



## THE INFLUENCE OF QUALITY PRODUCT ON CONSUMER LOYALTY OF TOYOTA KIJANG PRODUCT

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### ABSTRACT

*The current development of the automotive world increasingly rapidly, every manufactures making each car racing to create a product ha can master the consumer automotive market in Indonesia. one of the automotive manufactured who do so is Toyota with one of its product namely kijang. This research aims to know the extent of the influence of the quality of the product against the product consumer loyalty Toyota kijang. This research includes the type of quantitative research with the research design used was descriptive. The population used is user deer in bandung and the samples used 400 respondets with methods used Simple Linear regression that is. From the results of descriptive analysis found that respondents to the overall product quality in very good categories with a percentage of 88,6% and customer loyalty in very good categories with a percentage of 88,9%. Based on the results of analysis showed that there was influence of product quality on consumer loyalty was 46,5% and the remaining 53,5% influenced by other variables.*

**Keywords:** *Quality Product, Consumer Loyalty*

### 1. INTRODUCTION

In this globalization era, transportation has been of particular importance for people across the world. In Indonesia, the automotive industry has grown very rapidly. With many European and Asian automobile producers entering Indonesian market, producers have been facing both opportunities and challenges to compete with other producers in order to dominate the industry in Indonesia. They have created various models and innovations, in attempt to get their products accepted. One of automobile producers which has long been existing in Indonesia is Toyota, first introduced to Indonesian market in 1970s.

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One of their leading products is Toyota Kijang. Toyota Kijang has still been existing up to now and undergone several changes in both models and features. Since its first introduction to Indonesian market, Toyota has launched 6 Kijang versions based on their years of manufacturing. Various versions of Kijang, either the old or the new ones, can still be found in either urban or rural areas of Indonesia. It is good knowing that despite globalization and the presence of many other car choices in Indonesian market, the first or second versions of Kijang, aged more than 20 years, continue to exist. Among factors contributing to customer loyalty, product quality is one of them. The producer of Toyota has developed numerous innovations to make sure each of Kijang's versions can compete with products of other producers. With interest in the aforementioned phenomena, researcher intended to study: **“the influence of product quality on loyalty of Toyota Kijang's consumers in Bandung City.”**

## **2. LITERATURE REVIEW**

### **2.1 Theoretical Framework**

#### **2.1.1 The Concept of Marketing**

According to The American Marketing Association as cited in Kotler and Keller (2012:27), “marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchange offerings that have value for customers, clients, partners and society at large”.

#### **2.1.2 Product Quality**

Kotler and Armstrong (2012:254) stated that “product quality is the characteristics of a product or service that bear on this ability to satisfy stated or implied customer needs.” Kotler and Keller (2012:170) classified products into five levels:

- a. The core benefit lies at the lowest level. It is the services or benefits that customers actually buy to satisfy their fundamental needs.
- b. At the second level, marketers are required to turn core benefits into basic product.
- c. At the third level, marketers need to make sure the expected products, a set of attributes and conditions that customers normally expect when purchasing the products are ready.
- d. At the fourth level, marketers include augmented product that exceeds customers' expectations.
- e. Potential product is at the fifth level and includes all augmentations and transformations the product might experience in the future.

#### **2.1.3 Factors Determining Product Quality**

Fandy Tjiptono (2008:25) named eight dimensions of quality including:

1. Performance is related to the primary operating characteristics of a product.
2. Features (uniqueness of a product) refer to secondary aspects of the product that supplement the basic function of the product.
3. Reliability reflects the probability of a product to malfunction or fail within a specific period of time.
4. Conformance refers to the degree to which a physical product's characteristics and performance meet established design specification.
5. Durability is defined as the measure of product life or how long a certain product remains functional before being replaced.
6. Serviceability is related to ease, speed, courtesy and competence in repairing and maintaining the product.
7. Aesthetics is associated with how a product looks, feels, sounds or smells as well as personal preference.

8. Perceived quality is quality associated with the image and name of the brand.

#### **2.1.4 Customer Loyalty**

According to Oliver and Dharmmesta (1999) as cited in Sumarwan, et al. (2011:241), loyalty is interpreted as a condition in which strong commitment to repurchase and reuse the same product and service exists. Customer loyalty is formed in four stages namely:

1. Cognitive loyalty

This is the stage where customers' direct and indirect knowledge about specific brand and its benefits will lead them into purchasing the product as they believe in the superiority of the product. At this stage, loyalty is built on information about specific product or service available for customers.

