

# Customer Loyalty in Supply Chain Management Model: Promotion, Products, and Registration Decision Analysis

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**Abstract**— ASEAN Economic Community (AEC) at the end of 2015 became a new chapter for Indonesia. Customer Loyalty and Supply Chain Management is the result of years of work by the authors on different projects concerning the overlapping areas of supply chains, logistics and marketing, drawing a connection between the literatures to provide a holistic picture of the customer loyalty framework. It is solely to improve the competitiveness of local human resources with foreign workers, especially from ASEAN. In line with that began to emerge places of English training or commonly called tutoring both in rural and urban areas. While the variables used are promotion and price, the decision to register as a mediating variable and customer loyalty based on supply chain management model. The analytical tool used is SEM PLS. Promotion has no positive and significant effect, but price has a positive and significant effect on customer loyalty based on supply chain management model. While other findings are the decision of customers also has a positive and significant effect on customer loyalty based on supply chain management model.

**Keywords**— *supply chain management, Promotion, Product, Purchase Decision, Loyalty.*

## 1. Introduction

The adoption of supply chain management practices is critical to the provision of quality products and services as well as the satisfaction of customers by small to medium enterprises. The ASEAN Economic Community (AEC) which came into force at the end of 2015 has become a new chapter for Indonesia. The labor competition among ASEAN countries is becoming increasingly fierce. The labor market in Indonesia is now not only controlled by local human resources but also

has to compete closely with human resources from neighboring countries such as Thailand, Malaysia, Philippines, Vietnam, Laos and others.

Entering this era inevitably forced workers should be able to communicate fluently in English. Being able to speak English properly and correctly can be additional value for these workers. At least by mastering it, Indonesia's human resources can compete with HR from other ASEAN countries. In the initial stages of employee recruitment selection interviewers usually emphasize the ability to speak English prospective employees. This, of course, aims to improve the company's image from investors.

The following author presents a comparison chart of the 2016 English Proficiency Index (EPI) report in 2016 and 2018 among Asian countries [1].

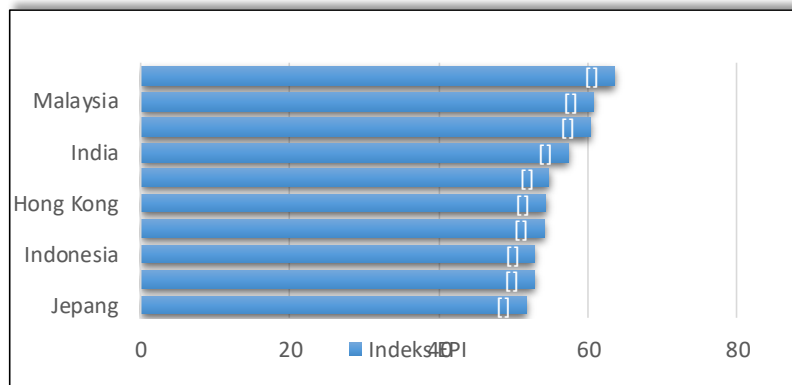


Figure 1. 2016 English Language Proficiency Index

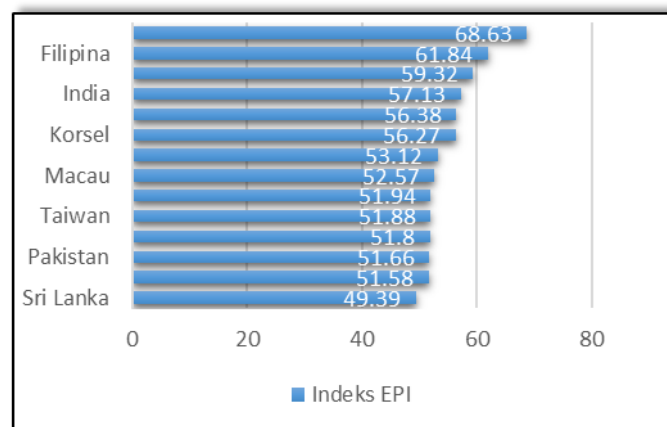


Figure 2. English Language Proficiency Index in Asia 2018

From the data presentation above, many business actors in the non-formal education services sector are competing to establish English Language Training and Training Institutions with the aim to increase the competence of Indonesians in using English, of course this is coupled with the increasing demand in the community. This will make business competition and English language

training courses become increasingly competitive to be a winner in marketing of its variety products. Figure 1 and 2 show data on the number of Course and Training Institutions in the first quarter of 2017 where the number of English language course institutions was 4728 throughout Indonesia.

