

Luxury Vehicle Enthusiast: A Customer Loyalty Analysis in Jakarta

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Abstract

This study aims to determine whether customer relationship management, public relations, and experiential marketing can affect customer loyalty. This study was conducted on luxury vehicle consumers in Jakarta. The study used a random sampling of 200 respondents. The research analysis technique is multiple linear regression using SPSS software. The results show that in both partial and simulant tests the model shows that customer relationship management, public relations, and experiential marketing effectively predict consumer loyalty. These findings show that the character of Jakarta as the capital city and the center of development in Indonesia impacts creating loyalty based on field assessment. About 50% of other variables need to be tested to strengthen factors that increase loyalty and show luxury vehicle enthusiasm in Jakarta. This research specifies an automotive distributor in Jakarta that specializes in luxury vehicles. Unlike the common vehicle customer, it is more manageable to maintain customer enthusiasm for luxury cars based on customer relationship management, public relations, and experiential marketing strategy.

Keywords: Customer, Customer Relationship Management, Experiential Marketing, Luxury vehicle, Public Relations

INTRODUCTION

The company's way of continuing to run its business and develop is judged by how much product sales can be achieved by the company and how to increase buyer loyalty so that customers remain loyal to the company and commit to buying products issued by the company. Products are segmented into three types: primary, secondary, and tertiary needs. Fulfilling tertiary needs serves the purpose of personal pleasure, which can also be seen as a desire since not everyone can satisfy these needs. Luxury items are often associated with the vehicle a person owns. Car sales figures in Indonesia are close to normal before the pandemic. Particularly in the premium car segment, almost all brands experienced an increase in sales (Kurniawan, 2022). Based on retail sales data (dealers to

consumers) from the Association of Indonesian Automotive Industries, four luxury car brands experienced increased sales: Mercedes-Benz, BMW, MINI, and Audi. BMW succeeded in dominating domestic luxury car sales in the first quarter of this year after growing by 9 per cent year-on-year (YoY) and 24 per cent monthly (Arifin, 2023).

One of the methods used by the luxury vehicle distributor in Jakarta is to improve CRM (Customer Relationship Management) because CRM plays an essential role in establishing good relationships with customers. Companies can attract new customers through transactions that occur. Customer loyalty, based on the satisfaction of products and services provided by the company directly or online, can make them customers who have essential value in increasing the company's revenue in the future. CRM provides functions, modules, menus, and services based on information technology, making it easier for companies to make this happen. CRM (Customer Relationship Management) uses a software system that helps companies obtain, store, and process customer data and build two-way relationships to satisfy customers.

Previous research on the influence of Customer Relationship Management on customer loyalty shows that Customer Relationship Management has an effect on customer loyalty (Imasari & Nursalin, 2011). Similar research was also conducted regarding the influence of Customer Relationship Management on customer loyalty (Setyaleksana et al., 2017). Research on public relations marketing has a positive effect on customer loyalty (Hidayat, 2015). Based on Experiential Marketing research, it directly and significantly influences customer loyalty (Dewi et al., 2015). Consumer loyalty in luxury vehicles in Jakarta is exceptional due to the capital city of Indonesia, which is central to development and one of the cities with the highest minimum wage rate. So, consumerism, trends, fashion, and luxury lifestyles are common in Jakarta. This research will see how loyalty is created due to the nature of Jakarta itself is the center of luxury brands announced by having a representative office, and distribution center.

LITERATURE REVIEW

This research study studies customer relationship management, public relations, and experiential marketing regarding customer loyalty to luxury vehicles in Jakarta. The dependent and independent variables are defined separately. Customer Retaliation Management (CRM) can also improve the Company Value (Pratama, 2019). Company value is measured by the extent to which consumer and customer loyalty to the company, cost efficiency, and promotions that the company can realize. The efficiency of the company's operational costs and the speed at which products and services penetrate the market. With the existence of CRM, companies can cut promotion costs for selling products and services. Utilization of e-mail addresses obtained from consumer and customer data to send e-mails regarding promotions, sweepstakes, or the latest product releases. Promotional cost savings will help consumers and customers to obtain lower prices. CRM can increase time to market as a CRM capability as its function is to increase company value by providing better information, understanding customers more deeply,