2. Affective loyalty

Customers' favorable attitude towards a specific brand as a result of repeated expectancy confirmation during cognitive loyalty process. At this stage, loyalty is based on customers' attitude and commitment towards specific products and services and therefore creating deeper relationship between customers and providers of product or service compared to relationship built at previous stage.

3. Conative loyalty

Very strong desire to repurchase and high level of involvement driven by motivation.

4. Action loyalty

Greater willingness to act as well as readiness to overcome obstacles in reaching their desires.

#### **2.1.5 The Relationship between Promotion Mix and Purchasing Decision**

Kotler and Armstrong (2003:310) also mentioned that high quality would result in high satisfaction level. If the product performance meets consumer expectation, the consumer is said to be satisfied. If the product performance exceeds consumer expectation, consumer is delighted (Kotler & Keller 2007:177). Loyalty in its literal sense suggests one's faithfulness to certain object. Sumarwan (2004) as cited in Sumarwan, et al. (2011:230) defined loyalty as a condition in which customers feel satisfied with the products or brands they use and intend to repurchase the product. Therefore, product quality obviously plays key roles in building customer satisfaction which later contributes to consumer loyalty.

### **3. RESULTS AND DISCUSSION**

#### **3.1 Results of the Study**

##### **3.1.1 Respondents' Responses towards Variables**

1. Respondents' responses towards product quality variable

Results display a percentage of 88.6% for Product Quality variable (X), putting the variable under "excellent" category.

2. Respondents' responses towards customer loyalty variable

Data processing generated a percentage of 88.9% for Consumer Loyalty variable, putting the variable under "excellent" category.

### 3.1.2 Simple Linear Analysis

Table 4.1 Simple Linear Regression Analysis Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.161	.183		.881	.379
Product Quality (X)	.909	.049	.682	18.586	.000

a. Dependent Variable: Consumer Loyalty (Y)

Source: Data Processed, 2017

Data processing using SPSS 20 software generated the following regression model:

A constant *a* suggests that the value of Product Quality variable (X) equals zero. In other words, without influence of Product Quality, the average value of Consumer Loyalty (Y) is 0.161. Meanwhile, with regression coefficient *b* of +0.909, every one point increase in Product Quality (X) will increase Consumer Loyalty (Y) by +0.909.

Positive regression coefficient demonstrates Product Quality's ability to positively influence Consumer Loyalty (the higher the quality, the stronger the loyalty).

### 3.1.3 Partial Hypothesis Test (t Test)

$$\begin{aligned}
 t_{\text{statistics}} &= \frac{b}{Se(b)} \\
 &= \frac{0.909}{0.049} \\
 &= 18.586
 \end{aligned}$$

With  $\alpha = 5\%$  and  $dk = 400 - 1 - 1 = 398$ , a t-table of  $\pm 1.966$  is generated.

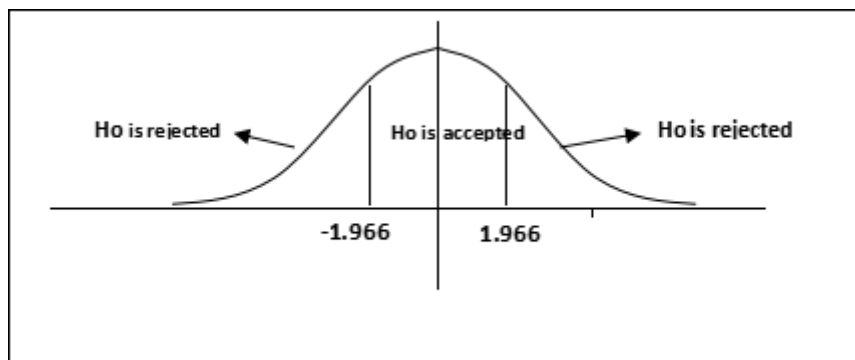


Figure 4.1  
T-test Curve

The above calculation has generated a t-statistics of 18.586 and as  $t\text{-statistics } (18.586) > t\text{-table } (1.966)$ , null hypothesis was rejected. In short, it is evident that Product Quality influences Consumer Loyalty.

