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Analysis of retail marketing mix as a driver of hypermarket customer loyalty (a review of Carrefour and Giant hypermarkets)

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ABSTRACT

This research studies about the effects of retail marketing mix to loyalty behavior that is measured by visitor frequency in Carreefour and Giant Hypermarkets. Six dimensions of retail marketing mix are place, atmosphere, merchandise, promotion, price and service. This study used multiple regression analysis to indicate that there are positive and significant influence and dominance between factors retail marketing mix to visitor frequency, independent sample t-test to indicate that there are differences in worker performance between Hypermarket Carrefour and Giant, and one sample t- test to indicate that costumers perception with Hypermarkets' performance. Data were obtained by distributing questionnaires to 137 respondents from Carrefour and Giant visitors. The results of this study show that there are positive and significant influences between the two factors of retail marketing mix to visitor frequency and the dominance factor is atmosphere, there are performance differences between Carrefour and Giant where Carrefour's performance is better than Giant, but Carrefour and Giant have a good performance in consumer perception.

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1. INTRODUCTION

In the 21st century, the economy in Indonesia is growing which is supported by many factors, one of which is the retail business. The retail business is currently an interesting phenomenon because it can be seen from the growth of the retail business that is growing and developing in Indonesia. (Marina L. Portrait Journal of Retail Business in Indonesia: Modern Market) Retail business in Indonesia can be divided into 2 major groups, namely Traditional Retail and Modern Retail. Modern retail is basically a development of traditional retail. This retail format emerges and develops along with developments in the economy, technology, and people's lifestyles that make people demand more convenience in shopping.

One type of modern retail that generates the highest turnover from 2004-2008 (19.8%) compared to other modern retail formats is the modern market. A modern market is a place for selling household goods (including daily needs), where sales are carried out in retail and by self-service (consumers take goods from the merchandise rack themselves and pay to the cashier). After being first introduced in Indonesia in the 1970s, currently there are 3 types of modern markets, namely minimarkets, supermarkets and hypermarkets (Source: Presidential Regulation no. 112 of

2007, Indonesian Retailers Association, Daniel Suryadarma: Impact of Supermarkets on Markets & Traders Traditional Retailing in Urban Areas in Indonesia).

The concentration of Modern Market outlets on the island of Java cannot be separated from the conditions in which the population concentration and the center of the Indonesian economy are indeed located on this island (Source: Indonesian Retailers Association, Media Data (processed). From the table above it can be shown that the distribution is evenly distributed, most concentrated in DKI Jakarta, apart from being the most densely populated, is also the area that has the center of the economy and shopping in Indonesia.Interestingly, the growth of hypermarkets in Indonesia reaches 39.8% per year and makes the growth of minimarkets 16.4% per year and supermarkets 10.9% per year. % and the resulting turnover reaches 41.7% of the total turnover of all modern markets in Indonesia, while minimarkets are 32.1% and supermarkets are 26.2%,From these data it is known that currently the modern market in Indonesia which has good growth and potential in the retail sector is the hypermarket type modern market.

Statistical data states that there is a Hypermarket group, there are only 5 retailers and 3 of them control 88.5% of the Hypermarket turnover share in Indonesia. The three main players are Carrefour which controls almost 50% share of hypermarket turnover in Indonesia, Hypermart (Matahari Putra Prima) with 22.1% share, and Giant (Hero Group) with 18.5%. Of the three main players in the retail world competition, there are two retailers who carry out intense competition which is explained in the article that the Carrefour and Giant hypermarkets carry out tight competition.

This competition occurred because Carrefour had opened outlets in the city first before other hypermarkets appeared and sold a variety of products at very low prices compared to supermarkets, while other outlets that still had supermarket status, such as Hero, which had been around for a long time, felt a decline in turnover and income so that Hero didn't want to be left behind and opened a Hypermarket as well and named it Giant, even though it couldn't compete with Carrefour's prices, Giant continued to hold on with its own strengths so that it could still provide low prices and attract customers in various ways.

Currently, the hypermarket is intensively carrying out retail marketing mix and continues to develop it so that consumers become customers in the hypermarket. Consumers who shop and become customers continue to increase in the number of these two hypermarkets with various reasons and factors that cause them to come back and shop at these hypermarkets. Marketing efforts are needed to make customers satisfied and eventually become loyal customers.

2. RESEARCH METHOD

The intended research object is Carrefour and Giant customer loyalty that spreads to the general public. The criteria for selecting prospective respondents are Carrefour and Giant consumers who have actually visited/shopping at Carrefour and Giant. The reason for dividing the criteria in selecting prospective respondents is because this research is the influence of retail marketing mix factors on existing consumer loyalty.

