattern of repeat purchases.

2.1.2 *Loyalty stages.*

- Cognitive loyalty (Confidence). This stage uses a base that is based on the trust to a brand. Loyalty is not as strong when there is a more interesting information, the consumer then switch to the other. Besides, consumer's loyalty from the perspective of cognitive approach emphasizes on the commitment and involvement of consumers when making a purchase. Using the example of cosmetic product, repeat purchase on lipstick product without commitment indicates that the purchase is merely a habit with low consumer involvement. In this case the consumer does not have strong feeling on the brand. The indication is when consumers make purchases only based on what is the most familiar to them.
 - Affective Loyalty (attitude). At this stage, loyalty is more difficult to change, because loyalty has entered into the minds of consumers as an effect and not as an easy belief to change. The emergence of this loyalty is driven by factors of trust and experience in using the brand so that consumers love the brand. However, it needs to be known that expressing an intention or once repeat purchases cannot show loyalty, although it can be considered as early signs of loyalty. It could be expected that there are other factors that can lead to loyalty.
 - Conative Loyalty (Intention to do). Conative dimensions are influenced by positive effect on the brand. Conative indicates an intention or commitment to do something in a certain direction. Therefore, conative loyalty is a condition of loyalty that includes a deep commitment to make a purchase. Despite of consumer's high desire to buy a product, but it can change if there has not been an act of purchase. Loyalty of act in this approach is when the consumer's loyal attitude towards a particular brand has been formed with clear evidence that the consumers still make repeat purchases with a strong emotional bond. Consumers would recommend the brand to other consumers. It will create mutual symbiosis in the long term.

2.1.3 *Factors that affect loyalty*

According to behavioural approach, attitude approach and integrated approach, the concept of customer loyalty is understood as a combination of customer happy attitude and repeat purchase behaviour. The factors that influence the customer loyalty are as follows (Lupiyoadi, 2008:195): Factors that focus on customer satisfaction and moving obstacles. Customers who find high satisfaction tend to hang on to the provider of the product. Risks to be received (perceived risk), which is perceived by the potential loss of customers when moving. The losses include the financial, social, psychological and security. Attractiveness of alternatives with regard to reputation, image and quality of services expected to be more superior or more suitable. Interpersonal relationships and social psychologically which is a manifestation of self as a company that cares, reliable, familiar and communicative. Acquisition value and comfort by building and continuing inter-personal relationships. Research shows that by taking into account the service loyalty, perceived service quality and satisfaction are the determinant factor of antecedent key in the service industry (Caruana, 2002: 813). Conceptualization and loyalty measurement can be seen through the back reaction of consumers after evaluating the service. The indicators used to measure customer loyalty are the intensity of the re-purchase, the ability to provide recommendations, ability to pay and loyalty when the price keeps rising. There are four main conceptual frameworks that form the customer loyalty. They are communication by word of mouth, intensive purchase, price sensitivity and behavioural complaints (Syaryn and Marisa, 2001: 529).

2.2 *Marketing Mix*

Marketing strategy, known as the marketing mix is a set of marketing tools used by companies to continuously achieve their marketing objectives target market (Kotler 2006). McCarthy (Kotler: 2006), classifies the tools of the marketing mix into four groups, or better known as 4P, namely:

- Product. The product is a whole collection of products (goods, services, and combinations thereof) offered by a particular seller to the buyer. Consumers will love the products that offer the most quality

- characteristics, performance, innovative. The variables of product marketing are the diversity of products, quality, design, characteristics, brand name, packaging, size, services, benefits, and so forth.
- Price. The Price is the amount of money that must be paid by consumers to get an item. Price is one of the elements of the marketing mix that produces revenue. The variables of market price are the price list, discounted rates, payment periods, and so forth.
 - Place. The Places is where there is a product for consumer to be used which consists of channel marketing, market coverage, grouping, location, transport supplies, and so forth.
 - Promotion . Promotion is the activities to communicate the benefits of a product and to persuade consumers to buy it. It consists of variables of promotion marketing which are sales, advertising, sales people, PR (public relations), direct marketing, and so forth.

