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**THE INFLUENCE OF MARKETING COMMUNICATION,  
RELATIONSHIP COMMITMENT, BUSINESS TO CONSUMER  
RELATIONSHIP QUALITY ON CUSTOMER LOYALTY IN THE  
BREAD INDUSTRY.**

**Haris Hermawan, Raden Andi Sularso, Diah Yulisetiari, Hari Sukarno**

<sup>1</sup>Doctoral Program in Management Science Universitas Jember, Indonesia.

<sup>2</sup>Department of Management, Faculty of Economics and Business, University of Jember, Indonesia.

**Haris Hermawan, Raden Andi Sularso, Diah Yulisetiari, Hari Sukarno , The Influence Of Marketing Communication, Relationship Commitment, Business To Consumer Relationship Quality On Customer Loyalty In The Bread Industry. , PalArch's Journal Of Archaeology Of Egypt/Egyptology 18(7). ISSN 1567-214x.**

**Keyword: Marketing communication, business to consumer relationship quality, Bakery industry, Relationship commitment.**

**ABSTRACT:**

The purpose of this study was to examine and analyze the variables of soft-sell marketing communication, and hard-sell marketing communication, relationship commitment, relationship quality, customer loyalty in the bread industry in Jember Regency. The research method used in this study Structural Equation Modeling (SEM) by testing using AMOS, the population in this study were all customers of the bread industry who have used online methods in relationship marketing relationships in Jember. The research sample using the purposive sampling method found 5 companies according to research criteria. Research respondents were customers who were willing (convenience) to become respondents as many as 425 people. Marketing communication soft-sell research significantly affects business to consumer relationship quality of bread industry customers by 28.7%. Relationship commitment significantly impacts business to consumer relationship quality of bread industry customers by 54.8%. Hard-sell marketing communication significantly impacts business to consumer relationship quality of bread industry customers by 40.9%. Soft-sell marketing communication has a significant impact on customer loyalty in the bread industry by 18.4%. Relationship commitment significantly influences customer loyalty in the bread industry

customers by 31.4%. Hard-sell marketing communication has a significant effect on customer loyalty in the bread industry by 38.9%. Business to consumer relationship quality has a significant impact on customer loyalty of bread industry customers by 51.3%.

## INTRODUCTION:

Bread business in particular and culinary generally in Indonesia must anticipate facing the adverse effects that might occur as a result of global competition, by maintaining customer loyalty, improving the way of marketing communication with marketing communication (Kotler and Armstrong, 2008: 225), managing customer needs and delivering brands (Cravens and Piercy, 2013: 349), and special promotions for the needs and desires of local consumer groups with several insightful approaches in the form of relationship marketing (Hunt and Morgan, 1994), customer relationship marketing (Sanches, 2002), customer relationship management (Kotler and Keller, 2012: 478), relationship quality (Vieira et al., 2008) and carry out partnership strategies to build customer relationships (Kotler and Armstrong, 2008: 42). With the relationship between marketing communication, relationship commitment, relationship quality, customer loyalty through learning and acting, customers will have confidence and attitude. It will affect their buying behavior (Setiadi, 2016: 380). For example, Commercial T.V. Ads can only be maximized to provide attention only while the website adds so that customers become interested. Bonus e-books to increase desire, notify incoming testimonials to strengthen conviction, and follow-up from emails is made with the aim that customers take action.

The variable communication marketing and relationship quality hypothesis on customer loyalty make customers' attitudes and behavior at a conative level (behavior that has reached the stage until they take action on the object). Many factors determine the success/failure of a message that aims to be persuasive, the four main factors are the source of the message/communicator that has high credibility, the message itself (whether it makes sense/not), the influence of the environment, and the understanding and continuity of a message (whether the message is repeated), these factors do not progress gradually, in many cases these factors overlap. The act of customer involvement and individualization allows customers at a conative level to view a business not only by building a specific address or telephone number but as a company consisting of people with whom customers have formed a relationship (Griffin, 2005: 40). A study conducted by Sheth (1995) proves that joint ventures with customers in relationship marketing would lead to greater marketing productivity by making it more effective and efficient and maintaining long-term relationships with consumers. Relationship quality is a pillar of relationship marketing.

The Jember Regency Government's Food and Economic Security Agency as a facilitator of the development of the bread industry in Jember Regency has implemented a program to introduce the bread industry to the public through an annual agenda commemorating the Republic of Indonesia's Independence Day in August, usually held for one week, in a marketing study this activity is called below the line advertising to get public awareness, the transactions carried out are offline. Offline transactions are bakeries producing bread regularly, the results of production are placed in a shop window, buyers or customers visiting the bakery buy bread served by salespeople, while for bread-salesmen regularly go around visiting regular customers daily/weekly. While online transactions are carried out in 2 ways, 1 way a buyer or customer places an order directly to the factory based on a certain amount, 2 ways a buyer or customer places an order through a salesman that he knows a certain amount, bread ordering media through social media, social messaging platforms like WhatsApp, Google My Business, Websites, and other digital technology platforms.