and understanding the latest trends in the market. CRM also means getting to know customers more deeply. CRM can help companies develop their products and services even better based on the knowledge that CRM obtains from their customer data. Companies can also find out market trends, dynamics that occur in the market, and the advantages of other competitors. Through efforts to maintain customer loyalty, accompanied by efforts to add new customers, companies can achieve business goals. Lastly, CRM also establishes and maintains good relationships with customers. Customer loyalty based on product and service satisfaction provided by the company directly or online has the potential to make them customers who have important value in increasing the company's revenue. CRM allows companies and customers to communicate directly and online with each other, to find out what customers need regarding the products and services provided by the company, customer assessments of the products and services provided, the level of customer satisfaction, and to measure and analyze the extent to which customer loyalty to the company.

According to the Public Relations book, the way companies get publicity is by 1) News releases, the company will receive news releases regarding new products, modifications, or new product development with interesting topics to raise; 2) a Press conference, which is an event to announce the main news to customers regarding our latest products or services; 3) Photos, photos are trace records of the development of products, production processes; 4) Film, film can be used as an alternative to other media used. This criterion also becomes the indicator of public relations (Ali, 2017). Indicators for experience marketing or "strategic experiential modules" consider 1) Sense is intricately tied to various styles and verbal and visual symbols that collectively create a comprehensive impression. To make a strong impact, whether through advertising, packaging, or a website—a marketer must carefully select colors in line with the company profile. These color choices must be attractive to arouse the attention of their customers. The selection of colors should align with specific criteria and the corporate image.; 2) Feel is markedly different from sensory impressions because it relates to the emotions and mood of a person's soul. It goes beyond mere aesthetics, encompassing the soul's emotional states that can evoke happiness or even sadness.; 3) Think is a marketing method that aims to encourage customers to use creative and thorough thoughts that might result in re-evaluating a product within the company; 4) Act is a form of the strategy carried out to influence behavior, lifestyle and a form of interaction with consumers, 5) Relate is a relationship or lifestyle that customers feel, whether it is a relationship with the company or a relationship among the community of users of the company's products or services (Schmitt, 2010).

Indicators of customer loyalty are 1) Repeat Purchases, which demonstrate the loyalty arising from recurrent or periodic product acquisitions and serve as an indicator of customer engagement. These repeated transactions allow us to gauge the value of customer satisfaction with the company's offerings; 2) Retention, the resilience of customer loyalty to negative influences regarding the company. Customers whose loyalty

persists like this are not affected by the existence of other products that can be said to be much cheaper and have more features; 3) Referrals signify the company's existence. In this context, customers willingly recommend the company's products to those closest to them within their social circles (Kotler & Keller, 2016). Figure 1 is the research model that shows the relationship between variables and how they have their indicator to fulfil. Factors that contribute to consumer interest in luxury vehicles are status and Prestige, product quality and craftsmanship, advanced technology used, performance and driving Experience, comfort and interior features, brand reputation, and the ability for the owner to custom and personalized the vehicle and resale value. So, this research model is constructed using the above framework. The hypothesis statement consists of:

- H1: CRM has a significant relationship to customer loyalty.
- H2: PR has a significant relationship to customer loyalty.
- H3: Experimental Marketing has a significant relationship to customer loyalty.
- H4: CRM, PR, and Experimental marketing simultaneously have a significant effect on customer loyalty.

