

Effect of Digital Marketing and Customer Relationship Marketing on Consumer Satisfaction and Consumer Loyalty at Gypsy Belles Jewelry Bali

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Abstract

Online marketing has become a mandatory activity that needs to be done by all business people. And in order to get maximum results regarding the application of digital marketing, they do not hesitate to use several digital marketing service providers. Of course, it is not without reason that they chose a digital agency. They must do that because not all business actors are able to implement the most appropriate marketing strategy for the development of their products and brands. The development of the digital business world has been quite rapid, but there are still many business actors who need a person, institution, or company who is able to meet their needs regarding the use of digital marketing. This study aims to analyze effect of digital marketing and customer relationship marketing on consumer satisfaction and consumer loyalty at Gypsy Belles Jewelry Bali. This research uses quantitative analysis. The population in this study are consumers who buy at Gypsy Belles Jewelry Bali. This study uses 19 statements so that the sample studied is a minimum of 95 respondents and a maximum of 190 respondents. Hypothesis testing is carried out using the WarpPLS inferential analysis tool. The results show that digital marketing has a positive and significant effect on consumer satisfaction. Customer relationship marketing has a positive and significant effect on consumer satisfaction. Digital marketing has a positive and significant effect on consumer loyalty. Customer relationship marketing has a positive and not significant effect on consumer loyalty. Consumer satisfaction has a positive and significant effect on consumer loyalty.

Keywords

digital marketing; customer relationship marketing; consumer satisfaction; consumer loyalty



I. Introduction

Product marketing strategies are growing and varied. This was formed along with the development of the information and technology sector. Marketers do not only market their products using conventional media, but have developed into the use of modern and interactive media which increasingly makes marketing strategies appear attractive to consumers. Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni et al, 2020). According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. In the world of marketing, consumers are assets that must be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

Information and communication technology such as the internet is one of the social media that can be used to communicate with each other. The use of the internet today is not only as a communication medium, but also used as a marketing medium by business people. Before the emergence of the internet, companies implemented marketing strategies manually or met directly with consumers and were also very limited. Marketing style with a conventional model like that, when applied in today's era is usually called offline marketing, but with the emergence of internet networks, the pattern of marketing strategies applied by the company becomes massive and very large. This marketing model is called online marketing. In assessing the effectiveness of the implementation of online and offline marketing strategies, it can be seen from the commitment, attitude, customer satisfaction and customer loyalty to the brand or company.

Online marketing is a form of business from a company that aims to market its products and services and also to build relationships between companies and customers via the internet. Meanwhile, offline marketing is marketing that meets directly with buyers who can communicate in two directions between sellers and buyers. Offline marketing should include print-based concepts. Online marketing has become a mandatory activity that needs to be done by all business people. And in order to get maximum results regarding the application of digital marketing, they do not hesitate to use several digital marketing service providers. Of course, it is not without reason that they chose a digital agency. They must do that because not all business actors are able to implement the most appropriate marketing strategy for the development of their products and brands. The development of the digital business world has been quite rapid, but there are still many business actors who need a person, institution, or company who is able to meet their needs regarding the use of digital marketing. Digital marketing is a series of marketing processes that utilize all available digital channels to promote a product or service such as websites, email, apps, and social networks that can be accessed through electronic devices such as computers, tablets, laptops and mobile phones.

Gypsy Belles Jewelry is a distributor of jewelry or accessories that sells rings, bracelets, earrings and necklaces made of brass, copper, stainless steel and some are made of 925 silvers. What makes it different from other jewelry companies, Gypsy Belles Jewelry makes and sells designs that very unique by combining beautiful natural stones commonly known as gemstones. This is what makes customers very interested in the products sold by Gypsy Belles Jewelry, in addition to stores in Bali, Gypsy Belles Jewelry also cooperates with many elite hotels and also shops abroad and Bali and sales throughout Europe and other countries using the media. website and spotify as well as social media Instagram.

For this reason, it is necessary to increase the service marketing mix, namely product, price, promotion, process, personal traits, place, physical evidence because the marketing mix factor is a factor that plays an important role in achieving company goals, so it needs special attention, marketers start think the importance of building good relationships with customers, with the aim of retaining customers and increasing their business in the long term. It takes effort to persuade satisfied customers to move away from their current suppliers. So that marketers will make a fundamental change from product-driven to customer-driven. Then this prompted a shift in marketing strategy from transactional marketing to relationship marketing.