The phenomenon that is happening right now is that the small and medium scale bread industry pays less attention to how to increase customer loyalty through marketing communication, relationship commitment and relationship quality in marketing activities, in other words, small and medium scale bread companies, are more concerned with traditional sales activities, even though online, internet facilities are only used as one-way communication in the form of transactions between sellers and buyers, do not involve customer bonding by carrying out loyalty activities such as, customers as givers of recommendations and referrals, customer retention as a source of business information, customer buying habits (repurchase) as testimonials of buying experience, utilizing customer resistance that has a tendency not to move to other companies despite being influenced by various prizes, digital technology platforms have provided facilities to develop communication and information with customers such as ease of payment, friendship circles, video logs, google voice, the lack of optimal use of this modern method is the reason for the marginalization of the small and medium scale bread industry in the future, because customers will move to competitors who will make it easy to transact by utilizing technology, as well as small and medium scale bread companies will not be able to take market opportunities in the era of the ASEAN Economic Community because it does not have a reliable marketing communication system in serving local marketing global.

The element of marketing communication, relationship commitment to getting customer loyalty is done with the media, and the right technological support capacity is strengthened with business-to-consumer relationship quality, so it is possible that the bread industry in Jember Regency will be globalized, the results of previous research prove the adoption of information technology for small scale businesses and medium in Indonesia is still very low because they assume the use of technology is not important (Wahid and Iswari, 2007; Roosdhani et al., 2014) the same thing also happens to how to market bread in Jember Regency, whereas according to research by Manurung et al. (2014) proves that Bandung and Jember Regional Original Revenues (PAD) respectively during the period of 2000 - 2013 there has been a very significant increase that is 10 times in Bandung Regency and 15 times in Jember Regency, while the influence of income from The Tourism Industry towards PAD is equal to 16.34% ( $\rho = 0.002$ ) and 17.64% ( $\rho = 0,000$ ) respectively for Bandung and Jember Regencies. With a correlation (Pearson) of 77% and 95.9%. The influence of the Tourism Industry's income on the Original Local Revenue (PAD) in Bandung and Jember Regency, which is very significant above, triggers more focus on developing the tourism sector.

## LITERATURE REVIEW:

### **Relationship Marketing Communication Soft-sell, Business to Relationship Quality and its Effect on Customer Loyalty**

Aruperes research (2015) the effect of innovation and advertising on customer loyalty at Cinemaxx Studio in Manado proves that there is no direct effect of advertising on customer loyalty, in this study shows that the impact of advertising only acts as a reinforcement of customer loyalty after the dominant impact of innovation. Danai et al. (2016) the effect of repeat in advertising on customer loyalty cosmetic products "1394 Tehran case study" proves that advertising in mass media has a significant influence in part on customer loyalty, the number of respondents in the study as many as 384 people consisting of 201 women and 183 people, cosmetics advertising men in the mass media enters the level of attention only in this case advertising does not significantly influence the effect of repeat, whereas in women mass media advertising significantly influences repurchase, the results of this study also show that companies that do advertising in the mass media and social media influence customer loyalty

and are very effective in communicating products as soon as possible, the ability to inform products through digital marketing is very useful and efficient. Gyamah (2011) customer satisfaction in the outdoor advertising industry: A case of alliance media Ghana Limited proves that relationship quality in its strategy and supported by web and outdoor advertising as a reminder makes advertising a significant effect on customer loyalty. Moghavvemi (2017) connecting with prospective medical tourists online: A cross-sectional analysis of private hospital websites. The website is the “key” link between advertising and relationship quality. Customers who enter the site through online registration (one of which) will be a database that can improve customer relations, research conducted at 51 hospitals.

Oladepo’s (2015) the influence of brand image and promotional mix on consumer buying decisions: A study of beverage consumers in Lagos State, Nigeria proves that advertising influences purchases, the effect of advertising on the customer level will ensure that the brand it uses has an “image” good in front of other people, research was conducted on 384 beverage customers, the results of the research prove that companies that have a “good” brand show the product itself, the brand reflects the customer’s experience in buying habits, and customers do testimony indirectly to their practices, businesses can move through the testimony. Fulgoni (2016) the power of political advertising: Lessons for practitioners how data analytics, social media, and creative strategies shape U.S. presidential election campaigns This research proves that the power of advertising in political campaigns can influence voters, the right imaging in advertising helps success in influencing: first voters, increased loyalty to permanent voters, research conducted in 2012 during the Obama campaign, data collection through social media and media campaigns, the results of this study also show that ad campaigns carried out continuously with creative content in online and persuasive media will direct the selection of products so that they become a “trusted persuasion” that spreads to other media, searching facilities conducted by companies SEO makes it easy for customers to get information and communication. Advertising relationship has a significant effect on customer loyalty, and relationship quality variables will strengthen the bond because the relationship quality character manages brand loyalty (Sanchez, 2002). According to Moghavvemi et al. (2017) proves that the expertise of staff advertised on the company’s web will be a promotion that attracts prospective customers to interact online about the services provided, the company already has a catalog of customer needs, so that quickly various standard questions are served with FAQs.