2.3 Hypothesis

- H1: The Marketing Mix consisting of Product, Price, Place and Promotion significantly or partial effect on customer loyalty to *jamu gendong* in Surakarta
- H2: The Marketing Mix consisting of Product, Price, Place and Promotion simultaneously and significantly effect the customer loyalty to *jamu gendong* in Surakarta

3. Research Method

3.1 Stages of Research

This research was conducted in several phases, namely:

- The first stage (Determining the problem), this phase begins by analysing the existing problems. Results from Community Development Team, then conduct a literature review of similar studies that have been done before.
- The second stage uses relevant theories.
- The third stage of this phase begins by describing what is to be achieved. Establishing Hypothesis: a) Suspected Marketing Mix consisting of Product, Price, Place and Promotion and significant partial effect on customer loyalty to *jamu gendong* in Surakarta. b) Suspected Marketing Mix consisting of Product, Price, Place and Promotion which have simultaneous and significant effect on customer loyalty to *jamu gendong* in Surakarta.
- The fourth stage: Sampling technique with purposive random sampling, sampling techniques that conform to certain criteria and all population get the same chance to be sampled (Cooper 1999: 245). 100 sample (large population and an unknown number Arikunto: 2000:109). The questionnaires were distributed to 100 respondents. After the question list was distributed, it was then tested with the analysis tool to test the validity and reliability of every item of the question variables. The fifth stage (Withdrawing Conclusions), data from the test results are analysed in order to obtain a conclusion of the relationship between the variables in this study.

3.2 Research Location

The people in 5 Districts of Surakarta. From every district, 20 respondents were taken for the sample which was selected purposively (the criterion for respondents is having high school degree and higher) with the reason that in that age period, the respondents are able to make logical decisions)

3.3 Measurement of Changes

- Product (X_1), the indicators are: taste, effect, scent, hygiene, dosage, product choice, does not cause side effects/safe, always new.
- Price (X_2), the indicators are: affordable price, suit to the quality, suit to the income, suit to the quantity, can be adapted to the needs / financial circumstances.
- Place (X_3), the indicators are: always on time, easy to obtain, or place / location of *jamu gendong* making.
- Promotion (X_4), the indicators are: the recommendation from the family, the recommendation from the environment, see it every day, has known the seller for a long time, has known the seller well, friendly, honest/trustworthy, identical to women, direct marketing, easy to obtain.
- Customer loyalty (Y) the indicators are: repeat buying, there is never any complaint, lots of choices, feeling safe, no doubt, good taste and helping to preserve the national culture.

3.4 Model being utilized

Research Instruments Analysis use tools such as questionnaires which were distributed to respondents. The results of the data collection then to be scored from alternative answers by using tiered Likert scale with the

value of 5 for answer A (Strongly Agree), value 4 for answer B (Agree), value 3 for answer C (Neutral), value 2 for answer D (Disagree) and value 1 for answer E (Strongly Disagree). It was then tested its validity and reliability. The validity of an instrument reflects the suitability and accuracy of the measuring instruments being utilized. The validity of this research questionnaire uses corrected item total correlation which correlate the scores of each item with the total score. Statistical technique being utilized was the Pearson product moment correlation. Under the terms used in the study, Pearson correlation values are considered valid if it reaches the value of r count $>$ r table, or if P Value $<$ 0.05. Conversely, if r count \leq r table or if P. Value \geq 0.05, then the item is declared invalid. (Ghozali, 2005:133). The test reliability is an index that indicates the extent to which a measuring instrument can be trusted or relied upon, if the instruments used twice or more to measure the same variable, the results are relatively consistent. The reliability of the measurement instrument in this research was measured by using the concept of internal consistency reliability of Cronbach's alpha (Ghozali, 2005: 135). The instrument is reliable if the value of Cronbach's alpha $>$ 0.60. Conversely, if the value of Cronbach's alpha \leq 0.60 then the instrument item is unreliable (Ghozali, 2005: 137).

