

The Influence of Customer Relations, Pricing Strategy, and Branding Identity on Customer Satisfaction and Its Impact on Sales Growth PT. ISTA Indonesia

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Abstract

This study aims to analyze the influence of customer relations, pricing strategy, and branding identity on customer satisfaction and its impact on sales growth. The data of this study used primary data through questionnaires to 100 respondents of PT. Ista Indonesia. Research sampling using purposive sampling. The analysis method used is Partial Least Square (PLS) with the help of the SmartPLS 3.0 application. The results showed that there was a partial influence of branding identity on the customer satisfaction of PT. Ista Indonesia, there is a direct influence of branding identity on the sales growth of PT Ista Indonesia, and there is a direct influence of customer relations on PT. Ista Indonesia's customer satisfaction, there is a direct influence of customer relations on sales growth through customer satisfaction, there is a direct but not significant influence of customer satisfaction on pt. ISTA Indonesia's sales growth. PT. Ista Indonesia, there is a direct influence of pricing strategy but not significantly on the customer satisfaction of PT. Ista Indonesia, there is a direct influence of pricing strategy on the sales growth of PT. Ista Indonesia.

Keywords

customer relation; pricing strategy; and branding identity on customer satisfaction; its impact on sales growth



I. Introduction

The company is a form of retail business that has relatively large operations, low margins, and high volumes and is a market designed to meet consumer needs. With a small profit, it is expected that the company will be able to achieve a high selling volume so that the profits obtained can be maximized. The higher the company's leverage, the company tends to generate less cash, this is likely to affect the occurrence of earning management. Companies with high debt or leverage ratios tend to hold their profits and prioritize the fulfillment of debt obligations first. According to Brigham and Ehrhardt (2013), the greater the leverage of the company, it tends to pay lower dividends in order to reduce dependence on external funding. So that the greater the proportion of debt used for the capital structure of a company, the greater the number of liabilities that are likely to affect shareholder wealth because it affects the size of the dividends to be distributed. (Yanizzar, et al. 2020). Currently, the vehicle industry is developing very rapidly not only in developed countries but in developing countries including Indonesia. is because the country of Indonesia has a very large plain so there are many transportation routes that connect one area to another that require vehicles as a means of transportation. Given the importance of vehicles as a means of transportation that is quite supportive in activities, the demand for vehicles is increasing. This illustrates that there is an increase in income as well as welfare in the growth of transportation sales.

PT. ISTA Indonesia is a subsidiary of PT Samudera Indonesia Tbk as one of the service providers companies whose one of its products is rent car rental, established in 1953 which is located at Samudera Indonesia Building, 2nd floor Jl. Lt. Gen. S. Parman Kav. 35, West Jakarta. One of the products that were developed at PT. Ista Indonesia is a passenger vehicle rental product/rent car passenger carried out by Vehicle Business Development (vehicle business development, maintenance, monitoring, disposal) under the auspices of the operation department, where the company provides car rental services for operational cars and Director's official cars for subsidiaries of PT Samudera Indonesia Tbk located throughout Indonesia.

Table 1. Sales of PT. Ista Indonesia

No	Item/Product	Sales Actual		
		2019	2020	
1	International Ticket	130	288	90
2	Domestic Ticket	600	3.139	3.632
3	International Hotels	25	36	0
4	Domestic Hotels	80	319	879
5	International Tour	1	9	0
6	Domestic Tour	5	4	0
7	MICE	5	5	16
8	Souvenir/Merchandise	600	10.323	6.245
9	Vehicle/ Rent Car	1.633	2.247	2.285

Source: PT Ista Indonesia

In an effort to maintain and increase sales growth, PT Ista Indonesia must have a strategy in marketing, a very important thing for companies where marketing strategy is a way to achieve the goals of a company. And there are several factors that affect customer satisfaction/customer satisfaction and have an impact on the sales growth of PT Ista Indonesia, namely customer relations/ customer relations, pricing strategy, and brand identity/branding identity.

The first factor is customer relations, which is customer service or CRM (Customer Relation Management) itself covers all aspects related to potential customers and current customers, CRM can also be defined as the whole process of building and maintaining a profitable relationship with customers, namely by providing value and satisfaction for the customer itself. Where it consists of aspects such as: getting new customers, maintaining, and building sustainable relationships with customers (Kotler and Armstrong 2010:12).

The second factor is pricing strategy, in the fierce competition, product differentiation and price are very important, considering the large variety of products offered today. Product and price differentiation aimed at pampering consumers and containing loyal consumers to a brand is something that must now be more misinterpreted in the future. Differentiation in the product can be the taste of the packaging or it can also be the quality of the product itself. While the element of the price can be in the form of discounts or discounts. Because having consumers who are loyal to a brand is a very big asset for a company.

