Promotion and Price Analysis on Member Loyalty

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Abstract:

This study aimed to determine how much promotional activities and pricing strategies influence membership loyalty at Galby Gym Citeureup. This study uses a quantitative research methodology. The methodology used for data collection involved distributing questionnaires with a sample size of 65 participants. The sampling methodology used requires probability sampling techniques, with particular emphasis on simple random sampling. The data processing methodology used in this study is the use of SPSS version 25 software designed for the Windows operating system. The results of this study prove thatthere is an influence of promotion on membership loyalty of Galby Gym Citeureup. Price hasa positive effect on Galby Gym Citeureup membership loyalty. As well as, promotions and prices have a positive effect on membership loyalty of Galby Gym Citeureup.

Keywords: *Loyalty; Price; Promotion*

1. Introduction

Technological advances are increasingly influencing the life style, mindsets, attitudes, and behavior of Indonesian consumers, especially in the field of marketing.Higher technological advancement, especially communication technology, has resulted in intense competition in the business world. Currently, social media is the preferred medium for promotional activities (Infante & Mardikaningsih, 2022). Promotion is a marketing tactic commonly used by companies to showcase the unique features of their products and encourage consumers to engage in purchasing behavior (Deepak & Jeyakumar, 2019). Husein et al. (2019) assert that a promotional strategy involves combining advertising, personal selling, salespromotion, and publicity to establish efficient communication with buyers and other stakeholders, thereby influencing customer loyalty. These promotions are anticipatedto generate a surge in sales and profits by business stakeholders.

In addition to promotional activities, pricing strategies also play an important role in fostering customer loyalty (Pröbstl-Haider & Flaig, 2019), thereby attracting consumer attention. The concept of price can be defined as the monetary value or other relevant factors required to obtain certain services. Price refers to the monetaryvalue given for a particular good or service. Alma (2013) elaborated on the concept of value in their scientific work, while Purnama (2019) discussed the same topic in a journal article. The authors define price as a form of currency or measure used in the

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exchange of goods and services to obtain property rights or access to certain products or services. According to the scientific publication Kotler & Armstrong (2016), price can be described into four different dimensions: affordability, appropriateness to product quality, appropriateness to benefits, and competitiveness based on ability to pay.

By offering attractive promotions and reasonable prices to customers, it is possible to foster customer loyalty and encourage repeat purchases. Customer loyalty maintains the level of loyalty shown by consumers to the specific product or service they use. Following the findings of Cardia et al. (2019). Consumer loyalty refers to a state in which customers or consumers are consistently involved in purchasing activities at a particular business. A loyal customer base can facilitate new customer acquisition, because these customers tend to support the company to potential customers. A company's sustainability is highly dependent on loyal customers, as they are considered a valuable asset to the organization.

According to Kotler & Armstrong (2016) affirmation, the concept of customerloyalty is characterized by a deep and unwavering dedication to continue buying or obtaining a preferred product or service over time. According to research conducted by Farisi & Siregar (2020), the term "loyalty" indicates a situation where consumers show a positive tendency towards certain goods or services and are consistently involved in repeat purchases. Loyalty relates to the tendency of consumers to maintain long-term subscriptions, engage in repeated purchases and utilization of goods and services, and advocate the company's products to acquaintances or relatives.

Promoting regular and repeated purchasing behavior is an effective approach to increasing customer loyalty. Consumers are involved in repurchasing identical products offered by the organization. Suggesting the company's products to potential customers. Customers engage in informal communication to spread informationabout the product to others. It is not easy for consumers to switch to alternative products offered by competitors. Consumers show a lack of interest in procuring analogous merchandise from rival companies.

Galby Gym is one of the fitness centers established since 2000, located on Citeureup Street No.86 Cimahi City. Galby gym includes a fitness center service provider or muscle building and fitness club. Galby Gym promotes by using social media to improve its public image through discounts, free supplement samples and displaying Galby Gym membership achievements. Even with the advantages of the products and promotions, it does not rule out the possibility of a decrease in the number of Galby Gym memberships. Like the decline in membership that has occurred since 2021-2022 in the following figure:
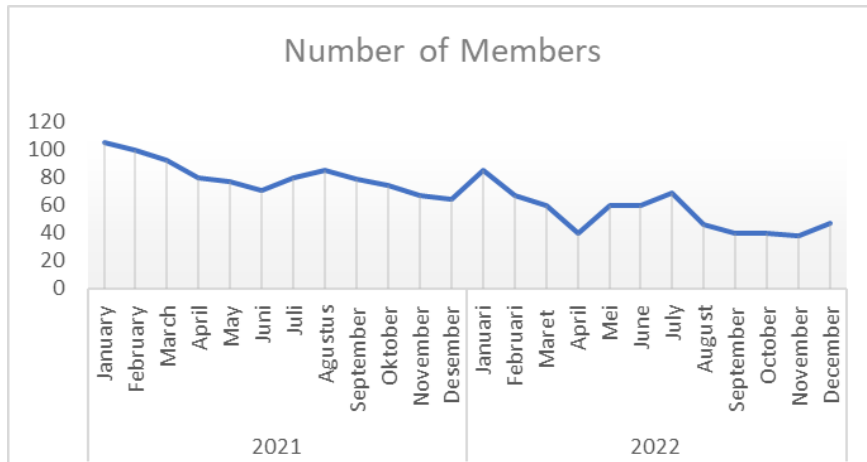
Figure 1. Data on the number of Galby Gym Citeureup members
Source: Company internal data (2023)