3.5 Data collection and analysis techniques

Data Collection Techniques: observation, direct observation to the object of research, interviews, direct interview. Questionnaire (Primary Data)

Data Analysis Techniques consist of Descriptive Analysis: Presentation of data in the form of frequency tables or graphs and Quantitative Analysis, namely Classical Assumption Test: Multicollinearity Test which is to examine the correlation between independent variables, if there is a correlation, it means that there is a problem of multicollinearity. The test is to see if the independent variable tolerance $<$ 0.10 and VIF $>$ 10 is valid to say that there is multicollinearity which means it doesn't pass. And onversely (Ghozali, 2006:58). Autocorrelation test is used to test whether there is a correlation between residual or not. To detect it using the Run test, with the rule that if the significance value $<$ 0.05 was rejected then there is an autocorrelation, and if the significance value $>$ 0.05 is accepted then there is no autocorrelation. Heteroscedasticity test is to determine whether there is heteroscedasticity done through Gletjser Test, given the level of significance to the degree of confidence of 95% (sig 0.05), if the value of the significance of all independent variables $>$ 0.05 then there is no heteroscedasticity (Ghozali, 2006: 72). Normality test aims to test whether the regression model, confounding variables (e) and the residuals have a normal distribution, to the normal dependent variable (Y). Normality test in this research used a non-parametric statistical test Kolmogorov-Smirnov test (KS test), with the rule that if P. Value $>$ 0.05 then the data is normally distributed, but if P. Value $<$ 0.05 then the data is not normally distributed (Ghozali, 2006: 83).

Hypothesis test: Multiple Linear Regression Analysis is to determine the influence of independent variables (Product, Price, Place and Promotion) to the dependent variable (*jamu gendong* customer loyalty). Djarwanto PS and Pangestu Subagyo (2000:299) says that it can be analysed using a regression equation: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$ where Y: Loyalty, a: constants, X_1, X_2, X_3, X_4 : Products, Price, Place, Promotion, b_1, b_2, b_3, b_4 : regression coefficient, e = error

T-test is a statistical test to determine the significance of the influence of the independent variables (Product, Price, Place and Promotion) to the dependent variable (*jamu gendong* customer loyalty) partially. The stages of T-test are: Developing null hypothesis and alternative hypothesis.

$H_0: \beta = 0$, means that there is no influence of Product, Price, Place and Promotion partially on *jamu gendong* Customer Loyalty. $H_a: \beta \neq 0$, means that there is a significant effect of Product, Price, Place and Promotion partially on *jamu gendong* customer loyalty, Determining the level of significance which is $\alpha = 0.05$ Determining the testing criteria: H_0 is accepted if P. Value \geq 0.05 and H_0 is rejected if P Value $<$ 0.05. Draw the conclusion that if P. Value \geq 0,05 then H_0 is accepted that means that there is no significant influence of the variables; Product, Price, Place and Promotion partially on *jamu gendong* Customer Loyalty. And if P. Value $<$ 0.05 then H_0 is rejected and H_a accepted that means that there is a significant effect of Product, Price, Place and Promotion partially on *jamu gendong* Customer Loyalty.

Determination Coefficient Test (R^2) was conducted to determine the contribution of the influence made by the independent variables (Product, Price, Place and Promotion) on the dependent variable (*Jamu Gendong* Customer Loyalty) are expressed by percentage.

4. Result and Discussion

Descriptive review: from the perspective of customers by sex, it was seen that of 100 respondents, 42% are male customers and 58% are female customers. According to the age, of 100 respondents 25% were 19-29 years old, 22% were 30-40 years old, 31% were 41- 51 years old and 22% were older than 51 years old. By the Level of education, of 100 respondents, 62% were having high school education, 10% were Certificate Diploma, 22% were bachelor degree and 6% were master degree. According to the marital status, from 100 respondents, 25% were not married, 69% were married, 1% widow and 5% widower.

