

Analysis The Role of Integrated Marketing Communication to Maintaining Customer Relationship at Lets Go Kart Malang

By

Mega Purnama Lion

International Management Program, Faculty of Economic and Business, University of
Brawijaya

meggalion@yahoo.com

advisory Lecture :

Misbahuddin Azzuhri, SE., MM, CPHR

ABSTRACT

The background of this study aims to determine the effect of Integrated Marketing Communications consisting of four dimensions, namely Advertising (X_1), Public Relations (X_2), Sales Promotions (X_3), and Personal Selling (X_4) towards Customer Relations (Y) Lets Go Kart Malang. This study used a sample of 100 customer of Lets Go Kart Malang with a specific category, while the sampling technique used purposive sampling. Results of regression showed that integrated marketing communications simultaneously and partially significant influence to the customer relation. Adjusted R^2 value of 0.745, which means 74.5% customer relation is influenced by the independent variable examined, while the remaining 25.5% are other variables that were not detected in this research. Advertising variable (X_1) became dominant variable effect on the customer relation.

Keywords: *Integrated Marketing Communication, Customer Relationship, Let's Go Kart.*

INTRODUCTION

Requiring the development of the urban sport that is fun and easy to reach. Due to the high mobility, high level of activity so that society needs to play sports and get some fun. One of the fun is a popular sport in Malang City is the karting sport. Karting is a variant of four-wheeled vehicle with an open

roof for motor sports track and a small circuit. With a go-kart racing is a lot of rage, especially among young children and even many who love the sport. Aside from being a championship event, the race can be a fun go-kart racing with my friends or one of alternative family vacation activity.

Based on Fitriyan G.Dennis (judulnya apa?), sports karting lately very loved public, young and old for just refreshing, enjoy adrenaline rush and exercise. The high public interest in sport of karting create market opportunities for companies increasing from time to time.

In line with the needs and business opportunities hired karting, starting in 2009 established Lets Go Kart, a company focusing on the field orientation Kart Circuit hired by Automotive Sport Entertainment concept. Driven by young people with the basis of creativity, honesty, started from a hobby and a strong desire to work, Lets Go Kart role in trying to bring an atmosphere of automotive with a fresh feel.

To support business development and achievement of marketing objectives integrated marketing communication is needed which has the goal Forming a strong brand identity in the market to bind together and strengthen all the images and messages for company, coordinating all the messaging, positioning and image, as well as the shape of a corporate identity through all marketing communications, the closer ties between the company (through its products / services) to its customers.

Lets Go Kart Malang during Integrated Marketing Communication is done by providing information relating to the advertising programs run by the company, the promotion is going on, giving the

member card to customers so that customers can enjoy the discount granted to the owner of the card member.

Literature Review

Definition of Integrated Marketing Communication

According to O.C Ferrell and Hartline (2008:282), he describe Integrated marketing communications (IMC) refers to the strategic, coordinated use of promotion to create one consistent message across multiple channels to Ensure maximum persuasive impact on the firm's current and potential customers. IMC takes a 360 degree view of the customey That considers each and every contact That a customer or potential customer may have in his relationship with the firm.

Simply put its IMC can be interpreted as "The process of managing customer relationships yang drive brand value." While the specifics, IMC can be defined as "a process that has crossed the function of creating and maintaining profitable relationships with customers and other stakeholders to control and influence strategic all messages sent to this group and move the dialogue with a purpose to them.

IMC benefits for organizations / companies by OC Ferrel and Hartline (2008:286), among them:

- Establishing a strong brand identity in the market by tying together and strengthen

all the images and messages komunikais perusahaan.

- Coordinate all messages, positioning and image, as well as the shape of a corporate identity through all marketing communications.
- A closer relationship between the companies (mellai products / services) to its customers. In practice, there is to be considered by the perpetrators of IMC
- The solution requires IMC to understand the importance of all the points of contact where customers may suddenly find a particular company, product and brand.
- IMC should be able to produce the consistency of better communication and greater sales impact.
- IMC put the responsibility in the hands of a person to unify the corporate image, corporate image akrena was formed by thousands of corporate activity.
- IMC be the first step for total marketing communications aimed at showing how the company and its products help customers solve their problems.