### 3.2 Discussion

Respondents of this study were users and those who have used any types of Toyota Kijang living in Bandung city and its peripheral areas. The Isaac Michael formula was adopted to determine the number of samples which then suggested a total of 400 respondents to be involved in this study. Respondents were classified under several categories including age, sex, and the length of time for using Kijang. Male respondents accounted for 64.5% of total respondents while female respondents accounted for the rest 35.5%. According to their age, respondents consisted of 70 people (17.5%) aged <20 years old, 212 people (53%) aged 20-30 years old and 118 people (29.5%) aged >30 years old. Regarding the length of time of using Kijang, 85 respondents (21.3%) have run the cars for less than a year while 126 respondents (31.5%) and 189 respondents (47.3%) have run the cars for 1-4 years and more than 5 years respectively.

Descriptive analysis suggests that product quality variable which consisted of 19 items scored 26928 of total 30400 and accounted for 88.6%. Data were generated from each dimension of product quality variable. Performance variable consisted of 3 items and scored 4195 (87.4 %) of total 4800, putting it under “excellent” category. Feature variable consisted of 3 items and scored 4125 (85.9%) of total 4800, putting it under “excellent” category. Reliability variable consisted of 2 items and scored 2917 (91.2%) of total 3200, putting it under “excellent” category. Conformance variable consisted of 2 items and scored 2846 (88.9%) of total 3200, putting it under “excellent” category. Durability variable consisted of 2 items and scored 2825 (88.3%) of total 3200, putting it under “excellent” category. Serviceability variable consisted of 2 items and scored 2915 (91.1%) of total 3200, putting it under “excellent” category. Aesthetic variable consisted of 3 items and scored 4278 (89.1%) of total 4800, putting it under “excellent” category. Perceived quality variable consisted of 2 items and scored 2827 (88.3%) of total 3200, putting it under “excellent” category. Consumer loyalty consisted of 4 items and scored 5689 (88.9%) of total 6400, putting it under “excellent” category.

Results of the partial test (t-Test) demonstrated a rejection of null hypothesis which suggest that product quality exerts significant influences on consumer loyalty process. This is indicated by a t-statistic of  $18.586 > t\text{-table of } 1.966$ . It occurs because consumers of Kijang have usually been satisfied with the car since their first use, and, in case they have to change cars, they will still favor Kijang but the newer version of it.

An R-squared of 46.5% suggested that product quality accounted for 46.5% of the variation in consumer loyalty while the rest 53.5% was attributed to other variables. Similarly, previous study conducted by Krisna Thera Kusuma from Social and Political Science Faculty of Universitas Indonesia in 2012 entitled "The Influence of Product Quality on Loyalty of Samsung Android Phone Consumers at PT. Ericsson Indonesia in Pondok Indah" suggested 44% significant influence of product quality and 56% of other factors on loyalty. Both studies confirmed that product quality significantly influenced customer loyalty and demonstrated less than 50% influences of independent variable on dependent variable.

## 4. CONCLUSION AND RECOMMENDATIONS

### 4.1 Conclusion

1. According to analysis results of this study which involved 400 respondents in Bandung City, the quality of Toyota Kijang scored 88.6%. This score is excellent as the continuum line of product quality variable is within the range of 81.25% and 100%. Therefore, it can be said that people in Bandung perceived Toyota Kijang as high quality product.
2. Analysis results found that customer loyalty variable scored 88.9%. Looking at the continuum line, such value is within the range of 81.25% and 100% and therefore

putting the variable under “excellent” category. A value of 88.9% suggests that consumers in Bandung have been loyal to Toyota Kijang.

3. Based on the results presented, it is evident that product quality significantly influenced loyalty of consumers of Toyota Kijang. The influences were significant with t-statistics of 18.586. According to the value of R-squared, product quality accounted for 46.5% of the variation in loyalty while the rest 53.5% (100% - 46.5%) was explained by other factors.

## 4.2 Recommendations

Referring to the conclusions presented, researcher recommends the following:

### 4.2.1 For Company

1. I recommend the company maintain the quality of its existing products and improve the quality of its upcoming versions so that consumers who have been using Kijang keep using the brand and updating it with the newest versions.
2. I recommend the company maintain customers’ loyalty through communities and pay more attention on consumers with older car types by giving special discount for regular services and maintenance considering vulnerability of older cars.

### 4.2.2 For Consumers

For consumers living in Bandung and its peripheral areas, Toyota Kijang has always been in their heart. This trust has proven the quality of Toyota Kijang and therefore should be maintained by preventing accidents, especially ones caused by recklessness or bad driving, from happening.

### 4.2.3 For Researcher

1. It is better for future researchers to add more variables such as promotion mix and brand image into the research as only product quality was examined in this research.
2. This research took place in Bandung. It is therefore recommended that future researchers expand the scope of the research object, covering broader areas or cities.

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