The location of the research will be carried out in the DKI Jakarta area, with the reason that the selection of this area is a densely populated area and has the highest retail growth rate, especially the widespread spread of hypermarkets in every strategic location in DKI Jakarta which aims to target consumers for shopping. In addition, another reason is that the authors live in the same area, so that obtaining data will be easier and more efficient in terms of cost and time.

The analysis in this study was carried out using a quantitative approach, namely a research method that seeks to quantify data, and usually applies certain statistical analysis (Malhotra, 2004). The data collected is divided into two, namely: a. Primary data. Primary data is data created by researchers for the specific purpose of solving the problem being handled. Furthermore, data collection will be carried out by providing a structured questionnaire that is given to a sample of a population and is designed to obtain specific information from respondents, which is called a survey (Malhotra, 2004). In this study, the authors distributed questionnaires to a sample of Carrefour and

Giant customers. b. Secondary Data Secondary data is data that has been collected for purposes other than solving the problem at hand.

Data collection techniques. The source of the data studied is primary data, namely data obtained directly from the source. In this case, the sources in question are respondents from Carrefour and Giant customers. By using the media: a. survey, b. questionnaire, c. interview, d. literature.

Sampling method. The sampling method used is based on the precision level determined by the researcher using an internal confidence approach, namely the confidence interval approach in determining sample size based on the construction of confidence intervals around the mean or sample proportions using the standard error formula. Determination of the average sample size by the formula, namely:

$$N = \frac{\sigma^{2\times} z^2}{D^2}$$

$$\sigma = \mathrm{X} \pm z s_{\mathrm{K}} \mathrm{D} = R \times \mu \quad (1)$$

Information :
D = This level of precision is the maximum difference allowed between the sample mean and the population mean
Z = Total standard error indicating the distance between a point and the mean
σ= population variance

3. RESULTS AND DISCUSSIONS

Vaidity test on the pre-test

The validity test in this study uses factor analysis. Factor analysis is a class of procedures used primarily for data reduction and summarization. In marketing research, there may be many variables, many of which are correlated and must be reduced to a manageable level. Factor analysis is an interdependence technique in the sense that the entire set of interdependent relationships is examined (Malhotra, 2004). This pre-test was carried out by distributing questionnaires to 30 respondents first.

After the questionnaires were distributed and collected again, the next step was to test the validity with factor analysis. The results of the processing carried out can be seen in the table below. Based on the results of factor analysis of the pretest data, the KMO (kaiser-Meyer-Olkin) value for all variables is the same or greater than 0.5. Location is 0.500 and 0.500, atmosphere is 0.739, merchandise is 0.766, promotion is 0.661, price is 0.654, service is 0.802. In conclusion, this factor analysis is feasible to proceed. Because as a reference, a feasibility significance measure of 0.5 to 1.0 is used (Malhotra, 2004).

Table 1. Pretest validity

Model	Component 1
Location 1	0.925
Location 3	0.925
atmosphere 1	0.889
atmosphere 2	0.806
atmosphere 3	0.774
atmosphere 4	0.686
atmosphere 7	0.655
Merchandise 1	0893
Merchandise 2	0.817
Merchandise 3	0.744
Merchandise 4	0.890
Merchandise 5	0.819

Merchandise 6	0.830
Promotions 2	0.848
Promotions 3	0.753
Promotions 4	0.876
Price 1	0.794
Price 2	0.742
Price 3	0.831
Prices 4	0.866
Price 5	0.773
Service 1	0.860
Services 3	0913
Services 4	0.816
Services 5	0.829

It can be seen that if the factor analysis data for the service variable there is 1 variable whose value is below 0.6, namely in model 2 with a value of 0.425 <0.6, this means that this variable does not have a suitability for component 1 and tends to belong to other components. Therefore the service 2 variable had to be removed from component 1 so as not to affect further data processing. Therefore the service variable is declared valid and the research can be continued.

Validity Test in Research

After the pre-test results were declared valid, a thorough distribution was carried out according to the number of samples that had been determined, namely as many as 137 respondents. In this study, data processing uses factor analysis methods which aim to remove factors that are less related to variables and the results of validity data processing can be seen in the table below.