According to OC Ferrel and Hartline (2008:286), IMC component consists of :

a. Advertising

According to Kottler (2012:436) Advertising is a key component of promotion and is usually one of the most visible elements of an integrated marketing communications program.

b. Public Relations

Based on O.C Ferrel and Hartline (2008:295) Public relations is one of component of a firm corporate affairs activities.

c. Personal Selling

Personal selling is paid personal communication that attempts to inform customer.' about products and persuade them to purchase those products.

d. Sales Promotion

According to O.C Ferrel and Hartline (2008:303) sales promotion involves activities that create buyer incentives to purchase a product or that add value for the buyer or the trade.

Customer Relationship Management

Definition of Customer Relationship Management

Lamb, Hair, McDaniel (2011:699) Customer relationship management is a company-wide business strategy designed to optimize profitability, revenue, and customer satisfaction by focusing on precisely defined customer groups. This is accomplished by organizing the company around customer segments, establishing and tracking customer interactions with the company, fostering customer-satisfying behaviors, and linking all processes of the company from its customers through its suppliers.

According to David L. Kurtz (2012:321) customer relationship management is the combination of strategies and technologies

that empowers relationship programs, reorienting the entire organization to a concentrated focus on satisfying customers. CRM is defined as a unit of sales, marketing and service strategies that prevent the occurrence of work activities that are not coordinated between the well and it depends on the action - the company that coordinated action (Kalakota, 2001). CRM concentrates on what the valued by customers, not on what the company wants to sell. Customers do not want to be treated equally. But they want to be treated individually (Strene, 2000)

Benefits of CRM

In the opinion of James G.Barnes (2003:187), the benefits gained from the implementation of CRM include:

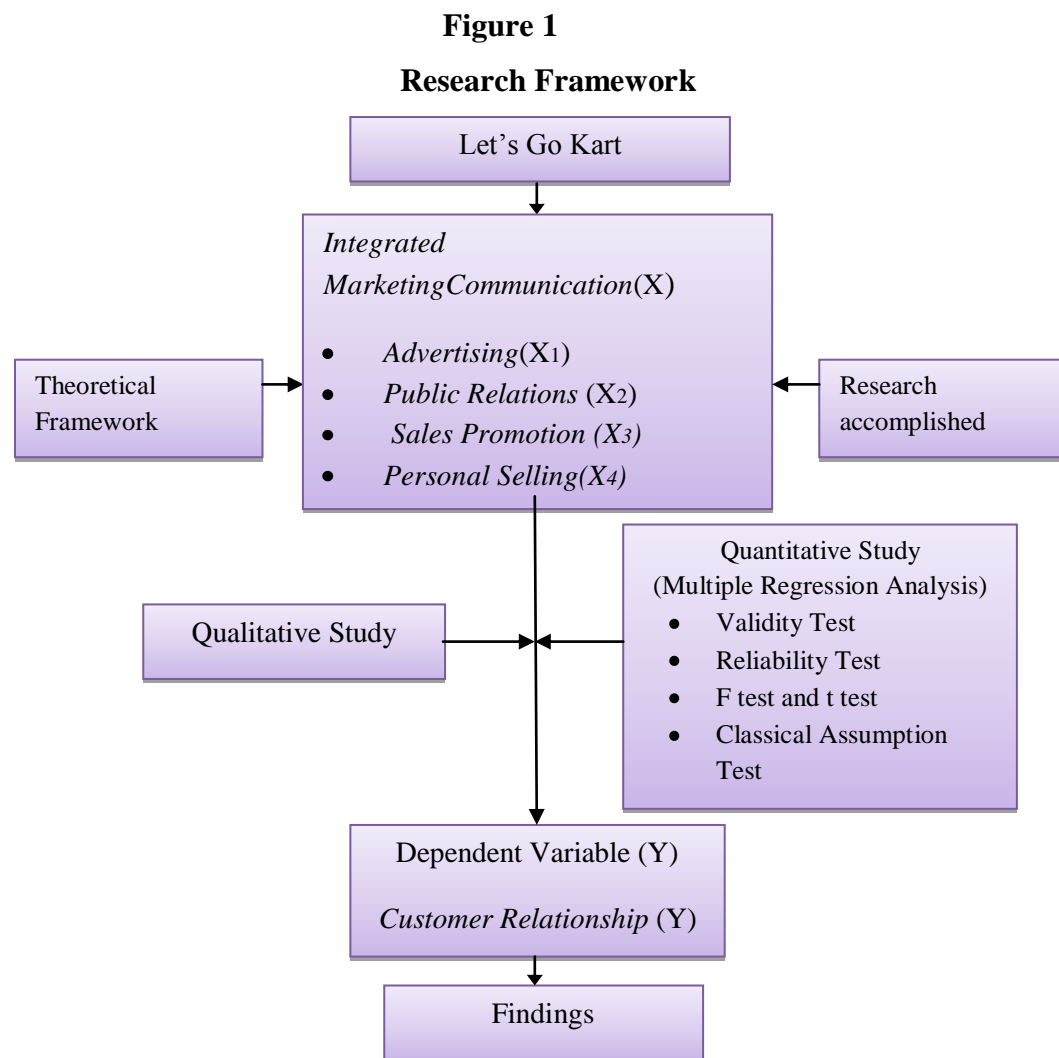
1. Enabling sales to develop customer profiles and history.