Zia (2014) impact of shopping experience on consumer loyalty: An empirical study of organized and unorganized retailers in India, one of the functions of public relations and publicity is problem recovery or overcoming customer problems, the impact of shopping experience on stores is one of the factors make customer loyalty, and customers can provide testimonials in the mass media for the store’s services. Saenko et al. (2016) research in action integrated marketing communications as the elements of information and virtualization of market relations, the results of this study determine the ways or methods of implementing elements of companies that use integrated marketing communication and analyze companies that use technology for P.R. and Publicity for effective marketing communication shows the real (virtual) results that are not the same for customer loyalty in each channel, namely: channel-off trade, channel account, channel off-trade / on trade, the channel on trade, in conclusion, integrated marketing communication needs to be done per channel segment. Research Rahi et al. (2016) customer’s perception of public relations in e-commerce and its impact on e-loyalty with brand image and switching costs. The results show that customer perceptions of P.R. in electronic trading have a significant effect on customer loyalty electronically, and that influence will be stronger if done in conjunction with brand image and switching costs. Russell’s (2016) theorizing public relations history: The roles of

strategic intent and human agency this research proves that initiatives in Public Relations and Publicity, influenced by a person, campaign, program all three can stand alone or influence each other to maintain customer retention, research in the form of literature review. Khan's (2016) public relations and marketing (PRM) exposing services in university libraries: Conceptual view, this research proves that public relations and publicity in marketing in the digital era for library services are needed to identify the right customers, information dissemination, customers served with quickly and precisely because technology can manage these relationships, qualitative research methods on the experience of university librarians. Public Relations and Publicity have a significant effect, and relationship quality will strengthen the relationship because it has the character of maintaining customer satisfaction and customer loyalty retention.

Husnain et al. (2015) relationship marketing and customer loyalty: Evidence from the banking sector in Pakistan proves that communication with customers through letters, emails, and website interactions has a positive and significant effect on customer loyalty. Khizar et al. (2016) the effect of integrated marketing communication components on brand awareness and customer loyalty in the beverage sector proves that integrated marketing communication is in the form of direct marketing consisting of components: comprised of print, direct mail, paid search, banner advertisement, organic search, landing pages, email, and social media, the results of this study indicate that direct marketing has a significant effect on customer loyalty.

Chang et al. (2016) the effects of channel experience and direct marketing on customer retention in multichannel settings, this study proves that customers who shop through multichannel, in the form of a retail, online, catalog, marketing at the time, have the opportunity to buy due to memory through experience buy it. The first opportunity for purchase is made because of its buying experience, which again reminds a particular channel of choice. The experience of shopping through direct marketing is a cause of customer loyalty. Hardesty et al. (2016) The economic impact of local food marketing by placer county producers in the Sacramento Region, this study proves that the impact of direct marketing on local products compared to conventional methods is very wide, in companies that use direct marketing need more active personalities and employ more workers intensive, and has varied product sources, this method has a positive effect on customer loyalty, research conducted on 88 local producers (farmers and ranchers). The direct marketing relationship with customer loyalty has a significant impact, and relationship quality will strengthen the relationship because it has the character as a growing share of customers, which means that relationship quality can grow customer demand.

Pongpaew et al. (2016) the influence of integrated advertising on the brand trust and brand loyalty of smart I.T. devices customers in Thailand: A case of corporate Facebook media, in this study customer loyalty, is discussed through familiar media namely Facebook, brand trust and brand loyalty, as part of customer loyalty done interactively via Facebook, integrated advertising through Facebook has a significant effect on customer loyalty. Verma et al. (2015) do relationship marketing matter in online retailing? A meta-analytic approach, the empirical study in this research focuses on online retailing only on results that focus on relationship marketing. This is the hope of continuity, from word of mouth and customer loyalty, the hope of continuity intends to maintain customer relationships in the future. This study indicates that interactive relationships through the internet significantly affect customer loyalty in online retailing marketing.

Jalilvand et al. (2012) the effect of electronic word of mouth on brand image and purchase intention: An empirical study in Iran's automobile industry. The impact of communication using online social media causes word of mouth electronically to have a significant effect on brand image and purchase intention, while at the same time retaining

loyal customers by including in the customer circle. Bilgihan (2016) Gen Y customer loyalty in online shopping: An integrated model of trust, user experience, and branding. Customer response in Generation Y is the type of customer who does not have e-loyalty (customer loyalty) because this generation can make choices in an instant to determine product choices, e-loyalty is significantly influenced by the experience of utilizing online shopping and trusting in the experience. Xu's (2016) retaining customers by utilizing technology-facilitated chat: Mitigating website anxiety and task complexity. Maintaining customer loyalty by using chat as a result of customer confusion with interest to the website because of the complexity of the way to enter the web (task complexity), in this study, the web has a negative effect on customer loyalty. Trainor (2013) social media technology usage and customer relationship performance: A capabilities-based examination of social CRM, this research proves that social media has a positive influence in conducting online transactions as well as contributors to relationship quality, customer reviews (usually giving emoji likes or not likes) and opinions can be used as indicators of success in service, research conducted on 308 industrial organizations in America. Stone's (2014) interactive, direct and digital marketing a future that depends on better use of business intelligence this study proves that companies that use interactive marketing utilizing the internet can conduct business intelligence (B.I.) and customer insight (CI), these functions include Marketing processes can be migrated onto systems, sometimes running on the "cloud", enhancing the effectiveness and speed of processes, systems allow much better access to data required for decision making on everything from individual customers to strategic decisions, and then for measurement, review, and calculation of return on investment, research in the form of literature review. The influence of Interactive/Internet Marketing on customer loyalty has a significant effect, and relationship quality will strengthen the relationship because relationship quality characters utilize digital technology to manage information and communication interactively.