The third factor is branding identity, starting from consumers being able to recognize a product or service through a brand. Through brands, consumers can distinguish between products or services from one. A brand is an intangible asset whose value is more

expensive than other physical assets such as land area, buildings, and also production machines.

The brand will provide a high value that a consumer will be able to judge as a classy brand so that the brand will reflect who the user of a particular brand is. Brand Culture also shows the culture embraced by customers. Brand Personality has a personality for its users where using the brand as a user will reflect togetherness with the brand they want. Users, they show the type of customer who used or purchased the product.

Purchasing Decisions According to Peter and James (2004: 48) in Setyo et al (2012), that purchasing decision is the process by which a consumer makes a decision to make a purchase of various products and brands that begins with the process of introducing needs, searching for information, evaluating information, making a purchase and then evaluating the decision after buying. Rahayu, Elwisam, Molina (2020).

1.1 Research Objectives

The objectives of this study are:

1. To analyze the direct effect of customer relations on PT. Ista Indonesia's customer satisfaction?
2. To analyze the direct effect of pricing strategy on PT. Ista Indonesia's customer satisfaction?
3. To analyze the direct influence of branding identity on PT. Ista Indonesia's customer satisfaction?
4. To analyze the direct effect of customer relations on the sales growth of PT. Ista Indonesia?
5. To analyze the direct effect of pricing strategy on PT. Ista Indonesia's sales growth?
6. To analyze the direct influence of branding identity on the sales growth of PT. Ista Indonesia?
7. To analyze the direct effect of customer satisfaction on PT. Ista Indonesia's sales growth?
8. To analyze the indirect influence of customer relations on sales growth through customer satisfaction?
9. To analyze the indirect effect of pricing strategy on sales growth through customer satisfaction?

II. Review of Literature

2.1 Service Marketing

Marketing by social definition is a social process by which, individuals and groups get what is needed and desired by creating, offering, and freely exchanging valuable products and services with others (Kotler 2004; 10). Marketing is the activity, set of institutions, and the process of creating, communicating, delivering, and exchanging offers of value to customers, clients, partners, and the general public. Marketing begins with the fulfillment of human needs which then grows into human desires. states that marketing is a business that includes the distribution of goods and services from the production sector to the consumption sector.

2.2 Customer Relation

According to Kotler and Keller in Iriandini, et all (2015) customer relationship management is the process of carefully managing detailed information about individual customers and all customer "touchpoints" to maximize customer loyalty. According to

Brown in Tjiptono (2014), customer relationship management is not just a concept or project. However, customer relationship management is a business strategy that aims to understand, anticipate, and manage the needs of the organization's customers, both current and potential customers. Ellena, Edwin (2018).

2.3 Pricing Strategy

Price is contained value, which is said that the majority of consumers who are looking for value if they buy a product, that is, the value obtained is obtained from the quality of the product and the price itself, so that it can add value to the image or brand of the product or the name of the company (Gilbert, 2003, p.162).

If a consumer believes that the image and quality of a product are good, they will want to make a great sacrifice to buy the product. To get a well-formed image in the eyes of consumers, and attract consumers, sometimes companies carry out several methods where the purpose of the company is to get loyalty from consumers, one of these methods is discount and allowance (discounts and discounts). Companies in setting discounts and rebates will adjust their price lists and provide discounts as well as discounts for any faster paying, bulk purchases, and off-season purchases (Tjiptono, 2004).

2.4 Branding Identity

Consumers can recognize a product or service through a brand. Through brands, consumers can distinguish between products or services from one. A brand is an intangible asset whose value is more expensive than other physical assets such as land area, buildings, and also production machines.

Brands have potential responses to spark consumer trust Consumers who are loyal to a brand (brand loyalty) will be willing to pay more for the brand because they feel that they have gained a unique value or value in the brand and are not obtained in other brands (Jacoby & Chestnut 1978). Branding is still used as a marketing strategy that provides added value for goods or services companies. Because the brand is accepted as an effective fundamental factor in consumer behavior.

2.5 Customer Satisfaction

According to Philip Kotler and Kevin Lane Keller, customer satisfaction is defined as the level of happiness or regret obtained by a person when comparing the expectations of the product purchased with the original product. Satisfaction customers here are the main aspects of running a business because customer satisfaction is an assumption of consumers' assessment of expectations of the desired product of a business with the actual product quality. Rahayu, Siti (2022).

Customer satisfaction affects the quality of service provided by the company. By understanding what consumers want and expect from the quality of services provided, a separate added value will be obtained for the company. The quality of service needs to receive great attention from the company because the quality of service has a direct relationship with the ability to compete and the level of profit of the company. is a feeling of a person's disillusionment or disappointment that arises from comparing the perceived performance of the product (result) to their expectations.