2. Support services through management assurance.
3. Tracking and problem solving.
4. Cross-sell and sell more products or which brings great benefits to the customer segments that we target.
5. Attract new customers by offering personalized service.

Meanwhile, according to Turban, Rainer, Porter (2003:252) the benefits to be gained from the implementation of CRM:

6. Makes it easy for consumers to do business / transaction with the company.
7. CRM can focus on the end customer for products and services.
8. Redesigning business processes with customers face to face.
9. Increase the profit of the company.
10. Build a customer loyalty

Research Framework



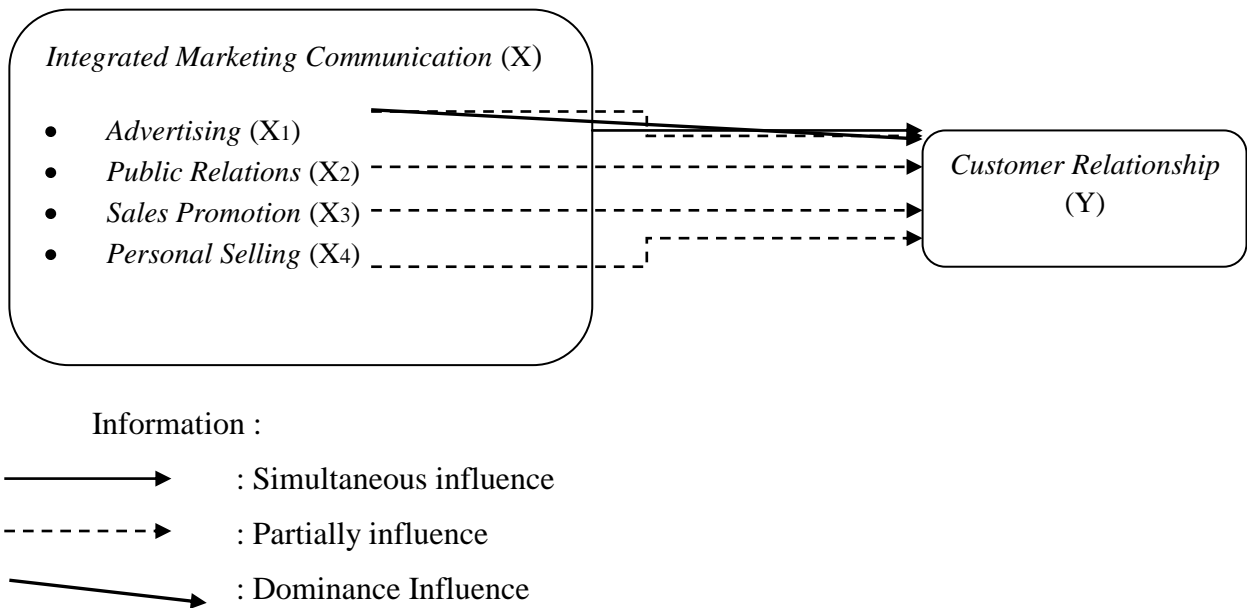
Source : Processed Data, 2012

Hypothesis

Hypothesis is a temporary answer, constructed or formulated based on theories of concept studies, the results of previous studies or from observations of researchers

in the field who want to study the phenomenon. Still be said to be temporary because of verifiable empirical facts obtained through field data collection.