### **Relationships Marketing Communication Hard-sell, Business to Consumer Relationship Quality and its Effect on Customer Loyalty**

Dutta et al. (2014) deriving customer satisfaction and loyalty from organized retailer's sales promotion activities in India, proving that sales promotions significantly affect customer loyalty. Most consumers surveyed in this study patiently waited for sales promotions to make mass purchases. Contrary to the normal belief that sales promotions, when used in images, will inhibit brand advantages, retailers such as Big Bazaar have used brands to increase consumer loyalty and enhance brand image, satisfaction from sales promotions, in this case, consists of appreciation received from buying products, this study also proves that the company can provide customer expectations when promos are: quality products, variety, seller friendliness, so perceive quality is found in customer satisfaction. Okay, et al. (2016) consumer behaviour towards decision making and loyalty to particular brands, proving that there is no relationship between purchasing decisions, customer loyalty and sales promotions in repurchasing Oishi Green Tea products in Thailand, a brand that is known to have a significant effect on repeat purchases, research this proves that in purchasing decisions, consumers consider a comfortable place to shop, a sense of approach from the salesperson, and products that are known, so that consumers will get used to the place, the ability of the salesman approach to customers is very dominant. Thaichon (2016) integrated marketing communications and their effects on customer switching intention proves that advertising and sales promotion can have negative effects that damage the brand image and cause retention of customer loyalty, which in turn results in the customer's intention to move to another brand if management manages to be creative, research results prove that companies that build trust from the creative aspects of the management involved, the continuation of the relationship between sellers and buyers are assembled with

mutual trust, intensifying the creative sales process for customers is more convincing that there is seriousness in the relational relationship.

Sagala et al. (2014) influence of promotional mix and prices on customer buying decisions toward the fast-food sector: A survey on university students in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi) Indonesia. Fast food competition has become tighter, using cross-selling helps increase sales of variants not yet known to customers; research was conducted on 300 buyers of fast food products. Falmelmaliki et al. (2015) analyze the influence of sales promotion on customer purchasing behaviour. This study proves that sales promotion is a vital tool in increasing sales. The goal is to reach new customer targets and absorb customers for purchase, research in the literature review form. Sales promotion relationship has a significant effect on customer loyalty, with the existence of relationship quality that will strengthen the bond because the character of business to consumer relationship quality is consumer-generated marketing, which means customers will share through its media.

Roman et al. (2014), does the hierarchical position of the buyer make a difference? The influence of perceived adaptive selling on customer satisfaction and loyalty in a business-to-business context in this study proves that personal selling significantly affects customer loyalty but has no significant impact on purchasing managers as salesperson superiors hierarchical position. Diah Research (2014) the relationship between service quality, customer satisfaction and loyalty in the restaurant business in East Java proves that service quality (SERVQUAL) does not necessarily satisfy customers overall, the dimensions of service quality consisting of responsiveness, assurance, empathy, and aspects tangible can satisfy the customer, the reliability aspect does not satisfy the customer because of the negative gap results, or the customer is not satisfied. Diah (2016), the effect of relationship marketing towards customer satisfaction and customer loyalty on franchised retails in East Java proves that relationship marketing is a process that requires companies to establish communication to maintain loyalty, the effect of relationship marketing with good communication has a significant effect towards loyalty.

Jalali et al. (2016) the effects of ethical sales behaviour on customer loyalty with the transaction cost theory approach in life insurances: The Study of the Iran Insurance Company of Sanandaj shows that there is a positive and significant influence between the moral behaviour of personal sales and has a positive impact on the profits of customers perceived dependence and satisfaction. The perceived benefits of customer dependence and satisfaction have a positive effect on customers, the moral behaviour of personal sales has a positive impact on customer loyalty through mediating profit variables from customers perceived dependency, the findings of this study can be concluded that satisfied and loyal customers ultimately lead to organizational profitability in long-term. The results also prove that seller moral behaviour affects satisfaction and loyalty. Companies that can manage seller moral behaviour well will have advantages. The ability of salesmen to maintain good relationships with customers starts from good morals.

Azis et al. (2016) issues and problems in ethical practices among Takaful agents, this study discusses factors related to the ethical behaviour of Takaful agents in Malaysia. The sales perspective, selling pressure, and competitiveness are identified as factors influencing Sharia insurance agents' ethical practice. This research was conducted through a focus group discussion (FGD) and formed a personal interview between branch managers, executives, and Takaful agents. This research proves that there are unethical behaviours among Takaful agents in meeting sales targets, unethical behaviour in personal sales is a negative act of maintaining customer loyalty. Personal sales relationships have a significant effect on customer loyalty, relationship quality will strengthen the relationship because it has the character as customer-centric, which means that the customer controls the needs and desires of the customer, Stern's research (1962) also proves that in the routine visit process is the cause of impulse buying customers, Other purposes of impulse buying or purchases not previously planned are

influenced by low price, marginal need for items, mass distribution, self-service, mass advertising, prominent store displays, short product life, small size or lightweight, ease of storage.

