



Effect of product attributes on customer loyalty in magnum ice cream products

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ABSTRACT

The purpose of this research is to identify what kind of attributes will be considered by consumers in assessing a product and identifying the influence of product attributes to consumer loyalty of Magnum ice cream. The contribution of consumer loyalty will increase revenue from reorder sales. Product attributes are the important things to gain customer loyalty. This research uses two methods, firstly: exploratory, this method is use to identify product attributes which are important to consumers, secondly: regression, this method is use to determine the effect of each dimension that is formed from the exploratory research on customer loyalty to customer loyalty. Based on the analysis, there is a conclusion that there are five dimensions of ice cream's product attributes, such as the Product Quality, Convenience of Consumption, Comfort of Consumption, Customer Service, and Product Design and Packaging. From the T-test results indicate that the variable Product Quality and Comfort of Consumption have a significant relationship with Consumer Loyalty.

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1. INTRODUCTION

In this fast-paced era, the business world continues to grow with various types of changes. The world of marketing or marketing which was originally known to the business world with its simple role in a company to seek profit, but now marketing has developed into various aspects that support the progress of a company. According to Philip Kotler and Keller (2004), marketing is identifying and meeting human and social needs that managers must do to assess needs, measure their level and intensity, and determine whether there are profitable opportunities. Marketing continues throughout the product's life, trying to get new customers and retain current customers by increasing product attractiveness and performance, learning from product sales results and managing performance so that it continues.

According to Kotler & Armstrong (2001), product quality is a potential strategic weapon to beat competitors. So only companies with the best product quality will grow rapidly, and in the long term these companies will be more successful than other companies. Product attribute is the development of a product or service involves determining the benefits to be provided. (Kotler and Armstrong, 2004). Product attributes are the characteristics or aspects contained in a product and which will later become the determinants and considerations for consumers to like and then buy the

product. Product attributes can be divided into two, namely technical (functional) attributes and non-technical (emotional) attributes. The technical attributes of a product only show the usability of the product.

In the capital city of Jakarta, the Wall's trademark is very much loved for its quality and taste. Its product mix, namely Ice Cream Magnum, is a phenomenal product that has become a byword and shows efficient product development. Today's consumers are more careful in buying products, especially urban communities. Behind the phenomenal television advertisement by Magnum, another factor that attracts consumers is product attributes.

In the capital city of Jakarta, the Wall's trademark is very much loved for its quality and taste. Its product mix, namely Ice Cream Magnum, is a phenomenal product that has become a byword and shows efficient product development. Today's consumers are more careful in buying products, especially urban communities. Behind the phenomenal television advertisement by Magnum, another factor that attracts consumers is product attributes. With quality market attributes it is hoped that it will create customer satisfaction, service quality and customer loyalty. Where these three aspects are the key to successful implementation of the marketing concept.

The problem formulated in this study is what attributes are considered by consumers in assessing ice cream products? Do these attributes affect consumer loyalty?

2. RESEARCH METHOD

In researching this factor analysis, data sources were obtained, among others, by interviewing several sources, including ice cream consumers aged 31 years and over to provide product attribute criteria.

Respondents in this study were consumers of Magnum ice cream who live in the Jakarta area. Samples were taken from people living in East Jakarta, South Jakarta, North Jakarta, Central Jakarta and West Jakarta. The sampling method used in this study is a non-probability sampling method.

Hypothesis:

H₀₁ : Dimension 1 product attributes do not significantly influence customer loyalty Magnum ice cream

H_{a1} : Dimension 1 product attributes significantly influence customer loyalty Magnum ice cream

H_{0 n} : The n dimension of product attributes has no significant effect towards Magnum ice cream customer loyalty

H_{a n} : n dimension attribute Product has a significant effect on customer loyalty for Magnum ice cream

3. RESULTS AND DISCUSSION

Validity test

Table 1 Table of product attribute dimension validity test on pre-test

Model	Indicator	Loading Factor
		1
Product1	Material Quality	0.839
Product2	Unique taste	0.782
Product3	Material of choice	0.873
Product4	Balanced taste composition	0.824
Product5	Premium ice cream	0.902
Convenience1	Easy to grip	0.89
Convenience2	Easy to carry anywhere	0.93
Convenience3	Easy to consume immediately	0.85
Comfort1	MUI Halal Certificate	0.785
Comfort2	Hygienic	0.921
Comfort3	Raw material safety	0.947