Consumers often form a more compelling perception of a product with a brand that they already consider positive. According to Kotler & Keller (2009:138) in Rahayu, Elwisam (2019)

2.6 Sales Growth

Sales is an integrated effort to develop a strategic plan directed at satisfying the needs and desires of buyers, in order to get sales that generate profits. Sales are the lifeblood of a company because from sales can be obtained profit and an effort to lure consumers who are trying to find out their attractiveness so that they can find out the results of the products produced.

Sales are the marketing part itself which is one part of the overall marketing system. Sales growth is a factor that affects the amount of working capital and components of working capital.

From the definition above, it can be concluded that a company invests part of its funds in working capital because working capital is needed to support operational activities that grow in sales. Pradana and Kiswanto (2013), stated that sales growth is the ability of a company to get immaterial profits that can be determined by a target made by the company's management. Every company has important factors that can provide conditions for the survival of the company. The company uses the funds obtained by the company for the company's operations and the development of a company apart from debt and own capital, which can be obtained from the sale of the company's products in the form of products or services produced. Shabiyah, Yuliastuti (2020).

III. Research Method

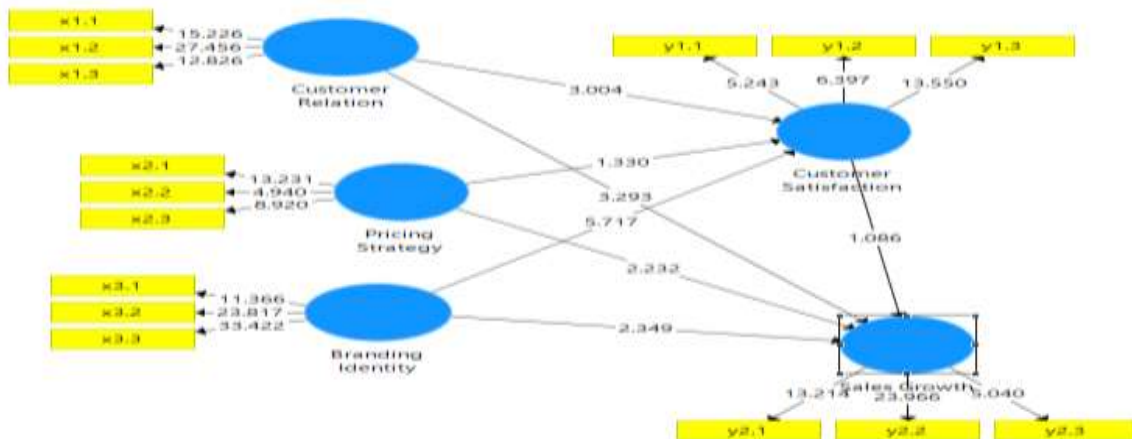
This method is also called the confirmative method because it can be used for proof/confirmation. Research on a specific population or sample, data collection using research instruments, data analysis is quantitative or statistical, with the aim of testing predetermined hypotheses."

The number of samples used in this study was more than 100 respondents, and data analysis techniques using SEM were carried out to explain thoroughly the relationship between variables in the study. SEM is used not to design a theory, but rather to examine and justify a model. In this study, the analysis method used was descriptive analysis and quantitative analysis with the SEM (Structural Equation Modeling) method, an analysis technique based on PLS (Partial Least Square) version 3.0. Rahayu, Siti (2022).

IV. Result and Discussion

4.1 Measurement Result Analysis or Outer Model

In this study, there are criteria in testing indicators for the use of data analysis techniques with SmartPLS 3.0 to assess validity and reliability with the Outer Model through convergent validity, discriminant validity, composite reliability, and average variance extracted



Source: SmartPLS Output (2022)
Figure 1. Algorithm analysis model

Table 1. R-Square Results

	R-Square
Customer Satisfaction	0.575
Sales Growth	0.399

Source: SmartPLS Output (2022)

Table 1 above, shows the results of R-Square and can be entered with the formula Qsquare:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R^2 \text{ customer satisfaction}) \times (1 - R^2 \text{ sales growth}) \\
 &= 1 - ((1 - 0,575) \times (1 - 0,399)) \\
 &= 0,425 \times 0,601 \\
 &= 0,2554 \text{ (25,54\%)}
 \end{aligned}$$

The calculation results of Q-Square > 0 show that the model has predictive relevance. The results of Q-Square in this study amounted to 0.2554 or > 0 so it can be said that the model has predictive relevance or shows that the structural model compiled in this study can be used to explain customer satisfaction and sales growth at PT. Ista Indonesia is proven to be good or relevant. The results of R-Square show that this research model has a goodness of fit.