Table.2 Research validity

Model	Component 1
Location 1	0897
Location 3	0897
atmosphere 1	0.870
atmosphere 2	0811
atmosphere 3	0.853
atmosphere 4	0.660
atmosphere 7	0.737
Merchandise 1	0.827
Merchandise 2	0.803
Merchandise 3	0.731
Merchandise 4	0.905
Merchandise 5	0.716
Merchandise 6	0.787
Promotions 1	0.788

Promotions 2	0.768
Promotions 3	0.759
Promotions 4	0.782
Price 1	0.836
Price 2	0811
Price 3	0.701
Prices 4	0.758
Service 1	0.845
Service 2	0.759
Services 3	0.875
Services 4	0.729
Services 5	0.808

It can be seen in the first factor analysis data processing for the location variable in the loading table 1 there is a location variable that has a value lower than 0.6, namely in location 2 model with a value of 0.585 <0.6. This means that these variables do not have compatibility with component 1 and tend to belong to other components. Therefore, the location variable 2 had to be removed from component 1 so as not to affect further data processing and it can be seen in the loading table that the values for location variables 1 and 2 are better and declared valid and can be continued for research.

Reliability Test on Pre-test

Research can be carried out if the existing instruments have been tested for reliability in the Pre-test. The reliability test is used to determine the consistency of the measuring instrument, whether the measuring device used is reliable and remains consistent if the measurement is repeated (Priyantno, 2008). The instrument can be said to be reliable if the Cronbach alpha value is 0.6 or greater than 0.6. After the questionnaires were distributed and returned, a reliability test was carried out. The test results can be seen in the table below:

Table 3. Pretest reliability

Variable	Cronbach's Alpha	Conclusion
Location	0.573	Unreliable
atmosphere	0.769	Reliable
Merchandise	0.908	Reliable
Promotions	0.695	Reliable
Price	0.854	Reliable
Service	0811	Reliable

In the reliability test for the pre-test data, it can be seen from the Cronbach's Alpha pretest table, the results of the pre-test stated that only one unreliable variable was the location variable, the alpha value of 0.573 was less than 0.6 or less than the specified limit, but researchers continued to use it until the distribution was complete in the hope that it will turn out to be reliable. Other variables state alpha 0.6 or > 0.6 and it can be concluded that the pre-test results are reliable.

Reliability Test in Research.
After the pre-test results were declared reliable, a thorough distribution was carried out according to the number of samples that had been determined, namely as many as 137 respondents and the results of processing the reliability data can be seen in the table below.

Table 4. Research reliability

Variable	Cronbach's Alpha	Conclusion
Location	0.618	Reliable
atmosphere	0.820	Reliable
Merchandise	0.881	Reliable
Promotions	0.776	Reliable
Price	0.813	Reliable
Service	0.861	Reliable

On the results of the reliability testing of the Cronbach's Alpha table, all variables above 0.6 or > 0.6, it can be concluded that this research is reliable. Because the significance level is 0.05, it means that the instrument can be said to be reliable if the alpha value is greater than the r critical product moment. Or we can use a certain constraint like 0.6.

Normality test
The normality test was carried out because the writer wanted to find out whether in a regression model the dependent (dependent) and independent (independent) variables were normally distributed or not. the distribution points of the normality test data appear to follow the diagonal line. So it can be concluded that the regression model used for this study is feasible to use because it meets the normality test requirements.

Regression Analysis.
According to Malhotra (2004) Regression is a statistical procedure to analyze the associative relationship between a dependent variable and one or more independent variables. This research wants to prove whether there is a relationship between retail marketing mix (location, atmosphere, merchandise, promotion, price, service) to the frequency of visits to hypermarkets. Furthermore, this regression study uses the F test or regression coefficient test together. This F test is used to determine whether the independent variables as a whole have a significant effect on the dependent variable. Or to find out whether the regression model can be used to predict the dependent variable or not.

From the results of this regression analysis it can be seen from the T test conducted in this study to see how much influence the independent variables individually (partially) have on the dependent variable. The output results can be identified as in the following table.

Table 5. Coefficients

Model	***UnstandardizeCoefficients B***	***Standardize Coefficients Beta***	***Sig.***	**VIF**	**Conclusion**
(Constant)	1942				
Merchandise	-0.142	-0.145	0.282	2,674	No effect significant
Promotions	0.22	0.226	0.05	1,927	Significant influence
Price	0.005	0.005	0.965	2,044	No effect significant
Service	-0.016	-0.016	0.874	1,526	No effect significant
Location	0.011	0.011	0.906	1.378	No effect significant
atmosphere	0.305	0.313	0.018	2,537	Significant Influence

From the Coefficient table it can be seen that the sig value is less than 0.05 or 5%, only 2 models or only 2 models have a significant relationship to the frequency of visits to the Hypermarket, namely the Promotion and Atmosphere models with values 0.05 and 0.018. With this it can be concluded that Ho is rejected in the Promotion and Atmosphere models, meaning that there is a significant influence between Promotion and Atmosphere on the frequency of visits while Ho cannot be rejected, namely the Merchandise, Price, Service, and Location models do not have a significant effect on the frequency of visits at the Hypermarket.