Service1	Easy to buy anywhere	0.814
Service3	Online consumer service	0.812
Service4	The official site on the internet	0.731
Design1	Attractive packaging	0.843
Design2	Interesting product shape	0.843

(Source: SPSS 15, 2011)

Based on the grouping, of the 25 product attribute factors, 7 dimensions are formed which are obtained by reducing the factors with a value less than 0.5 accompanied by the researcher's judgment, namely by grouping according to the researchers' opinion, 5 dimensions are formed from 17 product attribute factors. The five dimensions have been tested for validity using factor analysis.

It can be seen in the data processing of the factor analysis variable Product Quality has a model value of more than 0.6, meaning that there is no model that has a discrepancy with component 1. The factor analysis of the Ease of Consuming variable has a factor loading of more than 0.6, meaning that no model has a discrepancy with the component 1. Therefore the ease of consuming variable is declared valid and the research can be continued. Factor analysis of Consuming Convenience variable has a factor loading of more than 0.6, meaning that there is no model that has a discrepancy with component 1. Therefore the consumption convenience variable is stated to be valid and research can be continued. Service 2 with a value of 0.585 < 0.6. This means that the variable is not compatible with component 1. Therefore, the service 2 variable has to be removed from component 1 to obtain better results and is declared valid to be able to proceed to further research. Factor analysis of product and packaging design variables has a factor loading of more than 0.6, meaning that none of the models has a discrepancy with component 1. Therefore the product and packaging design variables are declared valid and the research can be continued.

In testing using the KMO MSA (Kaiser Meyer Olkin Measure of Sampling Adequacy) the results showed that the KMO MSA value was 0.5 or > 0.5, namely Product Quality was 0.809, Convenience was 0.70, Security was 0.639, Service was 0.580, and Design was 0.500. With a significance size for eligibility of 0.5 or > 0.5, it can be concluded that of all these variables this research is valid or worthy of further investigation.

For the results of the Anti-image Covariance values in this data, all the results for the Anti-image Covariance values of the data are 0.5 or more than 0.5, namely: The product quality variables are 0.800, 0.930, 0.787, 0.780 and 0.786. The comfort variable is 0.704, 0.646 and 0.784. The service variable is 0.593, 0.523, 0.581 and 0.609. And the design variable is 0.5. Thus, stated for all these dimensions worthy of further investigation.

Table 2. Test the validity of product attribute dimensions on the main test

Model	Indicator	Lading factor
1		
Product1	Material Quality	0.742
Product2	Unique taste	0.725
Product3	Material of choice	0.882
Product4	Balanced taste composition	0.866
Product5	Premium ice cream	0.892
Convenience1	Easy to grip	0.906
Convenience2	Easy brought anywhere	0.897
Convenience3	Easy consumed direct	0.829
Comfort1	MUI Halal Certificate	0.791
Comfort2	Hygienic	0.898
Comfort3	Raw material safety	0.940

Service1	Easy to buy anywhere		0.874
Service2	Even distribution		0.791
Service3	Service on line	consumer	0.721
Design1	Attractive packaging		0.848
Design2	Interesting product shape		0.848

(Source: SPSS 15, 2011)

It can be seen from the factor analysis data processing that the product quality variable has a factor loading of more than 0.6, meaning that there is no model that has a discrepancy with component 1. Therefore, this product quality variable is declared valid and the research can be continued. The factor analysis of the ease of consuming variable has a factor loading of more than 0.6, meaning that none of the models has a discrepancy with component 1. Therefore the ease of consuming variable is declared valid and the research can be continued. Factor analysis of the convenience variable of consumption has a factor loading of more than 0.6, meaning that there is no model that has a discrepancy with component 1. Therefore the consumption convenience variable is declared valid and the research can be continued. The consumer service variable has a variable with a value of <0.60, namely in service 4 with a value of 0.409 <0.6. This means that the variable is not compatible with component 1. Therefore, the service 2 variable has to be removed from component 1 to obtain better results and is declared valid to be able to proceed to further research.