### **Relationship Commitment Relationship, Business to Consumer Relationship Quality and its influence on Customer Loyalty**

The relationship between relationship commitment and relationship quality is the relationship of action in the realm of psychology: cognitive, affective, conative, where relationship commitment leads to ways of acting because of the mental (brain) influence of the cognitive domain in the form of thinking-calculative, and affective domains related to attitudes and values — relationship commitment: affective commitment and calculative, or continuance, commitment (Fullerton, 2003). Calculative commitment is the colder, or more rational, economic-based dependence on product benefits due to a lack of choice or switching cost (Anderson and Weitz, 1992). Affective commitment is a hotter or more emotional factor that develops through the degree of reciprocity or personal involvement that a customer has with a company, which results in a higher level of trust and commitment (Hunt and Morgan, 1994).

Business to consumer relationship quality leads to the realm of conative (action-skilled-skilled). The definition of relationship quality is a concept that has been formed to stress that the skilled handling of relations between buyer and seller is part of customer-perceived quality (Gummesson, 1987). Lee et al. (2008) prove that emotional shopping has an insignificant relationship between perceived risk and impulsive buying intentions in part due to the nature of buying intent, in the form of a willingness or desire to make a purchase, consumers may rely on their emotions and feelings but do not consider the level of perceived risk when assessing their willingness to make impulsive purchases.

### **Relationship Commitment Relationships and their influence on Customer Loyalty**

Gustaffsson et al. (2006) prove that the company takes care of its customers, reciprocity in the relationship, and trust toward the company. Hunt and Morgan (1994) characterize commitment as “a variable we believe to be central in distinguishing social from the economic exchange.” A committed relationship is an interpersonal relationship based on a mutually agreed-upon commitment to one another involving love, trust, honesty, openness, or some other agreed-upon behavior relationship between relationship commitment toward loyalty is central to the success of relationship marketing. We propose that relationship commitment is central to relationship marketing, companies in conducting business need to gain the trust of their customers by being committed, with the ability to commit In order for the relationship to take place, Moorman et al. (1992) prove that organizations that are committed to prices, when prices elsewhere are “cheaper” companies will provide competitive prices to customers in the relationship relationship relationship affects the continuation of the relationship at the level d expected by the service recipient. In his research, Fullerton (2003) proves that the relationship between service providers and customers is related to identifying services and sharing values that are mutually beneficial and more certain. (Anderson and Weitz’s 1992) proves that the development of relational relationships is related to the formation of trust and commitment, which is called the search for trustworthiness (non-trustworthiness) – not coercive and persuasive, this is an early indication of the search for a company’s reputation.



### **Business to Consumer Relationship Quality Relationships and their influence on Customer Loyalty**

Business to consumer relationship quality has the character: maintaining customer satisfaction and maintaining customer loyalty retention, research on relationship quality and customer loyalty is proven by Singh et al. (2016) relationship between consumer acquisition efforts and consumer loyalty. This research proves that in the era of IT-based globalization today, many companies use various means to improve relationship marketing; specifically, they are trying to provide personalized services to provide high satisfaction to their customers. Based on the results of the analysis with SEM, consumer acquisition efforts have been proven to affect consumer satisfaction significantly; no significant impact has been found on the other two mediators; trust and commitment, there is no significant influence to directly support consumer acquisition efforts in one of two forms of consumer loyalty; behavioural loyalty and attitude. In conclusion, relationship quality does not have a significant effect on customer loyalty.

Bukhari et al. (2016). CRM triggers effectiveness through customer selection orientation, business cycle orientation, cross-functional integration, and dual value creation: Myth or reality. This research proves awareness among practitioners and managers about the direct effects of relationship quality before achieving long-term customer loyalty goals, customer retention, and loyalty will make them think beyond relationship quality only as software for solutions. Focusing on relationship quality and its effectiveness through customer selection orientation, business cycle orientation, cross integration functions, and multiple value creation will help build efficient relationship quality strategies and refocusing areas that need fixation to avoid implementing relationship quality significantly towards customer loyalty. Nyadzayo et al. (2016) the antecedent of customer loyalty: A moderated mediation model of customer relationship management quality and brand image, in this study found that the quality of relationship marketing has a significant effect on customer loyalty.

Nevertheless, quality relationship quality is also influenced by brand image, service quality, customer satisfaction, customer value. Dwyer et al. (1987) prove that the exchange between a seller and a buyer is a transition of understanding from an assessment to a commitment and keeping a promise that must receive attention and handling at each of these stages so that the understanding becomes dissolved. (Gummesson 1987; Ulaga 2004) proves that the company's relational quality arises because of the quality of skilled handling felt by customers. The company can respond to customer desires to perceive that the company is bona fide. Vieira et al. (2008) prove that the ability to serve customers' tastes varies from the company by considering person-to-person relationships to improve the quality of business relationships, while relationship quality acts as a tool that shows the company's performance. Fassauer (2014) proves that the customer's thinking in purchasing is profit and loss for his decision and the "sense" of profit is more dominant so that the cashback program will be preferred if there is an alternative in purchasing, the company needs to have a refund program if the order does not match.