After that the emergence of a customer-oriented customer relationship marketing strategy. Marketers can implement this strategy to focus more on existing potential customers and improve the quality of service for them. The customer relationship

marketing strategy forms several development initiatives, as expressed by Stanley and Brown, namely increasing profitable customer loyalty, improving the efficiency and cost effectiveness of marketing campaigns, opportunities for cross selling, reducing customer losses, adjusting prices, offerings, or product components to each customer specifically, providing interaction media with each customer.

Kotler and Armstrong (2013), customer relationship marketing is the most important concept in modern marketing. Customer relationship marketing as a process where the relationship between companies and consumers is built by increasing customer value and satisfaction is carried out by identifying customers, namely forming perceptions about products or organizations or services offered through marketers, sellers, services, and support services that make customers to be loyal.

This study aims to analyze effect of digital marketing and customer relationship marketing on consumer satisfaction and consumer loyalty at Gypsy Belles Jewelry Bali.

II. Review of Literature

2.1 Digital Marketing

Digital marketing is a series of marketing processes that utilize all available digital channels to promote a product or service such as websites, email, apps, and social networks that can be accessed through electronic devices such as computers, tablets, laptops and mobile phones.

The main elements in digital marketing include e-mail marketing, blogging, social networking, e-commerce and e-branding, search engine optimization and paid marketing. Internet marketing is part of digital marketing and is also the most important part of digital marketing because most digital marketing activities and budgets are carried out through internet marketing. The main channels of internet marketing include (Kotler and Armstrong, 2013):

1. Social media marketing.
2. Content marketing.
3. Search engine marketing.
4. Email marketing.
5. Mobile marketing.

2.2 Customer Relationship Marketing

Kotler and Armstrong (2013), customer relationship marketing is the most important concept in modern marketing. Customer relationship marketing as a process where the relationship between companies and consumers is built by increasing customer value and satisfaction is carried out by identifying customers, namely forming perceptions about products or organizations or services offered through marketers, sellers, services, and support services that make customers to be loyal.

There are four dimensions in customer relationship marketing, namely trust, commitment, communication and conflict handling which can be described as follows;

1. Trust.
2. Commitment.
3. Two-way communication.
4. Conflict handling.

2.3 Consumer Satisfaction

Customer satisfaction is the key to the company's success, such an important role has forced every company to seek strategies to attract them, so that they become buyers of their products. According to Kotler and Keller (2016), customer satisfaction is the level of one's feelings after comparing the performance or results that he perceives compared to his expectations.

In determining customer satisfaction there are five factors that must be considered by the company, including:

1. Product quality, i.e., customers will feel satisfied if their results show that the products they use are of high quality.
2. Quality of service or service, namely customers will feel satisfied if they get good service or as expected.
3. Emotion, namely the customer will feel proud and gain confidence that other people will be amazed by him when using a product with a certain brand which tends to have a higher level of satisfaction. The satisfaction obtained is not because of the quality of the product but social or self-esteem that makes customers feel satisfied with certain brands.
4. Price, namely products that have the same quality but set a relatively low price will provide higher value to customers.
5. Cost, namely customers who do not need to incur additional costs or do not need to waste time to get a product or service tend to be satisfied with the product or service.

2.4 Consumer Loyalty

Creating strong and close relationships with customers is the dream of all marketers. The definition comes from the word custom which is defined as "to make something a habit or habit" and "to practice a habit". A customer is someone who becomes accustomed to buying a certain product. Habits are formed through frequent purchases and interactions over a period of time (Griffin, 2005:31).

Tjiptono (2010) that loyalty is a commitment and a positive impression of customers towards brands, stores, suppliers and services and can be reflected through consistent repeat purchases.

Loyal customers are willing to buy even at a slightly expensive price and always make repeat purchases and recommend these products or services to others. There are several dimensions of customer loyalty, including:

1. Repeatability, namely loyalty to product purchases, make repeat purchases on a regular basis.
2. Purchase across product line, namely buying outside the product or service line.
3. Retention, which is not affected by the attractiveness of competitors or rejecting competitors' products.
4. Recommendation, which refers to products or services to others.