According to Figure 1, there has been a decline in the number of members over the past two years. This study aims to investigate the impact of promotional activities and pricing strategies on customer loyalty. The research question at hand is whether or not promotional activities have an impact on member loyalty at Galby Gym Citeureup. The research question concerns the impact of pricing on membership loyalty at Galby Gym Citeureup. The effect of promotional activities and pricing strategies on member loyalty at Galby Gym Citeureup is a concern.

From the results of Nurudin (2017) research it is known that there is a significant influence between sharia marketing (product, price, place, promotion) on member loyalty. The four dimensions in sharia marketing both have a positive and significant influence on member loyalty. However, in this study, products have a greater influence on member loyalty. Research conducted by Insani & Madiawati (2020) shows that the better the quality of service, price, promotion that GoFood has, the better the customer loyalty GoFood has.

The results of Santoso (2019) concluded that there is no effect of product quality on customer satisfaction. Price affects customer satisfaction. product quality has no effect on consumer loyalty. Service quality affects consumer loyalty. price affects consumer loyalty. Customer satisfaction affects consumer loyalty. The results in Fairuz et al. (2020) research (2020) show that the variables of service quality,product quality, price, promotion partially and simultaneously have a positive and significant effect on purchasing decisions. This study aimed to determine how much promotional activities and pricing strategies influence membership loyalty at Galby Gym Citeureup.

2. Theoretical Background

Promotion

Promotion is a marketing strategy centered on persuasive communication efforts aimed at customers to facilitate transactions between shipping companies and consumers in order to purchase the necessary goods or services (Insani & Madiawati, 2020). Andrews & Shimp (2017) presuppose that promotion refers to the exchange of information between companies and consumers, which includes various modalities such as advertising, sales promotion, direct marketing, and public relations. According to Belch et al. (2014), promotion refers to the utilization of various communication tools to introduce, inform, and persuade consumers about the products or services provided by the company. Alma dalam Hurriyati (2015) suggests that marketing communication is a kind of marketing strategy that tries to enlighten, persuade, and/or remind the target market about the business and its products to increase their tendency to accept, buy, and survive with the goods provided by the company concerned. Kotler & Armstrong (2016) have identified three indicators of promotion, which include:
1. Advertising is a promotional strategy that is impersonal and uses various media channels to stimulate consumer purchasing behavior.
2. Sales promotion is a marketing strategy used by companies to stimulate the purchase or sale of products, often through discounted prices.
3. Public relations refers to strategic initiatives undertaken by a company to enhance or maintain the reputation of its brand or product through a series of programs designed by the company.

Price

According to the definition given by Stanton (2012), price refers to the monetary or material value that must be exchanged in order to obtain the expected product or service. The price of a product or service refers to the monetary value that consumers must pay in exchange for the benefits derived from their acquisition or use (Yuliana & Hidayat, 2018).

According to the scientific publication of Kotler & Armstrong (2016), price can be described into four different dimensions: affordability, conformity to product quality, conformity to benefits, and competitiveness based on ability to pay. This is further elaborated by Santoso (2019). There are four different measures of price, which are as follows:
1. Price affordability

     Consumers are able to reach the price set by the company. Typically, a brand includes several product categories that cover a range of prices, from the most affordable to the most luxurious. After determining a certain price point, most consumers show a tendency to continue purchasing their products.
2. Price match with product quality

     Consumers often use price as a measure of quality. Consumers often choose two more expensive commodities because of their perception of the difference in

quality. When the cost of a product or service increases, individuals may tend to dispute the notion that the quality has also increased.

3. Price-to-benefit fit

Consumer purchasing behavior depends on a comparison between the perceived benefits of a product and the associated costs. The decision to make a purchase is made when the benefits are considered equal to or greater than the costs incurred. If consumers perceive that the benefits of a product are not worth the monetary expenditure, they may form the impression that the product is expensive and then show hesitation to engage in future purchases.

4. Price within ability or price competitiveness

When making purchasing decisions, consumers often engage in price comparisons across different products. The pricing of a product, regardless of whether it is high or low, is an important factor that consumers consider when making a purchase decision.