### **METHODOLOGY:**

This research belongs to the type of explanatory research or confirmatory research which is a study that aims to analyze the effect of one variable with another variable (Ferdinand, 2014: 18), in addition this study is also an empirical study with a causality test to explain the effect between variables through hypothesis testing, the unit of analysis in this study is a customer of the bread industry in Jember Regency, several reasons proposed in the use of hypothesis analysis with Structural Equation Modeling (SEM) in this study are, SEM is able

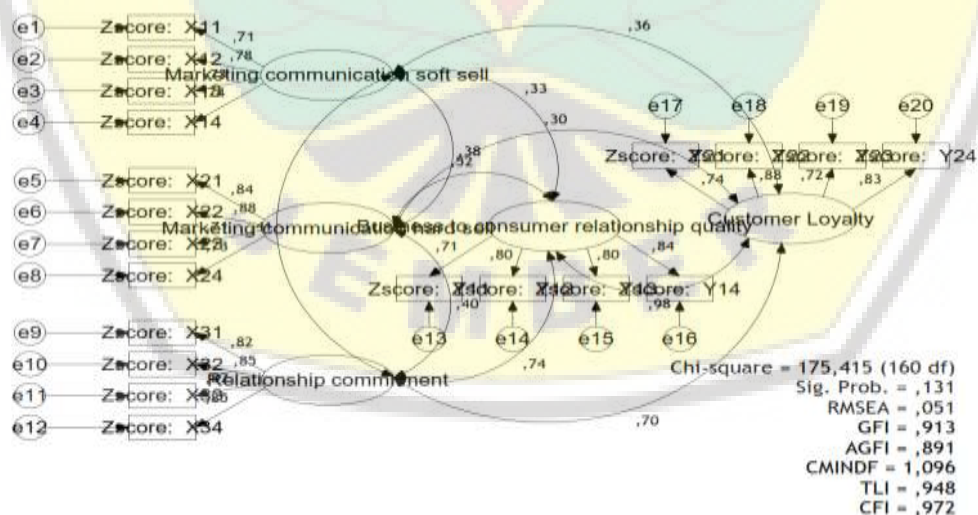
to take into account measurement errors so that the path coefficient does not become biased (Hair et al., 2011: 120) and SEM are able to test research with complex models and many variables simultaneously (Ferdinand, 2014: 15), while developing and testing hypotheses using AMOS Statistics which has a "rule of thumb" namely, the model The size that states is the ideal number h 5-10 respondents for each indicator used in all latent variables (Hair et al., 1998: 367) and Maximum Likelihood Estimation, that the ideal number of respondents for the use of maximum likelihood estimation in the structural equation model is around 100 - 200 respondents (Hair et al., 1998: 372). The instrument in this study was in the form of a questionnaire containing some structured questions used to measure respondents' judgments about the variables studied and the facts relating to the respondent and the circumstances known by the respondent. The analysis technique in this study uses structural equation modeling (SEM) with the aim of testing and analyzing the influence of elements of marketing communication, relationship commitment, business to consumer relationship quality, customer loyalty, and discussion of data to be processed based on a combination of descriptive statistical principles and inferential statistics.

**RESULTS AND DISCUSSION:**

**Research result**

**Validity and Reliability Test Results**

Validity and Reliability test results for the relationship between advertising indicator variables (X1.1), (X1.2) Public relations and publicity indicators, (X1.3) Direct marketing indicators, (X1.4) Internet / interactive marketing indicators, (X2.1) Sales promotion, (X2.2) Personal sales, (X2.3) Seller influence tactics, (X2.4) Selling influence tactics, (X3.1) Indicators, (X3.2) The cognitive-calculative domain, (X3. 3) Non-Coercive seller, (X3.4) Uncertainty avoidance, (Y1.1) Money back guarantee, (Y1.2) Trust, (Y1.3) Commitment, (Y1.4) Satisfaction, (Y2.1) Repurchase, (Y2.2) Retention, (Y2.3) Resistance, and (Y2.4) Recommendation and referral are presented in Figure 1



**Figure 1: Validity and Reliability Test Results**

**Structural Equation Modeling Analysis (SEM)**

The results of testing the influence of elements of advertising indicator variables (X1.1), (X1.2) Public relations and publicity indicators, (X1.3) Direct marketing indicators, (X1.4) Internet / interactive marketing indicators, (X2.1) Sales promotions, (X2.2) Personal selling,

(X2.3) Seller influence tactics, (X2.4) Selling influence tactics, (X3.1) Indicators, (X3.2) The cognitive-calculative domain, (X3.3) Non-Coercive seller, (X3.4) Uncertainty avoidance, (Y1.1) Money back guarantee, (Y1.2) Trust, (Y1.3) Commitment, (Y1.4) Satisfaction, (Y2.1) Repurchase, (Y2.2) Retention, (Y2.3) Resistance, and (Y2.4) Recommendation and referral are presented in Figure 2.