4.1. Questionnaire Items Analysis

1. Product

- ❖ Question 1: 86% respondent agreed that *jamu gendong* (herbal drinks) have combination of flavor (sweet, bitter) fit to the taste they like, while 9% respondent did not give their opinion and 5% respondent disagreed to the statement.
- ❖ Question 2: 91% respondent agreed that herbal drinks help maintaining their health, 7% respondent did not give their opinion, and 2% respondent disagreed to the statement.
- ❖ Question 3: 63% respondent agreed that the aroma of herbal drinks raise their appetite, 26% respondent did not give their opinion and 11% respondent disagreed to the statement.
- ❖ Question 4: 67% respondent agreed that herbal drinks will cure illness if consumed regularly, 28% respondent did not give their opinion while 5% respondent disagreed to the statement.
- ❖ Question 5: 68% respondent agreed that herbal drinks will have stronger effect when added with yellow egg and honey, 25% respondent did not give their opinion while 7% respondent disagreed to the statement.
- ❖ Question 6: 68% respondent agreed that herbal drinks are identical to *beras kencur* (mix of rice and *kaempferia galanga*) and *kunir asem* (mix of turmeric and tamarind), 17% respondent did not give their opinion and 15% respondent disagreed to the statement.
- ❖ Question 7: 50% respondent agreed that the bottles for herbal drinks are kept hygiene, 34% respondent did not give their opinion and 16% respondent disagreed to the statement.
- ❖ Question 8: 56% respondent agreed that the glasses used to drink herbal drinks are clean and did not smelly, 28% respondent did not give their opinion and 16 % respondent disagreed to the statement.
- ❖ Question 9: 45% respondent agreed that the cloth to dry the wet glass is kept clean (by looking at the color of the cloth and it has no odor). 39% respondent did not give their opinion and 16% respondent disagreed to the statement.
- ❖ Question 10: 42% respondent agreed that the water used to wash the glasses is clean (clear), 37% respondent did not give their opinion, 21% respondent disagreed to the statement.
- ❖ Question 11: 62% respondent agreed that the baskets used to put the bottles by the herbal drinks sellers are kept clean (not mixed with other things), 31% respondent did not give their opinion and 7% respondent disagreed to the statement.
- ❖ Question 12: 75% respondent agreed that the glasses used to drink the herbal drinks are in an adequate size, 25% respondent did not give their opinion, 0% respondent disagreed to the statement.
- ❖ Question 13: 69% respondent agreed that herbal drinks are an option to keep healthy, 28% respondent did not give their opinion and 3% respondent disagreed to the statement.
- ❖ Question 14: 67% respondent agreed that herbal drinks are safe to be consumed every day in a long term, 22% respondent did not give their opinion, 11% respondent disagreed to the statement.
- ❖ Question 15: 79% respondent stated that herbal drinks are always new, not stale, 19% respondent did not give their opinion and 2% respondent disagreed to the statement.

2. Price

- Question 1: 53% respondent agreed that the price of *jamu gendong* is cheaper than other types of herbal drinks, 34% respondent did not give their opinion and 13 % respondent disagreed to the statement.
- Question 2: 54% respondent agreed that the price of herbal drinks is equal to the quality of herbal drinks product, 31% respondent did not give their opinion and 15% respondent disagreed to the statement.
- Question 3: 62% respondent agreed that the price of herbal drinks is affordable and suit to their income, 24% respondent did not give their opinion and 14% respondent disagreed to the statement.
- Question 4: 46% respondent agreed that the price of herbal drinks suit to their physical needs, 41% respondent did not give their opinion and 13% respondent disagreed to the statement.
- Question 5: 59% respondent agreed that the price of herbal drinks suit to the portion of the glass being used, 27% respondent did not give their opinion and 14% respondent disagreed to the statement.

3. Place

- ✓ Question 1: 49% respondent herbal drinks agreed that the location of herbal drinks' sellers are close to houses, 42% respondent did not give their opinion and 9% respondent disagreed to the statement.
- ✓ Question 2: 56% respondent agreed that herbal drinks' sellers come to their houses, 32% respondent did not give their opinion and 12% respondent disagreed to the statement.
- ✓ Question 3: 67% respondent agreed that they could consume herbal drinks though not at home by ordering it beforehand, 30% respondent did not give their opinion and 3% respondent disagreed to the statement.
- ✓ Question 4: 74% respondent agreed that herbal drinks' sellers could be found anywhere when needed,

- 25% respondent did not give their opinion and 1% respondent disagreed to the statement.
- ✓ Question 5: 67% respondent agreed that though they are out of the city, herbal drinks still could be consumed because they could find it everywhere, 32% respondent did not give their opinion, and 1% respondent disagreed to the statement.
 - ✓ Question 6: 77% respondent agreed that herbal drink is a *home industry*, 15% respondent did not give their opinion and 8% respondent disagreed to the statement.