Figure 2
Hypotheses



Formulation of the problem in this study is the formulation of the problem which has the form of associative (a problem that looked at the relationship or the influence of two or more variables). Therefore, after appealing framework and basic concepts, then the hypothesis can be drawn as follows:

H1 : There is significant influence between variables simultaneously Integrated Marketing Communication (X) to Customer Relationship (Y).

H2 :There is significant influence between variable partial Integrated Marketing Communication (X) to Customer Relationship (Y).

H3: advertising (X1) have the dominance influence on customer relationship (Y)

RESEARCH METHOD

Based on the type of data and analysis, this study belong to the type of research with quantitative methods. This type of research in this study belong to the explanation of the study (explanatory research). Study site is a place where research is conducted. The research was conducted at Lets Go Kart Malang in 2012.

The population in this study are all consumers who have done or hire karts at Lets Go Kart. Because the number of consumers who have done or hire is unknown and no sources of data that can provide such information is accurate, it does not allow for examination as a whole. Therefore, the researchers examined a

portion of the population by taking a sample of the population in order to facilitate research. This study uses a non-probability sampling. Types of non-probability sampling is used in this study was purposive sampling.

Because this study examined the number of variables is 2 (two) variables which covers 4 (four) independent variables (Integrated Marketing Communications) and 1 (one) dependent variable (Customer Relationship Management), and based on the opinions of the experts who have described, then the minimum number of samples in this study were ($10 \times 5 = 50$ respondents) and the number of respondents in this study set of 130 respondents. The number of 130 respondents was obtained from the total amount of research indicators 13 (thirteen) multiplied ten times ($13 \times 10 = 130$). The number of 130 respondents is considered also to improve the accuracy of the data to be studied so that it will obtain the maximum results of the Customer Relationship at Lets Go Kart Malang.

To complete this study is needed data. Data is a place, person or object that can provide data for preparation of information material for researchers. Data in this study divided into primary data and secondary data. In this study primary data obtained from the answers respondents through a questionnaire and interview respondents in the field. Secondary data sources such as thesis research, journals,

theses, dissertations, scientific articles on the internet and in newspaper articles. To obtain the data in detail and well, the researchers used questionnaire, observation and interview.

Identification And Operational Definition And Measurement Scale

The attributes of the dependent variable or dependent variable in this study, among others, are as follows:

- a) Customer may lease back in the days to come (Y1, 1).
- b) Consumers feel the company has done a good communication with customers (Y1, 2).
- c) Marketing system by interactive companies to consumers (Y1, 3).
- d) The services performed by the company to make the consumer feel comfortable (Y1, 4).
- e) Consumers get information marketing programs of the company (Y1, 5)

Attributes of each independent variable or independent variable in this study are as follows:

Integrated Marketing Communication(X)

- a. Advertising (X1).
- b. Public Relation (X2).
- c. Personal Selling (X3).
- d. Sales Promotion (X4).

Analysis Data Technique And Hypothesis Testing

Analysis Data Technique that used in this study is multiple linear regression, Ftest and ttest.

RESULT

Multiple Linear Regression Analysis

Multiple linear regression analysis is intended to determine the effect of independent variables on the dependent variable. The results of multiple linear regression calculations using the program SPSS For Windows Release 17 is in full can be seen in the following table:

Table 1 Multiple Linear Regression Analysis

Model	Standardized Coefficients	t_{count}	Sig.	Info
	Beta			
X1(Advertising)	.293	3.287	0.001	Significant
X2(Public Relations)	.277	2.716	0.008	Significant
X3(Sales Promotion)	.205	2.170	0.032	Significant
X4(Personal Selling)	.177	2.847	0.005	Significant
R = 0.868				
R Square = 0.753				
Adjusted R Square = 0.745				
Sign. F = 0.000				
F_{count} = 95.306				
F_{table} = 2.444				
t_{table} = 1.978				

Source : Primary Data Processed, 2012

SPSS output table based on the above regression equation can be formulated in this study are as follows:

$$Y = 0.293X_1 + 0.277X_2 + 0.205X_3 + 0.177X_4$$

Interpretation can be explained by the regression model is formed on top of that is:

- Advertising variable coefficients (X1) is positive for 0.293 and stated that the increasing value of Advertising (X1) it will increase the value of Customer Relationship (Y) or if the company increases advertising will also increase

the customer relationship from the consumer.