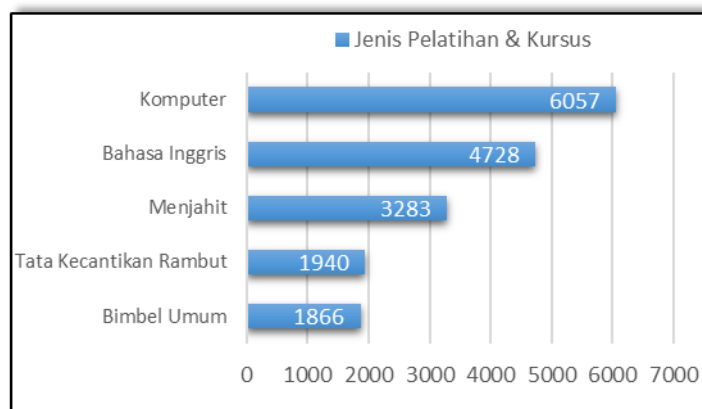


Figure 3. Index of 5 Most Training Institutions Types as of April 2017

Educational institutions that provide course services are not only mushrooming in urban areas, but nowadays there are many types of Training Institutions found in both rural and small cities in the form of private lessons or Tutoring. Tutoring is a non-formal education program that will be a continuation or enrichment which is part of a school program that aims to help customer s explore the subject matter obtained from school. Table 3 above shows the distribution of the number of tutoring in several provinces in Indonesia in the first quarter of 2017.

### 1.1 Research Problem Formulation

Based on the description in the background above, the problem can be formulated as follows.

- 1) Does promotion affect on decision to register?
- 2) Does product offered affect on decision to register?
- 3) Does decision to register effect on customer loyalty based on SCM model?
- 4) Does promotion have a direct effect on customer loyalty based on SCM model?
- 5) Does product offered have a direct effect on customer loyalty based on SCM model?

## 2. Literature Review

### 2.1 Loyalty

Loyalty can be defined as a firmly held commitment to buy or subscribe to certain products or services in the future despite the influence of the situation and marketing efforts that have the potential to cause behavior change, [2]. Meanwhile, according to Oliver, quoted by [3-7] states that loyalty is a commitment that is held deeply to buy or support products or services that are preferred in the future even though the influence of the situation and marketing efforts have the potential to cause customers to switch [2]. In addition, [3] defines customer loyalty as customer commitment to a brand, store or supplier based on the very positive nature of long-term purchases. Thus, customer loyalty based on supply chain management model in this case is related to customer s' commitment to remain a part of the tutoring process [8].

### 2.2 Purchasing decision

Purchasing decision is a process where consumers recognize the problem, find information about a particular product or brand and evaluate how well each alternative can solve the problem, which then

leads to a purchasing decision, [3]. Purchasing decision is a consumer decision that is influenced by the financial economy, technology, politics, culture, products, prices, location, promotion, physical evidence, people, and process. Thus forming an attitude on consumers to process all information and draw conclusions in the form of responses that appear what products will be purchased, [4]. The purchase decision is the stage where the buyer has made his choice based on the intention, purchase decision, and consume the product.

### 2.3 Promotion

Many activities of a company are carried out not only producing products or services, setting prices, and selling products or services, but many other activities are interrelated with one another. One of them is promotion. Promotional activities are one part of the company's marketing mix, the contents of which provide information to the public or consumers about the products or services offered by the company. Not only that, promotional activities are communication activities between companies and customers or consumers. According to [5], promotion is a one-way flow of information or persuasion that can direct an organization or a person to create transactions between buyers and sellers [5]. Meanwhile, [6] explained that promotion is a marketing function that focuses on communicating marketing programs persuasively to target customers, prospective customers (audiences) to encourage the creation of exchange transactions between companies and audiences.

### 2.4 Price

Price is the amount of money charged for a product or service or more clearly is the sum of all values as an indicator given by a customer to get a benefit by owning or using a product or service by [7]. Price is the only element of the marketing mix that generates income. In determining the pricing policy of a company following the six-step procedure of [7], namely:

- a) Choose the pricing objective

Various price objectives are survival, maximizing short-term profits, maximizing short-term income, maximum sales growth, filtering the market to the maximum, filtering the market to the maximum and excelling in product quality and others. The five main objectives of pricing are:

- a) Ability to survive
- b) Maximum current profit
- c) Maximum market share
- d) Maximum market understanding
- e) Product quality leadership and other objectives

### 2) Determine the request

Each price will lead to a different level of demand and because of that it will have various impacts on the company's marketing objectives. Various factors that affect demand are:

- a) Uniqueness
- b) Awareness of replacements
- c) Difficulty of comparing
- d) Total expenditure
- e) Final benefits
- f) Shared costs
- g) Combined investment
- h) Price quality

### 3) Estimating costs

The demand sets a price limit that the company can impose for its products. Costs set a lower limit. The company wants to charge prices that can cover the costs of producing, distributing, and selling products including a reasonable rate of return for the business and the risks. But when companies set product prices that can cover their full costs, profitability is not always the end of the result.