4. Promotion

- Question 1: 82% respondent agreed that herbal drinks are sold house to house, 15% respondent did not give their opinion and 3% respondent disagreed to the statement.
- Question 2: 74% respondent agreed that herbal drinks' sellers are female, 22% respondent did not give their opinion and 4% respondent disagreed to the statement.
- Question 3: 62% respondent agreed that herbal drinks' sellers are identical to Central Java, 30% respondent did not give their opinion and 8% respondent disagreed to the statement.
- Question 4: 76% respondent agreed that the way herbal drinks' sellers dress are polite and based on common norms, 17% respondent did not give their opinion and 7% respondent disagreed to the statement.
- Question 5: 66% respondent agreed that the clothes of herbal drinks' sellers are clean and neat, 23% respondent did not give their opinion and 11% respondent disagreed to the statement.
- Question 6: 72% respondent agreed that herbal drinks' sellers understand the benefit and importance of herbal drinks, 17% respondent did not give their opinion and 11% respondent disagreed to the statement.
- Question 7: 69% respondent agreed that herbal drinks/ sellers served politely, 21% respondent did not give their opinion and 10% respondent disagreed to the statement.
- Question 8: 48% respondent agreed that buying herbal drinks is because of habit that has been inherited, 35% respondent did not give their opinion and 17% respondent disagreed to the statement.
- Question 9: 67% respondent agreed that herbal drinks' sellers have been waited by the customers, 27% respondent did not give their opinion, 5% respondent disagreed to the statement.
- Question 10: 70% respondent agreed that herbal drinks' seller come everyday for years, 26% respondent did not give their opinion and 4% respondent disagreed to the statement.
- Question 11: 67% respondent agreed that herbal drinks; sellers are honest and trustworthy, 31% respondent did not give their opinion and 2% respondent disagreed to the statement.

4.2. Data Instruments Test

Validity test: The result of validity test is as follows: 15 question items on Product Variable were valid. all 5 question items on Price Variable were valid. All 6 question items on Place Variable were valid and all 11 question items on Points Variable were valid. All 5 question items on Loyalty variable were valid.

Reliability Test: respectively 0.848, 0.785, 0.644, 0.814, 0.624 > 0.60 so it can be concluded that all the variables were in a reliable state. **Classical Assumption test:** a) **Normality test** of the data with Kolmogorof Smirnov value were 0.837, 1.135, 0.969, 0.834, 1.123 to the significant of 0.485, 0.063, 0.305, 0.491, 0.160 were all greater than 0.05, so that it can be concluded that the data were normally distributed. b) **Multicollinearity test** indicates the value of each variable VIF were smaller than 10 and the tolerance value were greater than 0.10. Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model. c) **Heteroscedasticity test** to the 4 variables being researched showed that heteroscedasticity did not occur. d) Autocorrelation test with Run test of 0.84, 0.834, 0.070, 0.322 and 0.264 was above 0.05, based on the above criteria of the variable, there had no autocorrelation.

4.3. Hypothesis Test

Multiple Linear Regression Analysis

The results of computer processing can be known the equation of multiple linear regression coefficient which was obtained is as follow: $Y = 6.279 + 0.179 X_1 - X_2 0.188 - 0.072 X_3 + 0.181 X_4$