Table 2. Convert Path Diagram

Variable	Original Sample (O)	t-Statistics (O/STERR)	P-Value
Branding Identity → Customer Satisfaction	0.435	5.717	0.000
Branding Identity → Sales Growth	0.302	2.349	0.019
Customer Relation → Customer Satisfaction	0.351	3.004	0.003

Customer Relation → Sales Growth	0.366	3.293	0.001
Customer Satisfaction → Sales Growth	0.133	1.086	0.278
Pricing Strategy → Customer Satisfaction	0.133	1.330	0.184
Pricing Strategy → Sales Growth	-0.246	2.232	0.026

Source: SmartPLS Output (2022)

Based on table 2 above, the t-statistical value has 3 variables with a value of >1.96 which means the hypothesis is acceptable, and 2 variables < 1.96 . This means that the value of brand identity to customer satisfaction is greater than the value of customer relation and pricing strategy to customer satisfaction, so it can be said that branding identity has a greater influence used to measure customer satisfaction at PT. Ista Indonesia. Customer satisfaction has an effect but is not significant on sales growth at PT. Ista Indonesia.

4.2 Discussion

- The direct influence of branding identities on the customer satisfaction of PT Ista Indonesia Based on the test results in table 2 above, the t-statistical value of branding identity to customer satisfaction is 5,717. The test results showed that the t-statistical value >1.96 with a p-value of $0.000 < 0.05$ and a coefficient value of 0.435 which is positive in the same direction where the increase in branding identity will have an impact on customer satisfaction at PT. Ista Indonesia is 0.435.
- The direct influence of branding identity on the sales growth of PT Ista Indonesia Based on the test results in table 2 above, the value of t-statistical branding identity to sales growth is 2,349. The test results showed that the t-statistical value of >1.96 with a p-value of $0.019 < 0.05$ and a coefficient value of 0.302 which is positive in the same direction where the increase in branding identity will have an impact on sales growth at PT. Ista Indonesia by 0.302.
- Influence of customer relations on sales growth through customer satisfaction. Based on the test results in table 2 above, the value of t-statistical customer relations to sales growth is 3,293. The test results showed that the t-statistical value >1.96 with a p-value of $0.001 < 0.05$ and a coefficient value of 0.366 which is positive in the same direction where the increase in customer relations will have an impact on sales growth through customer satisfaction at PT. Ista Indonesia is 0.366.
- The effect of customer satisfaction on the sales growth of PT. Ista Indonesia Based on the test results in table 2 above, the t-statistical value of customer satisfaction to sales growth is 1,086. The test results showed that the t-statistical value <1.96 with a p-value of $0.278 > 0.05$ and a coefficient value of 0.133 which is positive in the same direction where an increase or decrease in customer satisfaction will not have an impact on sales growth at PT. Ista Indonesia is 0.133.
- The effect of customer satisfaction on the sales growth of PT. Ista Indonesia Based on the test results in table 2 above, the t-statistical value of customer satisfaction to sales growth is 1,086. The test results showed that the t-statistical value <1.96 with a p-value of $0.278 > 0.05$ and a coefficient value of 0.133 which is positive in the same direction

where an increase or decrease in customer satisfaction will not have an impact on sales growth at PT. Ista Indonesia is 0.133.

- f. The direct effect of pricing strategy on PT. Ista Indonesia's sales growth Based on the test results in table 2 above, the t-statistical value of customer relations to customer satisfaction is 2,232. The test results show that the t-statistical value of >1.96 with a p-value of $0.026 < 0.05$ and a coefficient value of -0.246 which is negative in the same direction where the decrease in pricing strategy will not have an impact on sales growth in PT. Ista Indonesia is -0.246.

V. Conclusion

Based on the results of the discussion above, the researcher can conclude as follows:

1. There is a direct influence of branding identity on the customer satisfaction of PT Ista Indonesia, where the increase in branding identity will have an impact on customer satisfaction at PT. Ista Indonesia. There is a direct influence of branding identity on the sales growth of PT Ista Indonesia, where the increase in branding identity will have an impact on sales growth in PT. Ista Indonesia.
2. There is a direct influence of branding identity on the sales growth of PT Ista Indonesia, where the increase in branding identity will have an impact on sales growth in PT. Ista Indonesia.
3. There is a direct influence of customer relations on sales growth through customer satisfaction, where the increase in customer relations will have an impact on sales growth through customer satisfaction at PT. Ista Indonesia.
4. There is a direct but not significant effect of customer satisfaction on the sales growth of PT. Ista Indonesia, where the increase or decrease in customer satisfaction will not have an impact on sales growth at PT. Ista Indonesia.
5. There is a direct influence of pricing strategy but not significant on the customer satisfaction of PT ISTA Indonesia, where the increase or not pricing strategy will not have an impact on customer satisfaction at PT. Ista Indonesia.
6. There is a direct influence of pricing strategy on the sales growth of PT Ista Indonesia, where the decrease in pricing strategy will not have an impact on sales growth in PT. Ista Indonesia.

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