Reliability Test

Table 3 Cronbach reliability test in pre-test

Reliability Statistics			
Variable	Cronbach's Alpha	N of Items	Conclusion
Product	0.898	5	RELIABLE
convenience	0.865	3	RELIABLE
Comfort	0.858	3	RELIABLE
Service	0.725	4	RELIABLE
Design	0.593	2	RELIABLE ENOUGH

(Source: SPSS 15, 2011)

Reliability testing for pre-test data based on the reliability test table with Cronbach, obtained reliable results for the product, convenience, comfort and service variables stating alpha 0.6 or > 0.6 and it can be concluded that the pre-test results are reliable. There is one variable that is less reliable, namely in the design variable the alpha value is 0.593 less than 0.6 or less than the specified limit but the researcher continues to use it until the main-test is carried out, with the hope that it will turn out to be reliable.

Table 4 Table of Cronbach main-test reliability test

Reliability Statistics			
Variable	Cronbach's Alpha	N of Items	Conclusion
Product	0.881	5	RELIABLE
convenience	0.851	3	RELIABLE
Comfort	0.846	3	RELIABLE
Service	0.674	4	RELIABLE
Design	0.610	2	RELIABLE

(Source: SPSS 15, 2011)

Reliability test with Cronbach, obtained reliable results for all variables stating alpha 0.6 or > 0.6 and it can be concluded that the results of the main-test are reliable.

Classic assumption test

Normality test

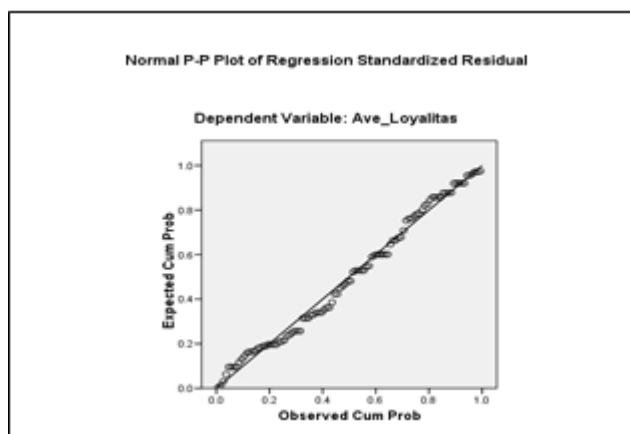


Figure 4.8. PP Plot Graph, Normality Test

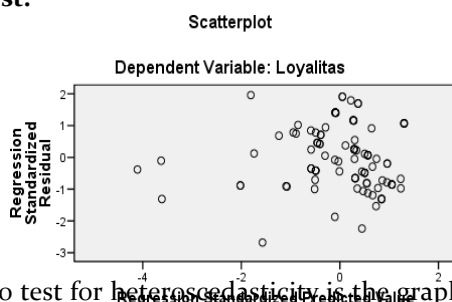
(Source : SPSS 15,0 2011)

The normality test with the Normal P-Plot approach can be seen from the data that spreads around the diagonal line and follows the diagonal line which indicates the normality of the data. In this study, linear regression analysis was used which then resulted in normality PP plot graphs. Below are the results of the normality test which explains that knowing the data population is normally distributed.

Multicollinearity test

According to Santoso (2001), generally if the VIF is greater than 5, then the variable has a multicollinearity problem with other independent variables. From the results of the Coefficient table it can be seen that the value of the variance inflation factor (VIF) of the five variables, namely Product Quality, Ease of Consuming, Convenience of consumption, Consumer Service, and Product and Packaging Design, namely 2,230, 1,152, 1,203, 1,432, and 2,521 is less than 5, meaning between independent variables there is no problem of multicollinearity.

Heteroscedasticity test.



One technique to test for heteroscedasticity is the graphical method (Gujarati, 2006). Residual points that reflect a pattern that is not systematic (random) can be said to be Homoscedastic. Conversely, residuals that do not reflect a systematic pattern (not random) can be said to be heteroscedastic (Malhotra, 2004). From the scatterplot Figure 4.9 it is known that the residual points do not form a certain pattern so that it can be said that there are no heteroscedasticity symptoms. Then research can be continued.

Regression Analysis Test.

Regression analysis is one of the analyzes that aims to determine the effect of an independent variable on the dependent variable. on Consumer Loyalty of Magnum ice cream.