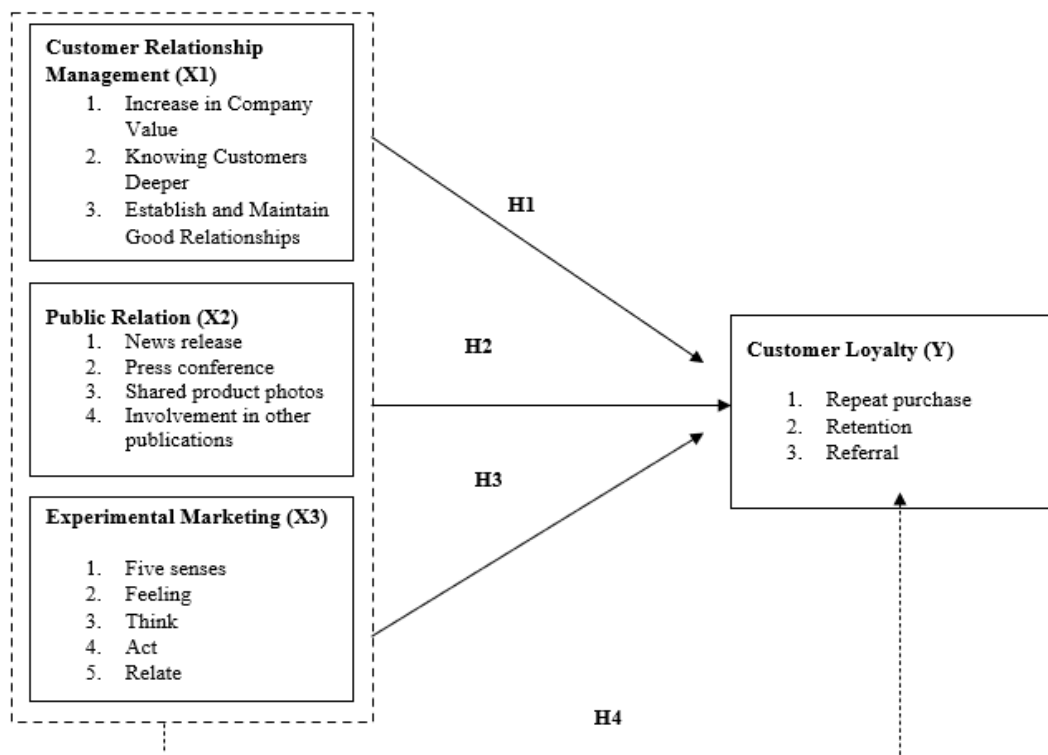


Figure 1. Research Model

METHOD

This research utilizes a simple random sampling technique to select a subset that reflects the characteristics and composition of the larger population. Consequently, every individual within the sampling unit possesses an equal chance of being selected for sampling or representing the population. The number of luxury vehicle customers at the

Jakarta distributor during 2021 is 400 consumers based on the Jakarta distributor database, where after data management (short and cleaning) 200 respondents' responses were processed. data collection using questionnaires, observation and interviews. The instrument used is a Likert rating scale, and the analysis uses multiple regression models. The order of analysis consisted of statistical descriptions, data validity test, data reliability test, classic test, partial test using t-test and simultaneous test using f-test (Ghozali, 2021). The coefficient of determination is used to measure the strength of the relationship between predictor variables X and response Y. Correlation analysis is carried out, which is expressed by a number known as the correlation coefficient. Usually, regression analysis is done together with correlation analysis. The results of this score later mean that the independent variable can explain the dependent variable and that other variables can explain the model.

If the coefficient of determination has been determined, a significant test of the proposed hypothesis will be carried out. This test can use t-test and F-test. With this significant test, it can be seen whether the independent variable significantly affects the dependent variable. The meaning of significance is that the influence between variables applies to the entire population. Before testing the hypothesis, research must ensure that the data passes the validity, reliability, and classical tests. The validity test is measured from question items significantly correlated with a total score, indicating that these items can support uncovering what you want to reveal. If $r_{count} \geq r_{table}$ (2-tailed test with sig. 0.05), then the instrument or question items have a significant correlation with the total score (declared valid). The reliability test can be seen from the Cronbach's Alpha value > 0.6 , so it is reliable, whereas if the Cronbach's Alpha value is < 0.6 , it is not reliable.

As for the basis for decision making in the regression analysis by looking at the significance value of the t-test, the significance value is less than probability 0.05, it means that there is an independent variable that affects the dependent variable, and if the significance value is greater than probability 0.05, it means that it does not there is an influence of the independent variable on the dependent variable. As a reinforcement, these results can be seen from the comparison of the t-test and t-table. F test can be done by comparing F count with F table: F table in Excel, if F count $>$ from F table, (H_0 is rejected H_a is accepted) then the model is significant or can be seen in the significance column in ANOVA analysis.