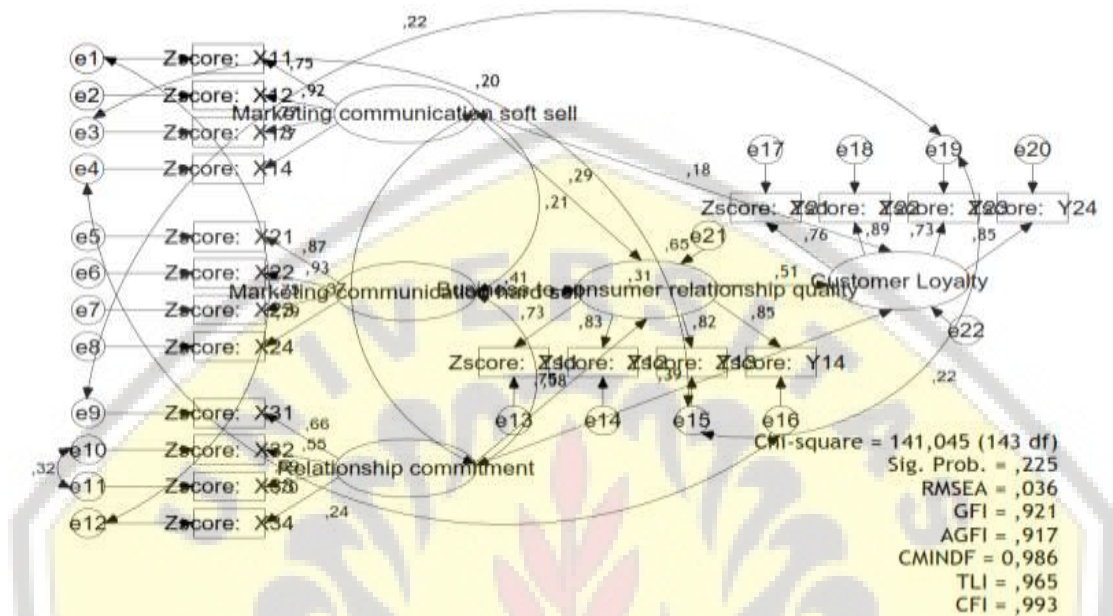


Figure 2: Structural Equation Modeling Results

1) Goodness-Of-Fit Test

The results of testing the suitability of the model in this study are presented based on Table 1. It is known that from the eight criteria used to assess whether a model is feasible or not, all criteria are met. Thus, the model is acceptable, which means the model is compatible with the data.

Table1: Model Goodness-Of-Fit Index

| Criteria   | Cut Off Value  | Calculation results | Information |
|------------|--|---------------------|-------------|
| Chi-square | Expected to be small (<math>X^2</math> with df 143 is 171,907) | 141,045             | Good        |
| Sig.       | > 0,05   | 0,225               | Good        |
| RMSEA      | $\leq$ 0,08  | 0,036               | Marginal    |
| GFI        | $\geq$ 0,90  | 0,921               | Good        |
| AGFI       | $\geq$ 0,90  | 0,917               | Good        |
| CMIN/ DF   | $\leq$ 2 atau 3  | 0,986               | Good        |
| TLI        | $\geq$ 0,90  | 0,965               | Good        |
| CFI        | $\geq$ 0,90  | 0,993               | Good        |

2) Causality Test

The results of the hypothesis causality test were developed in the research model. From the appropriate model, each path coefficient can be interpreted. Testing the path coefficients in detail is presented in Figure 2 and Table 2.

**Table 2: Causality Test Results**

| Variable       |   |                | Path coefficient | CR    | Probability | Information   |
|----------------|---|----------------|------------------|-------|-------------|---------------|
| X <sub>1</sub> | → | Y <sub>1</sub> | 0,287            | 2,323 | 0,005       | Significant*  |
| X <sub>2</sub> | → | Y <sub>1</sub> | 0,409            | 3,020 | 0,000       | Significant   |
| X <sub>3</sub> | → | Y <sub>1</sub> | 0,548            | 4,240 | 0,000       | Significant   |
| X <sub>1</sub> | → | Y <sub>2</sub> | 0,184            | 1,506 | 0,091       | Significant** |
| X <sub>2</sub> | → | Y <sub>2</sub> | 0,314            | 2,317 | 0,000       | Significant   |
| X <sub>3</sub> | → | Y <sub>2</sub> | 0,389            | 2,563 | 0,000       | Significant   |
| Y <sub>1</sub> | → | Y <sub>2</sub> | 0,513            | 4,115 | 0,000       | Significant   |

## DISCUSSION:

Based on the results of the analysis conducted in this study, the following conclusions can be drawn;

- 1) Soft-sell marketing communication has a significant effect on business to consumer relationship quality of bread industry customers in Jember Regency, this proves that the bread industry can influence customers through soft-sell marketing communication to maintain relational relationships with customers with quality indicators including advertising, public relations, and publicity, direct marketing, internet / interactive marketing are based on qualities that can be defined and observed by customers. The results of this study support the theory of (Gefen et al. 2003; Moghavvemi 2017; Chang 2016, Khizar 2016; Ranganathan and Ganapathy 2002). This study rejects/does not support the research results (Danai 2016; Aruperes 2015), which states that marketing soft-sell communication (advertising) has no significant effect on business to consumer relationship quality.
- 2) Hard-sell marketing communication has a significant effect on business to consumer relationship quality of bread industry customers in Jember Regency, this proves that hard-sell marketing communication conducted by the bread industry in Jember Regency has been able to give effect to customer loyalty to customers, based on traits that can be defined and observed by customers with quality indicators include sales promotions, personal sales, seller influence tactics, selling influence tactics, supporting the results of (Basnayake's 2015; Weitz and Bradford 1999). This study rejects/does not support the results of research conducted by (Agnihotri et al. 2015; Azis et al. 2016), which states that hard-sell marketing communication has no significant effect on business-to-consumer relationship quality.
- 3) Relationship commitment has a significant effect on business to consumer relationship quality of bread industry customers in Jember Regency, this proves that the relationship commitment made by the bread industry in Jember Regency has been able to influence business to consumer relationship quality based on the qualities that can be defined and observed by customers, with quality indicators, including the affective-emotional domain, the cognitive-calculative domain, Non-coercive seller, uncertainty avoidance, supporting the results of (Fullerton's 2003; Anderson and Weitz 1992; Sharma and Patterson 1999; Rauyruen et al. 2007). The results of this study reject / not support the results of research