- b. Variable coefficient Public Relations (X2) is positive for 0.277 and stated that the increasing value of Public Relations (X2) it will enhance the customer relationship (Y) or if the company's Public Relations enhance the customer relationship will also rise from the consumer.
- c. Sales Promotions variable coefficient value (X3) is positive for 0.205 and stated that the increasing value of Sales Promotions (X3) it will enhance the customer relationship (Y) or if the company increases Promotions Sales will also increase the customer relationship from the consumer.

d. Personal Selling the value of the variable coefficients (X4) is positive for 0.177 and stated that the increasing value of Personal Selling (X4) it will enhance the customer relationship (Y) or if the company increased the Personal Selling the customer relationship will also rise from the consumer.

e. In the table above obtained value of the coefficient of determination (Adjusted R Square) of 0.745, the total magnitude of the effect of independent variables Advertising, Public Relations, Sales Promotion and Personal Selling is for 0.745 or about 74.5%, and the balance of 25.5% influenced by other variables not entered into the equation or study.

Simultaneous Regression Testing (F test)

Table 2 Simultaneous Regression Testing

Independent variable	Dependent variable	Fcount	Significance	Info.
X1(Advertising)	Y (Customer Relationship)	95.305	0.000	Simultaneous effect
X2(Public Relations)				
X3(Sales Promotion)				
X4(Personal Selling)				

Source : Primary Data Processed, 2012

In the table above obtained value of F calculated at 95.305 and the significance of 0.000. Value of F table with db1 and db2 = 4 = 125 and 2444 amounted 0.05 alpha. Because the calculated F value is greater

than the value of F table ($95.305 > 2.444$) or smaller significance value of alpha ($0.000 < 0.05$), then the hypothesis is the hypothesis H1 is accepted and it can be concluded that taken together there is a marked influence of

Advertising, Public Relations, Sales Customer Relation with an error rate of 5%. Promotions and Personal Selling on

Partial Regression Test (t-test)

Table 3 Partial Regression Test

Independent variable	Dependent variable	t_{count}	Significance	Info.
X1(Advertising)	Y (Customer Relationship)	3.287	0.001	Partially effect
X2(Public Relations)		2.716	0.008	
X3(Sales Promotion)		2.170	0.032	
X4(Personal Selling)		2.847	0.005	

Source : Primary Data Processed, 2012

In the table above obtained value of t calculated for variables Advertising (X1) is equal to 3.287, the variable Public Relations (X2) is equal to 2.716, Sales Promotion variable (X3) is 2.170, Personal Selling variable (X4) is equal to 2.847. T_{table} values are obtained with $n = 130$ and alpha of 5% is for 1.978. Because the value t_{count} for Advertising variable (X1) and the variable Public Relations (X2), Sales Promotion (X3), Personal Selling (X4) is greater than t_{table} , then the hypothesis is the hypothesis H2 is accepted and can be said that each independent variable / predictors significantly affect the dependent variable / response.

Dominance Test

Tabel 4 Dominance Test

Independent variable	Dependent variable	β	Significance
X1(Advertising)	Y (Customer Relationship)	0.293	0.001
X2(Public Relations)		0.277	0.008
X3(Sales Promotion)		0.205	0.032
X4(Personal Selling)		0.177	0.005

Source : Primary Data Processed, 2012

From the test results t_{test} independent variable ie Advertising, Public Relations, Sales Promotions, Personal Selling which has a greater influence on the dependent variable Customer Relation, Advertising is known that variable (X1) has the effect of 29.3% for Customer Relationship, Public Relations influential variable 27.7% to Customer Relations, Sales Promotions variable 20.5% have an influence on Customer Relations, Personal Selling influential variable 17.7%. Based on the test results it can be seen that the variable Advertising has the most impact on customer relations. H3 is Accepted. Variable advertising (X1) has the effect of 29.3% for Customer Relation. Variable influence advertising can be utilized by Lets Go Kart to improve customer relations in order to reach the company's goals.