Comparison of Carrefour and Giant hypermarket performance.

This test was conducted to measure the existence of a comparison between the performance of Carrefour and Giant. The output results from data processing using an independent sample T-test can be seen a significant difference in performance between Carrefour and Giant Hypermarkets which can be seen in the Mean table below:

Table 6. Performance Comparison of Retail Marketing Mix Dimensions between Carrefour and Giant.

Model	Group	Means	Sig. (2-tailed)	mean difference	Conclusion
Location	1	5.3431	.004	0.58468	Different
	2	4.7585			
atmosphere	1	5.8655	.000	0.57983	Different
	2	5.2857			
Merchandise	1	5.8358	.000	0.67153	Different
	2	5.1643			
Promotions	1	4.9816	.000	0.70626	Different
	2	4.2754			
Price	1	5.1059	001	0.56675	Different
	2	4.5391			
Service	1	5.1235	.237	0.20469	No different
	2	4.9188			

In the Mean table, it can be seen that the difference is quite significant which is divided into 2 groups, namely group 1 (Carrefour) and group 2 (Giant) through the average or mean.

Compatibility with the Theory Basis.

Based on the results of the regression that has been done, it appears that there is a significant relationship in some dimensions of the retail marketing mix with the frequency of visits to Carrefour and Giant hypermarkets, namely promotion and atmosphere. This means that some of the research results are in accordance with the theory proposed by Ma'ruf (2006). adjusted value*R*square which is still far below 0.5 (Sugiyono, 2007) indicates that there are other variables that can explain the frequency of visits but are not included in this study.

Based on the results of the independent sample T-test which tested whether there was a difference between performance at the two hypermarkets, this study stated that there was a significant difference in performance at Carrefour and Giant, which could be seen from the results of the respondents' answers to the interval statements of agreeing and disagreeing with performance at Carrefour and Giant. which states the performance that the most respondents agree with is Carrefour. This means that Carrefour's performance is superior to Giant's and this answers that indeed Carrefour is more in demand by consumers to shop according to the journal Portrait of Retail Business in Indonesia: Modern Markets (Marina L. Pandin) which states that the main player in Hypermarkets is Carrefour which has the highest market turnover and market share and Giant has a lower market turnover and marketshare compared to Carrefour which is the third level after Carrefour. This study also states that customers assess the performance of the two hypermarkets as good enough, which can be concluded based on the statistical results of the one sample t-test which shows that the average value of respondents' answers exceeds the specified sample average.

Managerial Implications.

In the regression study, adjusted*R*square which states that the location, merchandise, price, and service variables do not have a significant variation relationship with the frequency of shopping visits at Hypermarkets (Carrefour and Giant). This indicates that for the context of retail marketing, Hypermarkets in Indonesia, especially at Carrefour and Giant. The results of the F test data indicate that there is an overall significant relationship between the retail marketing mix variable and the frequency of visits. With this, the retail marketing mix variable is one of the factors that influence customer loyalty from the size of visit frequency.

The results stated that the factor has a significant relationship with the frequency of shopping at Carrefour and Giant is the atmosphere factor. The creation of the atmosphere in the room can also be said to have succeeded in making consumers comfortable and feel at home shopping in the room for long, such as the layout designed in the room from entry to checkout which makes customers comfortable with the arrangement and order of product shelves that have been adjusted to the type and variety. and good indoor temperature regulation and lighting. These two variables make customers remain loyal to continue visiting the two hypermarkets and it is hoped that the company can maintain and improve the atmosphere factor so that the company can survive competing in the retail world.

The results of a comparison of the work performance of the two hypermarkets stated that they did have a significant difference in performance according to the journal Portrait of Retail Business in Indonesia: Pasar Modern (Marina L. Pandin) which stated that the main player in hypermarkets was Carrefour which had the highest market turnover and market share and Third giants

4. CONCLUSION

In this study, the respondent data collected stated that the data was valid and reliable and valid to continue with the next method. Regression data processing states that there is no overall relationship between the retail marketing mix variable and the frequency of visits at Carrefour and Giant. For the results of the dominant factor states that Promotion and Atmosphere have a significant relationship with the frequency of visits. In independent sample data processing the T-test stated that there was a difference between the work performance of Carrefour and Giant. Alternative problem solving and managerial implications for this research are other factors influencing the frequency of visits to shopping at Carrefour and Giant so it is necessary to find a new theory to influence the frequency of these visits besides atmosphere and promotion.

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