4) Analyze costs, prices, and competitors' offers. In estimating the possibility of prices determined by market demand and company costs, the company must take into account the costs, prices,

and possible reaction of competitors' prices. The company must first consider the price of the closest competitor. If a competitor's offer contains features that are not offered by the company, the company must deduct their value from the company's price. Now the company can decide whether it can strain more, equal or less than competitors.

### 5) Choosing a pricing method.

There are six pricing methods, namely:

- a) Mark up
- b) Determining the price of the rate of return or target profit
- c) Pricing according to perceived value
- d) Pricing according to perceived value
- e) Determination of going rate prices. Pricing is through existing markets.
- f) Determination of auction type prices.
- g) Choose the final price

The pricing method narrows the range from which the company must choose the final price. In choosing that price, companies must consider the factors of fracture, psychological factors, the influence of other marketing mix elements on prices, company policy on selling prices including the impact of other marketing activities [7]

## 2.5 Conceptual Framework

Based on the theory above, the conceptual framework as follows:

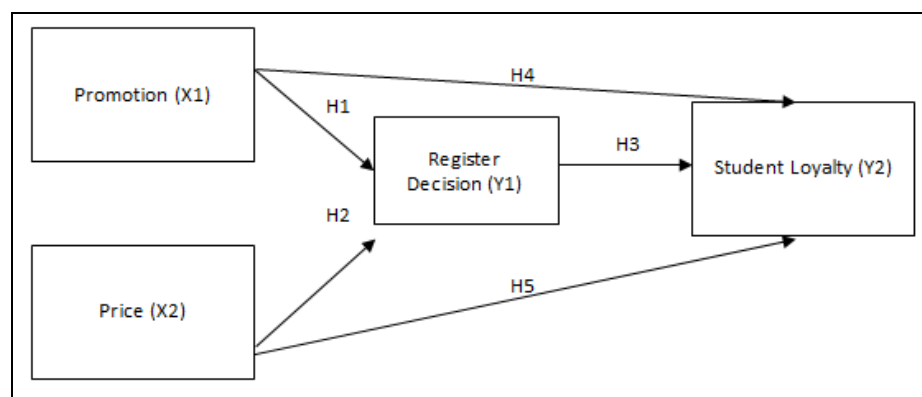


Figure 4. Conceptual Framework

## 2.6 Hypothesis

From various theories and previous studies that the author has summarized as a foundation and from the framework of thought that the author has

compiled, the next step is to form hypothesis based on predetermined variables, namely:

H1: Promotion has a positive and significant effect on decision making

H2: Price has a positive and significant effect on decision making

H3: Decision making has a positive and significant effect on customer loyalty based on SCM model

H4: Promotion has a positive and significant effect on customer loyalty based on SCM model

H5: Price has a positive and significant effect on customer loyalty based on SCM model

### 3. Methods

#### 3.1 Research methodology

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions, [8]. This population is a group of subjects who want to be subjected to the generalization of research results, [9]. Thus the population in this study is the customers which is 320 throughout 2017.

The research sample is part of the number and characteristics possessed by the population, [8]. The sampling method used in this study is the non-probability method. Non-probability sample method in this study is purposive sampling. According to [10], "the sampling here is confined to specific types of people who can profile information, either because it is the only ones who have it or the conform to some criteria set by researchers" [9, 10].

The above statement explains that the sampling here is limited to certain types of people who can provide the desired information, either because it is the only one that has it, or according to some criteria set by the researcher. The criteria set are:

- 1) Customer s who take part in the Tutoring program at Griya English Fun.
- 2) Customer s who are junior and senior high school education.
- 3) Customer s who are in Griya English Fun location when doing research.

#### 3.2 Analysis Methods and Tools

The method of analysis of this study is a quantitative method and its analysis tool with SEM Before being analyzed by Path analysis, the instrument test (questionnaire) is tested first with validity, reliability, and Hypothesis tests. SEM analysis aids with the Smart PLS 3.0 application. Promotion and price as independent variables, register decisions as intervening variables and customer s loyalty as dependent variables. To test intervening variables the path analysis method is

used, as an extension of multiple linear regression analysis.