Adjusted R square.,

The sample distribution was carried out by 100 respondents. It can be seen from the results of this research data processing from Adjusted R Square with a number of 0.285 or (28.5%). The percentage of contribution of the independent variable to the dependent variable is 28.5% or there is a moderate relationship between the product attribute variables and the customer loyalty of Walls Magnum ice cream. While the remaining 71.5% is influenced or explained by other variables that are outside this mode.

Table 8. The r square hypothesis
Summary modelb

Model	R	R Square	Adjusted R Square
1	.652a	.425	.393

Source: processed research data, 2009

Obtained R square of 0.425, the efficiency of working capital explains the variation in profitability of 42.5%. Meanwhile, 57.5% is influenced by other factors as said by ima (2002), namely total sales and total costs. Thus, the research results are in accordance with the author's hypothesis in this study, namely the efficiency of working capital has a significant influence on the level of profitability, so that Ho rejected.

Significance Test

F test

Regression research uses the F test which is used to determine whether the independent variables jointly 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 output of the regression analysis in this study, it can be seen in the ANOVA table which shows an F value of 8,888. The value of F table is 2.31 (N=100, Df1=5, Df2=94) so it can be concluded that F count > F table (8.888>2.31), then Ho is rejected.

Table 9. Coefficient Linear Regression Table

Model	B	Betas	sig.	VIF
Cons. Loyalty	-0.308		0.635	
Product	0.518	0.444	0.001	2.23
convenience	0.044	0.062	0.496	1.152
Comfort	0.263	0.226	0.017	1.203
Service	0.077	0.052	0.611	1,432
Design	0.008	0.006	0.963	2,521

(Source: SPSS 15. 2011)

From the coefficient table obtained from the SPSS processing results, there are variables with sig. which has a value less than 0.05. The product quality and comfortable variables have a sig value below 0.05, then "Ho is rejected" in the product quality and consumption convenience model, meaning that there is a significant effect of the product quality and consumption convenience variables on the consumer loyalty variable.

t test

Based on table 9, the value of Sig. of 0.001. To find out the truth of the hypothesis, the criterion is used if $p \leq 0.05$ then Ho is rejected, meaning that there is an influence between the dependent variable and the independent variable with a degree of confidence $\alpha = 5\%$. Vice versa if $p \geq 0.05$ then Ho cannot be rejected and Ha is rejected, meaning that there is no influence between the dependent variable on the independent variable with a degree of confidence $\alpha = 5\%$. Due to the value

of Sig. of 0.001 and more than 0.05 then H_0 is rejected. This means that product quality has a significant influence on consumer loyalty.

Managerial Implications.

Magnum is a trademark produced by an ice cream company that is well known throughout the world with its heart logo, namely Walls. The presence of Magnum ice cream as a premium ice cream that is sold anywhere is able to attract the attention of consumers. In the research, it was found that improvements in product quality, convenience in consuming, safety in consumption, customer service and product and packaging design affect the increase in customer loyalty.

Product quality

The product quality that can be felt the most is the quality of the ice cream ingredients which consist of milk, sugar, water, vanilla, chocolate and other quality ingredients to maintain the quality of Magnum products. Quality in food products needs to be maintained, for example in setting production standards.

Convenience of Consuming.

The convenience of consuming food products in particular, the psychological element of consumers who feel comfortable is the most basic thing when consumers buy them. In Indonesia in particular, product halalness is very important because the majority of Indonesian people are Muslims. Magnum must announce the clarity of the halal status of its products in the form of a halal certificate from the Indonesian Ulema Council. In terms of convenience to consume, producers must pay more attention to product halal certification, because Magnum products have had a declining popularity due to news on the internet and social media regarding doubts about the halalness of their products which are rumored to contain ingredients containing lard. "That is not true. Magnum has received a halal certificate from LPPOM.

4. CONCLUSION

Based on exploratory studies and a review of the literature, a number of attributes that consumers pay attention to when choosing ice cream products can be identified. From the results of exploratory factor analysis on a number of these attributes, it can be concluded that there is a grouping of attributes into five dimensions of ice cream product attributes. The five dimensions are product quality, ease of consumption, convenience of consumption, customer service, and product and packaging design.

Based on the results of multiple regression analysis of the five dimensions of ice cream product attributes on customer loyalty, it can be concluded that two of the five dimensions have a significant effect on customer loyalty. These dimensions are product quality and convenience in consuming. Meanwhile, the influence of ease of consumption, customer service, and product and packaging design on customer loyalty is not supported by data.

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