RESULT AND DISCUSSION

This study aims to determine the influence of customer relationship management, public relations, and experiential marketing on customer loyalty on luxury vehicles in Jakarta. Based on the analysis results, the following conclusions are obtained and started from the regression equation that consists of $\hat{Y} = 1,252 + 0,291 X_1 + 0,361 X_2 + 0,226 X_3$. This means that all the beta of the correlation is positive. So, the next thing to be done is to look for the partial and simulant correlation.

Table 1 is the T-test that shows the correlation between customer relationship management, public relations, and experiential marketing to the loyalty variable. These will develop results on how hypothesis one, customer relationship management to loyalty; hypothesis two, public relation to loyalty; and hypothesis three, experiential marketing to loyalty partially. Partial correlation will lead to the simulant effect that is later examined by using F-test, and continue to show how strong the relation will last by using coefficient determination or R^2 .

Table 1. T Test

Model	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Beta		
Constant	1.252	.688		1.189	.070
Customer Relationship Management	.142	.034	.291	4.117	.000
Marketing Public Relationship	.201	.031	.361	6.396	.000
Experiential Marketing	.121	.036	.226	3.333	.001

Variable of customer relationship management <critical probability value ($\alpha = 5\%$) of 0.000 <0.05 and t-value> t-table of 4.117 > 1.972. This means that customer relationship management significantly affects customer loyalty. Variable of marketing public relationship <critical probability value ($\alpha = 5\%$) of 0.000 <0.05 and t-value> t-table of 6.396 > 1.972. This means that marketing public relations significantly affects customer loyalty. Variable of experiential marketing variable <critical probability value ($\alpha = 5\%$) of 0.001 <0.05 and t-value> t-table of 3.333 > 1.972. This means that marketing public relations significantly affects customer loyalty.

Table 2. F Test

Model	ANOVA ^a				
	Sum of Squares	df	Mean Square	F	Sig.
Regression	600.813	3	200.271	66.411	.000 ^b
Residual	591.062	196	3.016		
Total	1191.875	199			

a. Dependent Variable: Loyalty

b. Predictors: (Constant), Experiential Marketing, Marketing Public Relationship, Customer Relationship Management

Table 2 shows the results of the F test, which shows that the sig. F (Statistic) of 0.000 is smaller than the significance level of 0.05 and the F statistic value > from F table, namely

66.411 > 2.65. This means that customer relationship management, public relations, and experiential marketing simultaneously influence customer loyalty among luxury vehicle customers.

Meanwhile, Table 3, as the coefficient determination, shows that the adjusted r square coefficient of 0.496 indicates that the proportion of the influence of the independent variable customer relationship management, public relations, and experiential marketing on customer loyalty is 49.6 percent. In addition, the remaining 50.4 percent is influenced by other variables that are not examined in the study. Based on coefficient correlation classification, 49.6% are considered moderate. The endogenous construct's R Square coefficient of determination has values of 0.67 (strong), 0.33 (moderate), and 0.19 (weak) (Chin, 1998). Moderate coefficient correlation means that this research generalization is valid for at least one year, either short term or at least. After that, the research must be updated.

Table 3. Coefficient Determination Result

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.710 ^a	.504	.496	1.737

a. Predictors: (Constant), Experiential Marketing, Marketing Public Relationship, Customer Relationship Management

b. Dependent Variable: Loyalty

This quantitative result will have a deeper understanding by using a qualitative approach. The result must be compared to the broader perspective gained from in-depth interviews. One of the effective tools this research recommends is a meta-data analysis using N-Vivo and other AI-generated analyses such as Vos Viewer or R-studio (Amelia, 2020).

CONCLUSION

Customer relationship management, public relations, and experiential marketing can predict customer loyalty partially or simultaneously. Luxury vehicle customers in Jakarta are not as complex as the other types of vehicles to sell as long as the factor to keep them loyal is maintained and the strong image of the luxurious vehicle is exposed. The respondent character in Jakarta as the capital city of Indonesia cannot be generalized in other cities, so future studies are strongly encouraged to prove the same hypothesis in the different cities in Indonesia. In a brief statement, this study managed to answer the purpose of the research. Customer relationship management, public relations and experiential marketing can achieve consumer loyalty. Especially for luxury brands, this research is reliable for making decisions in the short term or a similar city such as Jakarta, as in other capital cities in Southeast Asian countries.

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