The method can be drawn as in the image with the structure and sub structure of the path as below:

$$Y = \text{Py}_{X_1} X_1 + \text{Py}_{X_2} X_2 + \varepsilon_1$$

$$Z = \text{Pz}_{X_1} X_1 + \text{Pz}_{X_2} X_2 + \text{Pzy} \cdot Y + \varepsilon$$

Note:  $X_1$  = Promotion;  $X_2$  = Price;  $Y$  = Purchase Decision;  $Z$  = Loyalty; and  $\varepsilon$  = epsilon (other factors that influence)

### 4. Result

#### 4.1 Evaluate Measurement (Outer) Models

The purpose of this study was to investigate the relationship between customer satisfaction, SCM practices and quality, variety and flexibility amongst SMEs in South Africa. Two input factors; namely, product quality and flexibility emerged as significant predictors of the ease of adoption of SCM practices in SMEs. However, product variety had no significant relationship with the adoption of SCM practices. In addition, SCM practices significantly predicted customer satisfaction. It can be concluded then that there is a positive and significant relationship between customer satisfaction and two factors; specifically, product quality and flexibility, but the relationship is mediated by the embracing and implementation of SCM practices within SMEs. There are three values that must be considered at this stage, namely convergent validity, discriminant validity, and composite reliability.

- 1) Convergent validity, the correlation between the reflexive indicator scores and the latent variable scores. This research uses loading 0.5 to 0.6 is considered sufficient, because it is the initial stage of developing the measurement scale and the number of indicators per construct is not large, namely 2 to 4 indicators.
- 2) Discriminant validity, reflexive indicator measurement based on cross loading with its latent variables. Another method is by comparing the square root of average variance extracted (AVE) values of each construct with the correlation between other constructs in the model. If the initial measurement values of the two methods are better than the other construct values in the model, it can be concluded that the construct has a good discriminant validity value or vice versa. Accordingly, it is recommended that the measurement value be greater than 0.50.

- 3) Composite reliability, a block indicator that measures the internal consistency of construct indicators, shows the degree that indicates common latent (unobserved). The construct is declared reliable if it has a composite reliability value above 0.70 and Cronbach's alpha above 0.60 even though it is not an absolute standard.

Convergent validity is used to determine instrument items that can be used as indicators of overall latent variables. The results of this test are measured based on the value of the loading factor (outer loading) of the construct indicator. Following convergent validity test results are presented in the table.

#### 4.2 Convergent Validity

**Table 1.** The result of Convergent Validity test

Variable	Indicator	Outer Loadings	Status
Promotion	X1.1	0.763	Valid
	X1.2	0.767	Valid
	X1.3	0.741	Valid
	X1.4	0.759	Valid
	X1.5	0.714	Valid
	X1.6	0.722	Valid
	X1.7	0.745	Valid
	X1.8	0.721	Valid
Price	X2.1	0.812	Valid
	X2.2	0.798	Valid
	X2.3	0.817	Valid
	X2.4	0.752	Valid
	X2.5	0.787	Valid
	X2.6	0.785	Valid
	X2.7	0.830	Valid
	X2.8	0.826	Valid
	X2.9	0.822	Valid
	X2.10	0.755	Valid
	X2.11	0.744	Valid
Register Decision	Y1.1	0.752	Valid
	Y1.2	0.785	Valid
	Y1.3	0.793	Valid
	Y1.4	0.793	Valid
	Y1.5	0.765	Valid
	Y1.6	0.861	Valid
	Y1.7	0.825	Valid
	Y1.8	0.845	Valid
Loyalty	Y2.1	0.753	Valid
	Y2.2	0.806	Valid
	Y2.3	0.821	Valid
	Y2.4	0.829	Valid
	Y2.5	0.813	Valid
	Y2.6	0.846	Valid
	Y2.7	0.774	Valid
	Y2.8	0.770	Valid

Source: Data processed by researcher, 2019

The table shows that all outer loading factors have values greater than 0.5. So that this measurement can be concluded has met the requirements of convergent validity. The convergent validity of the measurement model using reflective indicators is assessed based on the outer loading factor of the indicators that measure the construct. In this study there are 5 constructs with a number of indicators ranging from 3 to 10 indicators with a scale of 1 to 5.

If the correlation coefficient is equal to 0.3 or more (at least 0.3) then the instrument is declared valid, and invalid if the correlation coefficient is smaller than 0.3. [8] states based on the results of the loading factor above, it is concluded that the

construct which has a dominant loading factor above 0.5 has a good convergent validity [8].

Validity test is also performed by testing methods comparing the value of the square root of average variance extracted (AVE) in each construct with the correlation between other constructs contained in the model.