III. Research Method

This research uses quantitative analysis. Quantitative analysis is an analysis by providing a review or interpretation of the data obtained so that it becomes clearer and more meaningful than just numbers (Octiva et al., 2018; Pandiangan, 2018). Quantitative analysis techniques specifically analyze data in the form of numbers with mathematical logic and through a statistical approach (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015).

Population is a group or collection of objects or objects that will be generalized from the results of research (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). The population in this study are consumers who buy at Gypsy Belles Jewelry Bali. The sample

is part of the total population owned by that population (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). Research with purposive sampling can determine the sample by multiplying the number of statement items in the questionnaire by numbers 5 to 10. This study uses 19 statements so that the sample studied is a minimum of 95 respondents and a maximum of 190 respondents.

Hypothesis testing is carried out using the WarpPLS inferential analysis tool. By paying attention to the p-values in each of the direct influence paths partially (Pandiangan et al., 2022; Tobing et al., 2018). The structural model of the relationship between latent variables is called the inner model, while the reflexive or formative measurement model is called the outer model. The structural model or inner model is evaluated by looking at the percentage of variance explained by (R-square exogenous variable) for the dependent latent construct using the stone-geisser Q square test and seeing the magnitude of the structural path coefficient. T-statistical test is used to evaluate the stability of this estimate which can be done by bootstapping procedure.

IV. Result and Discussion

4.1 Research Object Overview

Gypsy Belles Jewelry was officially legalized as a PT in 2019 in June in Indonesia. Previously, Gypsy Belles Jewelry has been operating since 2016 in Australia and America. This company is engaged in the business of distributing jewelry throughout Europe and Asia, Gypsy Belles Jewelry sells products both retail and wholesale to all consumers. Gypsy Belles Jewelry has an official PT in Indonesia led by an american citizen named Kelly Leighton Ackerman as the owner and designer of Jewelry which is sold in Gypsy Belle, a country that often buys Jewelry products from Gypsy Belles companies, namely United State, Australia, Canada, Malaysia, Ukraine, Russia, and in Indonesia, most Indonesians from the Jakarta area are customers of Ggypsy Belle, including in Bali.

4.2 Hypothesis Testing Results

Hypothesis testing is carried out using the WarpPLS inferential analysis tool by paying attention to the p-values in each of the direct influence paths partially. In the following sections, the results of these tests are described:

Table 1. Hypothesis Testing Results

Number	Relationship between Variables	Parth Coefficient	P Value	Information
1	Digital Marketing → Consumer Satisfaction	0.470	< 0.001	Significant
2	Customer Relationship Marketing → Consumer Satisfaction	0.358	< 0.001	Significant
3	Digital Marketing → Consumer Loyalty	0.448	< 0.001	Significant
4	Customer Relationship Marketing → Consumer Loyalty	0.072	0.233	Not Significant
5	Consumer Satisfaction → Consumer Loyalty	0.578	< 0.001	Significant

The results show that digital marketing has a positive and significant effect on consumer satisfaction. Customer relationship marketing has a positive and significant effect on consumer satisfaction. Digital marketing has a positive and significant effect on consumer loyalty. Customer relationship marketing has a positive and not significant effect on consumer loyalty. Consumer satisfaction has a positive and significant effect on consumer loyalty.

V. Conclusion

The results show that digital marketing has a positive and significant effect on consumer satisfaction. Customer relationship marketing has a positive and significant effect on consumer satisfaction. Digital marketing has a positive and significant effect on consumer loyalty. Customer relationship marketing has a positive and not significant effect on consumer loyalty. Consumer satisfaction has a positive and significant effect on consumer loyalty.

Some suggestions that can be given related to the results of this study, among others:

1. It is necessary to increase the use of digital marketing in increasing consumer satisfaction by updating the content on the website so that the information remains current. As well as providing information consistently about new products and discounts given.
2. Continue to carry out commitments in maintaining product quality and maintain communication with consumers to provide information about new products and the convenience obtained for customers.
3. Maintain trust in product quality and continue to meet consumer expectations so as to create customer satisfaction.

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