DISCUSSION

Integrated Marketing Communications is one tool that is used as a tool to improve customer relations for the company's progress in the future. Relationships with customers is one of the factors that must be considered by the company for business continuity as a good relationship with the consumer should be nurtured properly. This is realized by Lets Go Kart, as one of the companies engaged in the rental karts require integrated marketing communications to enhance customer relationships. This result consistent Another journal, entitled "The importance of marketing strategy: Gaining the competitive edge with Integrated Marketing Communications (IMC)" by Emerald Article(2006), found that there is no doubt as to the importance of clearly defined marketing activities in driving an organizing forward and helping to maintain competitive advantage. In today fast-paced, highly competitive environment, only strategically-

focused IMC can help move businesses forward.

Integrated marketing communication consists of advertising, public relations, sales promotion and personal selling with a good note by Lets Go Kart to be able to build a good relationship with the consumer. From the results of research on the effects of advertising variables (X1), the variable Public Relations (X2), Sales Promotion (X3), Personal Selling (X4) to the Customer Relations (Y), simultaneously found that, of 4 (four) independent variables on this study is, variables Advertising (X1), the variable Public Relations (X2), Sales Promotion (X3), Personal Selling (X4) significantly influence the dependent variable is Customer Relation (Y). From the results of the simultaneous influence of the test, it can be said that, to create customer relations at Lets Go Kart by the need for in-depth understanding of the Integrated Marketing Communications firm that affect the consumer relationship with Lets Go Kart. This result consistent with Journal by Christopher Hackley (Journal:1998), with title IMC: a consumer psychological perspective have result that IMC has a rationale in consumer psychology from two perspectives: the first is dependent on whether consumers construct their meanings from within a flow of organisational communications over time as individuals; the second on whether they do so through one creatively inspired

communication which finds some metaphorical basis for the construction of a particularly powerful sense of meaning.

Through this research, the author can see how consumers respond to the integrated marketing communication made by Lets Go Kart can improve customer relations. Then it can be seen between advertising, public relations, sales promotion and personal selling that has the most impact on customer relations. From the results of the study proved that integrated marketing communication significantly affect customer relations. Based on the results of t tests conducted in this study found that the advertising variable is a variable that has a dominant influence on customer relation.

The results of this study can be used as a reference in the next study for a similar research. In subsequent studies, may added variables that may affect the customer relationship as the marketing mix, and others. For subsequent studies also need to add indicators and items used and increase the population used in the study subjects such as service companies, retail companies, consumer goods companies and others.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the test results of multiple linear regression analysis, the results showed that the independent variable of Marketng

Integrated Communication (advertising, sales promotion, personal selling and public relations) has a simultaneous and partial effect on the dependent variable is based on the Customer Relation. Based on the results of coefficient beta, conducted in this study found that the advertising variable (X1) is a variable that has a dominant influence on Customer Relation.

Recommendation

In reaching customer relations advertising, personal selling, sales promotion and public relations should be an important concern for Lets Go Kart. Lets Go Kart is considered necessary to give careful attention to the advertising by the company.

Bibliography

Anonym, 2006, Emerald Article, The importance of marketing strategy: Gaining the competitive edge with Integrated Marketing Communications (IMC).
Barnes, James G., 2003. *Secrets Of Customer Relationship Management*, ANDI : Yogyakarta.

Ferrel, O.C and Hartline, Michael D, 2008, *Marketing Strategy* 4th Edition, United States of America: Thomson South-Western.

Fitryan G Denis, <http://www.tnol.co.id/bugar/1051-gokart-olahraga-yang-kembali-dilirik-peminatnya.html>, Accessed at August 2012.

Kalakota, Ravi dan Robinson, Marcia, 2001, *E – Business 2.0 Roadmap For Success*. USA : Addison – Wesley.

Kotler, Philip and Armstrong, Gary, 2012, *Principles of marketing*, 14th ed, Pearson Education, Inc., New Jersey.

Lamb, W. Charles, Hair, F. Joseph, and McDaniel, Carl, 2011, *Marketing*, 11th ed, South-Western Cengage Learning, Mason.

Kurtz, David L. 2012, *Contemporary Marketing* 15th Edition, Ohio : South-Western Cengage Learning.

Turban, Efraim, et al, 2003, *Introduction to Customer Relation* 2nd edition, New York : John Wiley & Sons.