**Table 2.** Average Variance Extracted (AVE)

<i>VARIABLE</i>	<i>Average Variance Extracted (AVE)</i>
<i>Promotion</i>	0.645
<i>Price</i>	0.643
<i>Register Decision</i>	0.561
<i>Loyalty</i>	0.634

Source: Data processed by researcher, 2019

#### 4.3 Composite Reliability and Cronbach's Alpha

Besides the construct validity test, a construct reliability test is also measured by composite

reliability and Cronbach's alpha from the indicator block that measures the construct. The following are the results of testing the reliability and cronbach's alpha composite of Smart PLS:

**Table 3.** Composite Reliability and Cronbach's Alpha

<i>Variable</i>	<i>Cronbach's Alpha</i>	<i>Composite Reliability</i>
<i>Promotion</i>	0.922	0.936
<i>Price</i>	0.921	0.935
<i>Register Decision</i>	0.913	0.927
<i>Loyalty</i>	0.943	0.950

Source: Data processed by researcher, 2019

The construct is declared reliable if it has a composite reliability value above 0.70 and Cronbach's alpha above 0.60. From the results of SmartPLS output above, all constructs have composite reliability values above 0.70. So it can be concluded that the construct has good reliability.

The measurement model for the validity and reliability test, the coefficient of determination of the model and the path coefficient for the equation model, can be seen in the following figure:

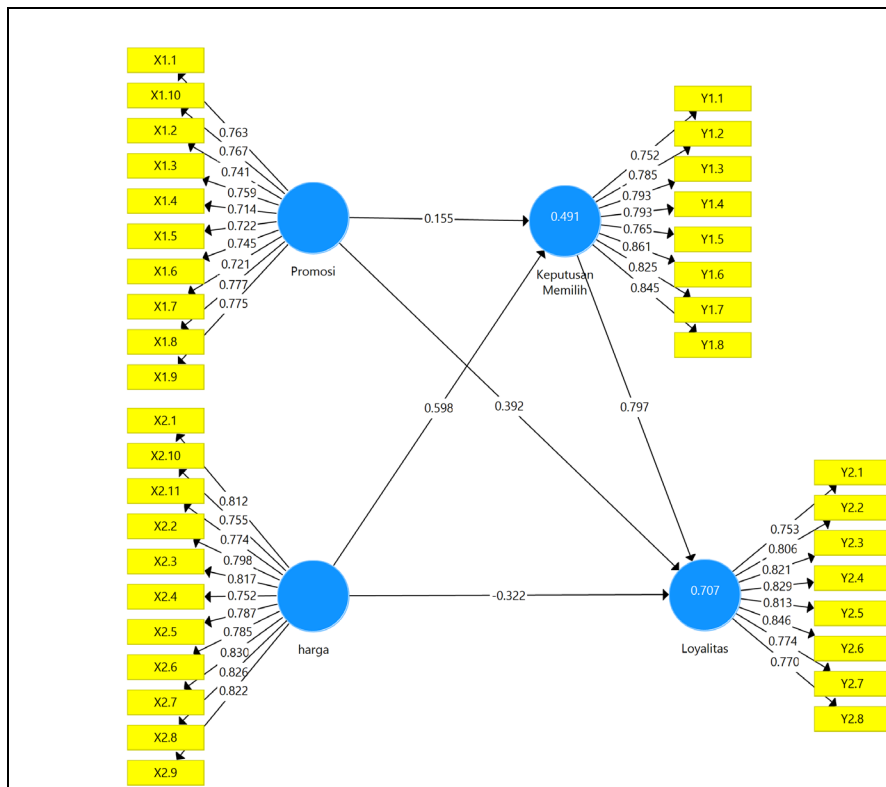


Figure 5. The result of PLS Algorithm

Source: Data processed by researcher, 2019

4.4 Structural Testing

4.4.1 Structural Model Testing (Inner Model)

The structural model in PLS is evaluated using R2 for the dependent variable and the value of the path

coefficient for the independent variable which is then assessed for its significance based on the t-statistic value of each path. The structural model of this research can be seen in the following figure:

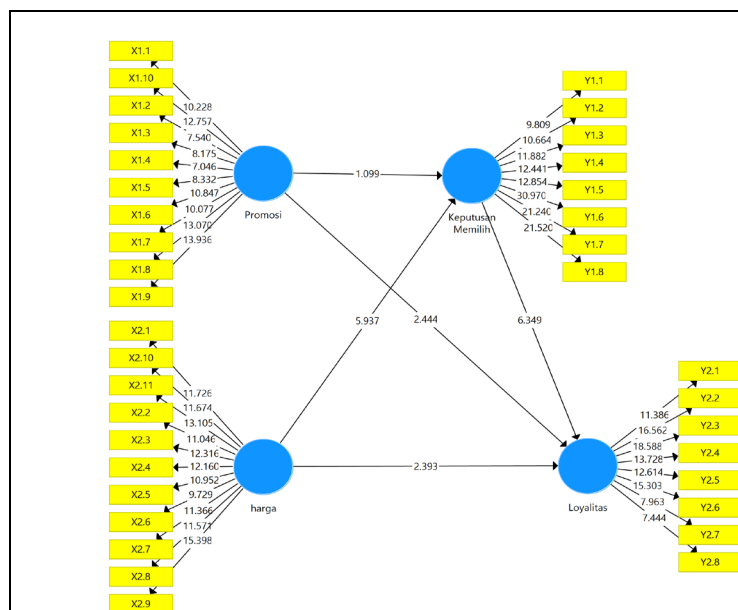


Figure 6. The result of PLS Bootstrapping

R2 values for each endogenous variable in this study can be seen in Table



**Table 4.** *R-square*

<i>Variable</i>	<i>R Square</i>	<i>R Square Adjusted</i>
Register Decision (Y1)	0.491	0.481
Loyalty (Y2)	0.707	0.698