Consumer Loyalty

According to Kotler & Armstrong (2016) affirmation, the concept of customer loyalty is characterized by a deep and unwavering dedication to continue buying or obtaining a preferred product or service over time. According to research conducted by Farisi & Siregar (2020), the term "loyalty" indicates a situation where consumers show a positive tendency towards certain goods or services and are consistently involved in repeat purchases. Loyalty relates to the tendency of consumers to maintain long-term subscriptions, engage in repeated purchases and utilization of goods and services, and advocate the company's products to acquaintances or relatives.

Companies benefit greatly from having a loyal customer base, as they are a valuable asset. Building positive relationships with customers is very important for companies to foster customer loyalty. Tjiptono in Saraswati & Saputri (2020) proposes a set of attributes that can be used to assess consumer loyalty. These characteristics cover various aspects of loyal customers.

An effective approach to increasing customer loyalty is to promote regular and repeated purchasing behavior. Consumers are involved in repurchasing identical products offered by the organization. Suggesting the company's products to potential customers. Customers engage in informal communication to spread information about the product to others. It is not an easy task for consumers to switch to alternative products offered by competitors. Consumers show a lack of interest in procuring analogous merchandise from rival companies.

3. Methodology

The research in question is classified as quantitative research, where the main focus is testing the theory by quantifying the research variables and the necessary statistical analysis through numerical data (Sugiyono, 2019). The research was

conducted at Galby Gym Citeureup. Population refers to the collection of individuals or entities selected as the subject of investigation. The research focused on the population of individuals who are members of Galby Gym Citeureup. The sample is part of the population that shows specific characteristics. The sampling methodology used is Simple Random Sampling. Sugiyono (2019) explains that Simple Random Sampling is a sampling methodology that involves randomly selecting sample members from a population without regard to the strata in the population. This study used a sample of 65 participants who were members of Galby Gym Citeureup. The variables investigated were reinforced with a combination of primary and secondary data. The approach used to collect data involved conducting interviews and administering questionnaires. This investigation utilized a variety of data analysis methodologies, such as multiple linear regression analysis, t-test, F-test, and ANOVA. Data processing was done using the SPSS (Statistical Package for the Social Sciences) version 25 software program on the Windows operating system.

Hypothesis
The hypothesis in this study is as follows :
H1: Promotion affects Galby Gym Membership Loyalty
H2: Price has an influence on Galby Gym Membership Loyalty
H3: Promotion and price have an influence on Galby Gym Membership Loyalty

4. Empirical Findings/Result

Multiple Regression Analysis
This investigation used multiple regression analysis to determine the extent and orientation of the impact of the predictor variables on the criterion variable. The data presented shows that the multiple linear regression analysis consists of three statistical tests: the F-test, t-test, and ANOVA.

Table 1. Multiple Regression Analysis Results

		Coefficients[a]				
	Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.163	2.014		.578	.566
	Promotion	.423	.141	.335	3.007	.004
	Price	.481	.134	.401	3.596	.001

a. Dependent Variable: Consumer Loyalty
Source*:* SPSS results for windows (2023)

From table 1 it can be concluded that the results of multiple regression analysis are:
1. The positive regression coefficient associated with the promotion variable indicates a statistically significant impact on the average customer loyalty score.

Therefore, it can be concluded that the promotion factor impacts consumer loyalty.
2. The regression coefficient associated with the price variable indicates a large impact on the average consumer loyalty score due to price changes. Evidence suggests a correlation between the price variable and customer loyalty.

Hypothesis Testing
The hypothesis testing process is carried out to ascertain whether the independent variables partially or simultaneously affect the dependent variable. The research hypothesis was tested using SPSS 25 for Windows software.

F-test
The F-test is used to ascertain whether the independent variables simultaneously affect the dependent variable. According to the F-test criteria, the effect of the independent variables on the dependent variable is considered significant if the significance value is below 0.05. The next enumeration displays the results of the f- test run:

Tabel 2. F test Result

		Model Summary		
Model	R	R Squared	Adjusted R Squared	Std. Error of the estimate
1	.633[a]	.401	.381	1.394

a. Predictors: (Constant), Price, Promotion

Source: SPSS results for windows (2023)

The Adjusted R Square value in Table 2 Promotion of 0.381 shows that the price and promotion variables contribute a 38.1% decrease in the customer loyalty variable. The remaining 61.9% of the customer loyalty variable is believed to be influencedby factors beyond this study's scope.