The equation can be interpreted as follows: $a = 6.279$ means that when the Product, Price, Place, Promotions variables are fixed and do not change, then *jamu gendong* customer loyalty in Surakarta is positive. $b_1 = 0.179$ means that the Product variable has positive effect on *jamu gendong* customer loyalty and if the product is increased, *jamu gendong* customer loyalty in Surakarta will increased assuming that the Price, Place and Promotion variables held constant. $b_2 = - 0.188$ means that the price variable negatively affect *jamu gendong* customer loyalty and if the price is raised then *jamu gendong* customer loyalty in Surakarta is decreased, assuming that the Product, Place and Promotion variables held constant. $b_3 = - 0,072$ the Place variable

negatively effect the *jamu gendong* customer loyalty in Surakarta, if the place facility is increased then *jamu gendong* customer loyalty in Surakarta is decreased assuming that the Product, Price and Promotion variable held constant. $b_4 = 0.181$ means that the Promotion variable hold positive effect on *jamu gendong* customer loyalty in Surakarta. If the promotion is enhanced, then *jamu gendong* customer loyalty in Surakarta increases assuming that the Product, Price and Place variables held constant

The result of **the t test** is as follows:

- From the calculation, it was found that the Product significance level = $0.000 < 0.05$, which means that the product variable significantly influences *jamu gendong* Customer Loyalty in Surakarta partially.
- From the calculation, it was found that the Price significance level = 0.043 which means that the price variable significantly influences *jamu gendong* Customer Loyalty in Surakarta partially.
- From the calculation, it was found that the place significance level = 0.334 which means that the place variable has no effect and was not significant to *jamu gendong* Customer Loyalty in Surakarta partially.
- From the calculation, it was found that the promotion significance level = 0.003 which means that the promotion variable significantly effect *jamu gendong* Customer Loyalty in Surakarta partially.

The result of **F test** is as follows: From the calculation, it was found the significance level of $0.000 < 0.05$, which means that there is a significant influence jointly between the variables of Product, Price, Place and Promotion toward *jamu gendong* Customer Loyalty in Surakarta

Determination coefficient test is conducted to determine the contribution of the influence given by the independent variables (Product, Price, Place and Promotion) to the dependent variable (*Jamu Gendong* Customer Loyalty) which is measured in percentage. The Calculation of determination coefficient by using SPSS gives the following results:

With the results, determination coefficient (Adjust R^2) was obtained which is 0.319 . This value gives the sense that Product, Price, Place and Promotion variables give impact of 31.9% on *jamu gendong* Customer Loyalty in Surakarta, while the remaining 68.1% is influenced by other factors beyond the variables under the research.

5. Managerial implications

From the result of regression test, t test, F test and determination coefficient test, the management implications are as follows: Promotion has significant positive relationship with customer loyalty, this indicates that customer loyalty can be enhanced through promotion. Promotion can be used to attract customers to buy herbal drinks, repeat it many times so that they become loyal. This is supported by testing the validity of the question item stating that the *jamu gendong* sellers understand the benefits and importance of herbal medicine (72% of the respondents agreed), *jamu gendong* sellers must have knowledge of herbal raw materials such as roots and tubers as well as spices such as white turmeric, ginger, turmeric, curcuma and so on. To be able to attract customers of *jamu gendong* by friendly serving (69% of the respondents agreed) and the most visible defining characteristic of *jamu gendong* is that the sellers are women (74% of the respondents agreed). The product has significant positive relationship with customer loyalty, this indicates that if the quality of the product improved, customer loyalty increases. More than that, the hygiene factors affecting customer loyalty to *jamu gendong*. It can be seen through the validity test of question item on the use of cloth for drying wet glass should be kept clean (through the color of the drying cloth and should be odourless). (45% of the respondents agreed), the glass for herbal drinks should be clean and does not smelly (56% of the respondents agreed) and the water used to wash the glass should be clean (clear) (42% of the respondents agreed). Besides, the respondents also agreed that *jamu gendong* would cure a disease if consumed regularly (67% of the respondents agreed). Prices have an inverse relationship (negative significance) to customer loyalty. This indicates that if the price is raised then it will decrease the customer loyalty. This is supported by the validity test of question item stating that the price of *jamu gendong* is in accordance to the glass or portion (59% of the respondents agreed). Besides, the price of *jamu gendong* is in accordance to their physical needs (46% of the respondents agreed), and affordable price, suit to their income (62% of the respondents agreed). Place has negative effect and insignificant to customer loyalty. The increase or change to a better place will lower the interest of customers to *jamu gendong*. Customers can buy *jamu gendong* wherever they are. This is supported by the statement on the close proximity of *jamu gendong* to the customer's house. *Jamu gendong* sellers are going to the customers' houses on foot and a statement that despite the customers are not in town, *jamu gendong* can still be consumed elsewhere as they can find it everywhere.