Source: Data processed by researcher, 2018

The value of R Square Register Decision (Y1) of 0.491 shows a double correlation (promotion and price analysis) with register decision, and R Square Loyalty Value (Y2) of 0.707 shows a double correlation (promotion and price analysis)

#### 4.4.2 Goodness of Fit

The next stage will be to evaluate the model through goodness of fit. The assessment of goodness of fit is known from the Q-Square value. Q-Square value has the same meaning as the coefficient of determination (R-Square) in the regression analysis, where the higher the Q-Square, the model can be said to be more fit with the data. The results of the calculation of the values of Q-Square are as follows:

$$\begin{aligned} \text{Q-Square} &= 1 - [(1-0,491) \times (1-0,707)] \\ &= 1 - (0.509 \times 0.293) \\ &= 1 - 0.145 \\ &= 0.855 \end{aligned}$$

Based on the calculation above, the Q-Square value of 0.749 is obtained. This shows the amount of diversity of research data that can be explained by the research model is 85.5%, while the remaining 14.5% is explained by other factors that are outside this research model. Based on these results, the model in this study can be stated to have had an excellent goodness of fit.

Other variables or other factors that can influence purchasing decisions include service quality and a significant positive effect on purchasing decisions, [11], brand trust has a positive and significant effect on purchasing decisions, brand equity has a positive and significant effect on purchasing decisions, etc.

#### 4.5 Calculation of Influence between Variables

The Calculation of Influence between Variables as follows:

**Table 5.** Path Coefficients (Mean, STDEV, t-Value)

<i>Variable</i>	<i>Original Sample (O)</i>	<i>T Statistics</i>	<i>P Values</i>	<i>Significance Level</i>
<i>Promotion -&gt; Register Decision</i>	0.155	2,050	0.027	<0.05
<i>Price -&gt; Register Decision</i>	0.598	5.937	0.000	<0.05
<i>Register Decision -&gt; Loyalty</i>	0.797	6.394	0.000	<0.05
<i>Promotion -&gt; Loyalty</i>	0.392	2.444	0.015	<0.05
<i>Price -&gt; Loyalty</i>	0.322	2.393	0.017	<0.05

Source: Data processed by researcher, 2019

Based on the table above it can be seen that the measurement model formed is the Equation Model as below:

$$Y1 = 0.155X1 + 0.598X2$$

$$Y2 = 0.797Y1 + 0.392X1 + 0.322X2$$

Where,

X1 = Promotion Variable

X2 = Price Variable

Y1 = Register Decision Variable

Y2 = Loyalty Variable

The equation above can be interpreted as follows:

- 1) Promotion has a positive coefficient direction on Register Decision.

- 2) Prices has a positive coefficient direction on Register Decision
- 3) Register decision has a positive coefficient direction on loyalty
- 4) Promotion has a positive coefficient direction on loyalty
- 5) Price has a positive coefficient direction on loyalty.

#### 4.6 Hypothesis testing

Based on data processing conducted by researchers can be used to answer the hypothesis of this study. Hypothesis testing in this study was conducted by

looking at the t-value and p-value. The research hypothesis can be accepted if the p-value  $<0.05$  and the calculated t value is positive. Following are the

results obtained in the hypothesis testing in this study through the inner model:

**Table 6.** Hypothesis testing

Hypothesis	Effect	T-Value	P-Value	Result
H1	Promotion affects on register decision	2,050	0.027	Proved
H2	Price affects on register decision	5.937	0.000	Proved
H3	Register decision affects on loyalty	6.394	0.000	Proved
H4	Promotion affects on loyalty	2.444	0.015	Proved
H5	Price affects on loyalty	2.393	0.017	Proved

Source: Data processed by researcher, 2019

The table above shows that the probability value (p) is less than 0.05. The level of significance was set at 5% so that the significant hypothesis limit was  $p < 0.05$ , [12]. Thus the promotion variable has a significant effect on the decision variable and the price has a significant effect on the decision variable to register then promotion, the price and the decision to register also partially influences customer loyalty based on SCM model.