Table 3. F Test Result ANOVA

		Coefficients[a]				
	Model	Sum of Square	df	Mean Square	F	Sig
1	Regression	80.528	2	40.264	20.724	.000[b]
	Residual	120.456	62	1.943		
	Total	200.985	64			

a. Dependent Variable: Consumer Loyalty

b. Predictors: (Constant), Price, Promotion

Source: SPSS results for windows (2023)

The test results obtained show statistical significance at a level less than 0.05, with a specific value of 0.000. This study shows an important correlation between the promotion and price factors and the consumer loyalty variable. The analysis results show that the Fcount value exceeds the F table value of 20.724 greater than 3.15. The results show that hypothesis H3 is upheld, indicating an important impact of pricing tactics and approaches on member loyalty at Galby Gym Citeureup.

T-test
The t-test is used for statistical analysis to test the impact of individual independent variables on the dependent variable. The t-test criteria require evaluating whether the significance value is below the 0.05 threshold, which implies a statistically significant effect of the independent variable on the dependent variable. The results of the t-test are presented below:

Table 4. T Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.163	2.014		.578	.566
	Promotion	.423	.141	.335	3.007	.004
	Price	.481	.134	.401	3.596	.001

a. Dependent Variable: Consumer Loyalty
Source: SPSS results for windows (2023)

Consumer Loyalty Based on the findings presented in Table 4, it can be concluded that the results of the t-test above have resulted in the following conclusions:

1. The variable associated with improvement shows a statistically significant value of 0.004, which is below the set threshold of 0.005. The t_count value obtained shows a statistically significant difference of 3.007 when compared to thet_table value of 1.997. This shows that the promotion variable has significance in the opposite direction to the Galby Gym Citeureup loyalty sales variable. Thus, the alternative hypothesis (H1) is considered accepted.
2. The variable holding promotion shows a statistically significant value of 0.001, which is below the 0.005 threshold. The t_count value obtained exceeds the critical t_table value of 3.596, indicating a significant effect of the promotion variable on the Galby Gym Citeureup sales sales variable. Thus, it can be concluded that the second hypothesis (H2) has been accepted.

5. Discussion

Promotion affects Galby Gym Membership Loyalty
Based on the results of the t test, it is known that the promotion variable has a significant effect on consumer loyalty. Thus partially it can be stated that the promotion variable has a significant effect on galby gym citeureup membership loyalty, these results indicate that various factors affect consumer loyalty. As stated by Firmansyah (2019) Promotion is one of the marketing activities with an effort to expand the communication network and then influence through the messages conveyed and increase the target market for the company so that they have the willingness to accept, make purchases, and be loyal to the product. The higher the value of a promotion carried out by a company, the higher the customer's intention to promote the brand to other consumers, which is a manifestation of one of the indicators of brand loyalty, where consumers inform and recommend product brands

to others. From the results of research conducted by previous researchers Irhandi et al. (2021) that promotion has a positive and significant effect on brand image in realizing wine consumer loyalty in Hatten Wines products in Denpasar, in line with previous research or there are differences with current research that the promotion variable has a significant effect on membership loyalty galby gym citeureup.

Price has an influence on Galby Gym Membership Loyalty
Based on the results of the t test, it is known that the price variable has a significant effect on consumer loyalty. Thus partially it can be stated that the price variable has a significant effect on galby gym citeureup membership loyalty, as the results of Akbar & Nurhaedah (2021) research, state that price has a positive and significant effect on customer loyalty at Toko RJA Makassar, it can be said that price is a variable that has a relationship with customer loyalty. Price can also influence customers in taking action to decide whether or not to buy a product. If the price of the product is in accordance with the quality provided, customer loyalty will be higher. This is also in accordance with the theory put forward by Tjiptono in Aeny etal. (2019) which states that prices can also be set to prevent competitors from entering, maintain customer loyalty, support repeat sales and others.

Promotion and price have an influence on Galby Gym Membership Loyalty
Based on the results of the t test, it is known that the promotion and price variables have a significant effect on consumer loyalty. Thus partially it can be stated that the promotion and price variables have a significant effect on galby gym citeureup membership loyalty, According to Tjiptono in Aeny et al. (2019), so far customer loyalty is often associated with repeat purchase behavior. The two are related, but actually different. Thus Price and Promotion simultaneously have a significant effect on Customer Loyalty, this is in line with previous research conducted by Delima et al. (2019) price and promotion have a positive and significant effect on consumer satisfaction and consumer loyalty.

6. Conclusions

It is possible to draw the conclusion, in light of the findings of the study, that this study offers evidence in support of Hypothesis 1, which asserts that promotional variables have a major impact on the level of loyalty exhibited by Galby Gym Citeureup members. Therefore, the variable of pricing has a considerable effect on the amount of repeat business for Galby Gym Citeureup, which helps to bolster the alternative hypothesis (H2). And Hypothesis 3 is strengthened, which implies that there is a significant influence that marketing campaigns and price strategies have onthe level of member loyalty at Galby Gym Citeureup.

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