Conclusion

Conclusion of Descriptive Analysis looking at the highest percentage of question items

Product: herbal drinks help maintaining health, that herbal drinks have combination of flavor (sweet, bitter) fit to the taste they like herbal drink being bought is always new, not stale, **Price :** the price of herbal drinks is affordable and suit to their income the price of herbal drinks suit to the portion of the glass being used, the price of herbal drinks is equal to the quality of herbal drinks product. **Place :** herbal drink is a *home industry*,

herbal drinks' sellers could be found anywhere when needed. Though they are out of the city, herbal drinks still could be consumed because they could find it everywhere. **Promotion:** the way herbal drinks' sellers dress are polite and based on common norms, herbal drinks' sellers are female, herbal drinks' sellers understand the benefit and importance of herbal drinks

Conclusion of Hypothesis Analysis Products and promotion have significant positive effect on customer loyalty in Surakarta partially, while Price has significant negative effect on Customer Loyalty in Surakarta partially. The place does not affect while product, promotion, price and place have significant positive effect on customer loyalty in Surakarta simultaneously. Price has significant negative effect on Customer Loyalty partially in Surakarta.

Recommendation: By looking at the results of this research, the recommendations that can be offered are as follows: promotion needs to be improved to attract customers, especially for youth. From the graph, it shows that the majority customers of *jamu gendong* are between 41-50 years old and having high school education. By having campaigns through the media, especially TV targeting young people to favour herbal drinks, in order to maintain their health because being healthy is expensive; Promoting the marketing of herbal drinks in more modern ways by entering *jamu gendong* to the middle economic class and higher; Introducing *jamu gendong* into classy restaurants and five star hotels; Establishing cooperative/association for *jamu gendong* sellers; Providing training on *jamu gendong* by increasing the hygiene and the quality of herbal drinks.

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Research Design

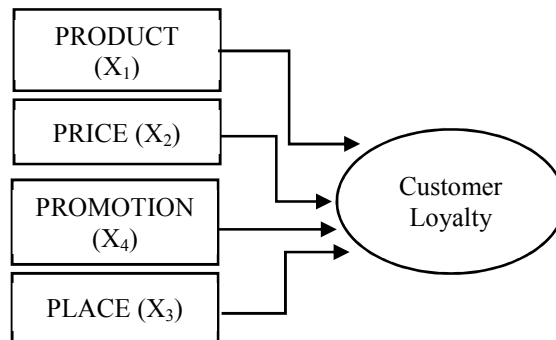


Table 1 Result of Multiple Linear Regrsson Analysis

Variable	Regression Variable (β)	Sig
Product (X1)	0.179	0.000
Price (X2)	-0.188	0.043
Place (X3)	-0.072	0.334
Promotion (X4)	0.181	0.000

Source: Processed data, 2014

Table 2 Result of t test

Variable	P-Value	Sig	Remark
Product (X1)	0.000	0.05	Significant
Price (X2)	0.043	0.05	Significant
Place (X3)	0.334	0.05	Not Significant
Promotion (X4)	0.003	0.05	Significant

Source: Processed data, 2014

Table 3 Result of F test

Independent Variables: Product, Price, Place and Promotion			
Variable	P-Value	Sig Limit	Conclusion
Independent	0.000	0.05	Effecting

Dependent Variable: *Jamu Gendong* Customer Loyalty in Surakarta

Source: Processed data, 2014

Table 4 Result of Determination Coefficient Analysis

Model	R	R Square	Adjusted R Square
	0.589 ^a	0.347	0.319

Conclusion: the independent variables influence the dependent variable for 31.9%

Source: Processed data, 2014

Table 5 Result of Determination Coefficient Analysis

Model	R	R Square	Adjusted R Square
	0.589 ^a	0.347	0.319

Conclusion: the independent variables influence the dependent variable for 31.9%

Source: Processed data, 2014

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