#### 4.7 Hypothesis Test Results

##### 4.7.1 Hypothesis 1 Test Results: Promotion affects on Registration decision

Discussion on hypothesis 1 regarding the effect of promotion on the decision to register which is mathematically formulated to null hypothesis (H0) and alternative hypothesis (Ha) as follows.

H0: Promotion has no positive and significant effect on register decision

H1: Promotion has a positive and significant effect on register decision

The results of data analysis obtained the value of T Value = 2.050 and the probability of significance (P Value) = 0.027. The level of significance was set at 5% so that the significant hypothesis limit was  $p < 0.05$ , [12]. It can be stated H1 is accepted, meaning that the promotion has a positive and significant effect on the decision of customer s to register.

##### 4.7.2 Hypothesis 2 Test Results: Price affects on Register Decision

Discussion on Hypothesis 2 regarding to the effect of the product on the decision to register in tutoring in Griya English Fun which is mathematically

formulated null hypothesis (H0) and alternative hypothesis (Ha) as follows.

H0: Price has no positive and significant effect on the decision to register

H2: Price has a positive and significant effect on the decision to register

The results of data analysis obtained the value of T Value = 2.444 and the probability of significance P Value = 0.000. The level of significance was set at 5% so that the significant hypothesis limit was  $p < 0.05$ , [12]. Thus through an estimated value that is positive and  $p < 0.05$  can be stated H2 is accepted, meaning that the price offered by Tutoring Griya English Fun has a positive and significant effect on customer s' decision to register.

##### 4.7.3 Hypothesis 3 Test Results: Register decision effects on Customer loyalty based on SCM model

Discussion on hypothesis 3 regarding the effect of the decision to register on customer loyalty based on Supply Chain Management model in tutoring in Griya English Fun is mathematically formulated the null hypothesis (H0) and the alternative hypothesis (Ha) as follows.

H0: The decision to register has no positive and significant effect on customer loyalty based on SCM model

H3: The decision to register has a positive and significant effect on customer loyalty based on SCM model

The results of data analysis obtained the value of T Value = 6.394 and the probability of significance P Value = 0,000. The level of significance was set at 5% so that the significant hypothesis limit was  $p < 0.05$ , [12]. Thus through an estimated value that is positive and  $p < 0.05$  can be declared H3 accepted, meaning that the decision of customer s to register at Tutoring Griya English Fun has a positive and

significant effect on customer loyalty based on Supply Chain Management model.

#### *4.7.4 Hypothesis 4 Test Results: Promotion affects on Customer loyalty based on Supply Chain Management model*

Discussion on Hypothesis 4 regarding the effect of promotion on customer loyalty based on SCM model in tutoring learning which is mathematically formulated to null hypothesis (H0) and alternative hypothesis (Ha) as follows.

H0: Promotion has no positive and significant effect on customer loyalty based on Supply Chain Management model

H4: Promotion has a positive and significant effect on customer loyalty based on SCM model

The results of data analysis obtained the value of T Value = 2.444 and the probability of significance P Value = 0.015 the level of significance was set at 5% so that a significant hypothesis limit was  $p < 0.05$ , [12]. Thus through the estimated value that is positive and  $p < 0.05$  can be stated H4 is accepted, meaning that the promotion has a positive and significant effect on customer loyalty based on Supply Chain Management model.

#### *4.7.5 Hypothesis 5 Test Results: Price effects on Customer loyalty based on Supply Chain Management model*

The discussion on Hypothesis 5 regarding the effect of the price on customer loyalty based on Supply Chain Management model in is mathematically formulated with the null hypothesis (H0) and the alternative hypothesis (Ha) as follows.

H0: Price has no positive and significant effect on customer loyalty based on SCM model

H5: Price has a positive and significant effect on customer loyalty based on SCM model

The results of data analysis obtained the value of T Value = 2.339 and the probability of significance (P) = 0.017.

The level of significance was set at 5% so that the significant hypothesis limit was  $p < 0.05$ , [12]. Thus through an estimate value that is positive and  $p < 0.05$  can be stated H5 is accepted, meaning that price at Tutoring Griya English Fun has a positive and significant effect on customer loyalty based on SCM model.

This research discussed about loyalty supported by previous research, among others: [13-15]. This research also discussed about promotion and price

supported by previous research, among others [16-19].

## **5. Conclusion**

### **5.1 Effect of Promotion on Register Decision**

The purpose of this study was to investigate the relationship between customer satisfaction, SCM practices and quality, variety and flexibility amongst SMEs in South Africa. Two input factors; namely, product quality and flexibility emerged as significant predictors of the ease of adoption of SCM practices in SMEs. However, product variety had no significant relationship with the adoption of SCM practices. In addition, SCM practices significantly predicted customer satisfaction. It can be concluded then that there is a positive and significant relationship between customer satisfaction and two factors; specifically, product quality and flexibility, but the relationship is mediated by the embracing and implementation of SCM practices within SMEs. From the results of hypothesis testing generated through SEM analysis, it states that the promotion variable has a positive and significant influence on the decision variables. This indicates that personal selling, advertising, sales promotion, publications both through print and electronic media (radio) and public relations such as introducing course programs to schools around Tutoring Griya English Fun have been running quite effectively.