conducted by Hunt and Morgan (1994), which states that relationship commitment negatively affects the business to consumer relationship quality

- 4) Soft-sell marketing communication has a significant effect on customer loyalty of the bread industry customers in Jember Regency, this proves that the bread industry by making marketing communication soft-sell makes customers loyal, this is based on traits that can be defined and observed by customers with quality indicators including advertising, public relations and publicity, direct marketing, internet / interactive marketing. (Oladepo 2015; Fulgoni 2016; Trainor 2016; Verma 2015), which states that soft-sell marketing communication has a significant effect on customer loyalty. The results of this study reject/do not support the research results of (Smith 1998; Garbarino and Johnson 1999; Bowdent 2011; Palmatier et al. 2005; Rauyrueen and Miller 2007), which states that soft-sell marketing communication has no significant effect on customer loyalty.
- 5) Hard-sell marketing communication has a significant impact on customer loyalty of the bread industry customers in Jember Regency. This proves that hard-sell marketing communication conducted by the bread industry in Jember Regency has influenced this based on customer loyalty. Traits that can be defined and observed by customers with quality indicators include sales promotions, personal sales, seller influence tactics, selling influence tactics, supporting research (Falmelmaliki et al. 2015; Roman 2014; Jalali 2016). This study rejects/does not support the research results (Yulisetiari 2014; Zeithaml et al. 1993; Saenko et al. 2016; Okay et al. 2016), which states that hard-sell marketing communication has no significant effect on customer loyalty.
- 6) Relationship commitment has a significant effect on customer loyalty of the bread industry customers in Jember Regency, this proves that the relationship commitment made by the bread industry in Jember Regency has been able to influence customer loyalty, this is based on traits that can be defined and observed by customers with quality indicators including the affective-emotional domain, the cognitive-calculative domain, the non-coercive seller, the uncertainty avoidance, supporting the research (Gustaffsson et al. 2006; Geysken et al. 1996; Suwelack 2011; Watzels 2015). This study rejects/does not support the results of research conducted by Hunt and Morgan (1994), which states that relationship commitment has a negative effect on customer loyalty.
- 7) Business to consumer relationship quality has a significant effect on customer loyalty of the bread industry customers in Jember Regency, and this proves that the business to consumer relationship quality carried out by the bread industry in Jember Regency has been able to influence customer loyalty, this is based on the nature of customer loyalty. Traits that can be defined and observed by customers with quality indicators include money-back guarantees, trusts, commitments, satisfaction so that customers make repurchase, retention, resistance, recommendations, and referrals. Support the make arch results of Rai et al. (2012); Okulov (2016); Wang (2016); Zaremba (2017). This study rejects / not support the research conducted by Singh (2016), which states that business to consumer relationship quality does not significantly influence customer loyalty.

## CONCLUSIONS:

The implications that can be made by the bread industry in Jember Regency as a driving force for customer loyalty in the bread industry in Jember based on the results of research and conclusions, it is recommended.

The bakery industry in Jember Regency is advised to operationalize soft-sell marketing communication, which includes advertising, public relations and publicity, direct marketing, internet / interactive marketing in the form of gimmicks (unique things) from the company to

customers and to provide deepening of application utilization WhatsApp to canvas salesmen where during this research all online customers communicated with canvas salesmen using the WhatsApp application.

The bread industry in Jember Regency is advised to pay more attention to the routine visit of canvas salesmen with programmatic schedules because the relational relationships based on the qualities that can be defined and observed by customers in the form of business to consumer relationship quality in this study have been developed so that it becomes a driving force on shopping emotion and impulse buying aimed at customer loyalty.

Bread is included as a product planned by the Government of the Republic of Indonesia in the 2015-2019 National Culinary Development Plan towards Indonesia's new strength in the creative economy of 2025. The creative economy has great potential to become an important driving sector in realizing an independent, advanced, equitable, and prosperous. This economy is driven by renewable resources and is abundantly available in Jember, namely large numbers of creative human resources, abundant renewable natural resources, and unique and diverse cultural heritage sources. The three of them are the driving force of sustainable creative economic growth, it is suggested to the Government of Jember Regency to provide guidance and assistance with a focus on technology, information, and communication management approaches so that the bread industry in Jember Regency can become one of the potential tourist destinations in Jember Regency by conducting co-branding with Jember Fashion Carnival (JFC).

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