Similar research was conducted by [20] in a journal entitled "Assessing the Influence of Advertising on Customer Enrolments in Private Tertiary Institutions in Ghana". The research informs that promotional activities in this case advertising have a strong influence on customer s' decisions in choosing tertiary institutions in Ghana. In addition, Osman [20], Muhammad Tahir Jan & Andy B. Ibrahim in his journal entitled "Factors Influencing Customer s' Decisions In Choosing Private Institutions Of Higher Education In Malaysia: A Structural Equation Modeling Approach" also stated that promotion was wrong one determining factor in the decision to choose a private tertiary institution in Malaysia [20].

### **5.2 Effect of Price on Register Decision**

Next is a discussion of hypothesis 2 generated through SEM analysis stating that the price variable has a positive and also significant influence on the

decision variables. Factors such as the diversity of programs offered, the availability of superior programs, programs that are in line with what is offered, the assurance that the program is of high quality, the competence of teachers in delivering the programs offered greatly affects customer s to decide whether they will study at Tutoring Griya English Fun or not.

This hypothesis is supported by research conducted by [21] with his research entitled "Model of Purchasing Decision (Renting) of Generator Set: Analysis of Product Quality, Price and Service at PT. Hartekprima Listrindo ". The study mentioned that the factors that influence the decision in choosing [22].

In [23], customer Satisfaction Model: Product Analysis, Price, Promotion, and Distribution (Case Study at Pt Integrasia Utama) also produces the same research where price has a dominant influence on its influence on decisions.

### **5.3 Effect of Registration Decisions on Customer loyalty based on SCM model**

From the results of hypothesis testing generated through SEM analysis, it is stated that the decision variable registering in choosing Griya English Fun as a place of learning has a positive and also significant effect on customer loyalty based on Supply Chain Management model variables. This indicates that the introduction of the Tutoring Griya English Fun brand to the community, the easy search for information about Tutoring Griya English Fun and alternative evaluations to purchase decisions have a strong influence on the creation of customer loyalty based on SCM model to Tutoring Griya English Fun.

Research that supports the results of this hypothesis has been conducted by [21]. in a journal entitled "The Effect of Products and Prices on Consumer Loyalty with Purchasing Decisions as Mediation Variables in Pt.Pertani (Persero) Pekalongan Branch". The results showed that: 1) Products had a positive and significant effect on purchasing decisions, 2) Prices had a positive and significant effect on purchasing decisions, 3) Purchasing decisions had a positive and significant effect on consumer loyalty to rice seeds at PT. Pertani (Persero) Pekalongan Branch [24].

### **5.4 Effect of Promotion on Customer loyalty based on Supply Chain Management model**

Discussion of hypothesis 4 generated through SEM analysis states that the promotion variable directly has a positive and also significant influence on the customer loyalty based on SCM model variable. As explained in the previous discussion that personal selling, advertising, sales promotion, publications both through print and electronic media (radio), and public relations such as introducing course programs to schools around Tutoring Griya English Fun have been running quite effectively and has a strong influence on the creation of customer loyalty based on Supply Chain Management model. The results of this study are supported by research conducted by [22] in a journal entitled "The Effect of Product Quality, Prices and Services on Consumer Loyalty with Purchasing Decisions as Intervening Variables (Study on Bata Shoe Users in Semarang)". Simultaneous analysis results show that product quality, price, and service influence on purchasing decisions. Product quality, price, and service affect consumer loyalty [22].

### **5.5 Effect of Price on Customer loyalty based on Supply Chain Management model**

The last is the discussion about hypothesis 5 that is produced through SEM analysis states that the price variable directly has a positive and also significant effect on customer loyalty based on SCM model. As with the previous discussion which states that factor such as the diversity of programs offered, the availability of excellent programs, programs in accordance with what is offered, the assurance that the program is quality, the teacher's competence in delivering the programs offered greatly influences the loyalty of customers.

The results of this hypothesis are also supported by research conducted by [23]. The influence of destination image and price perception on visitor loyalty in owabong through satisfaction as a mediating variable. The results showed that product price variables significantly influence customer satisfaction which has an impact on customer loyalty.

Besides [24], the influence of product quality and price on loyalty with satisfaction as an intervening variable (study of consumers of oreo biscuits in Surabaya carrefour). The results showed that product price variables significantly influence

customer satisfaction which has an impact on customer loyalty.

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