Effect of Production Strategy Performance on Brand Royalty

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PAPER INFO	ABSTRACT
Received: 14th December 2022 **Revised:** 17th December 2022 **Approved:** 20th December 2022	**Background:** *Product strategy is a plan that identifies the goals and objectives of a product and then explains the vision to achieve those goals. This helps to relate the vision of the project with the actual methods used to implement it. Product strategy maps out key benchmarks for creating, marketing, and distributing any concept you plan to sell.* **Aim:** *The purpose of this study is to determine the effect of production strategy performance on brand royalty in companies and restaurants.* **Method:** *The sample used in this study can be determined using the infinite sample formula, with a 95% confidence level and a 10% error level, the sample used in this study was 100 people as respondents. The sampling technique in this study is non probability sampling with the Purposive Sampling.* **Findings:** *They also provide a central plan that people across the business can refer to to guide their efforts and fine-tune their overall business strategy. Business in the food sector is a potential business at this time. Factors that need to be considered in facing competition in the restaurant business include products and prices. If these two factors are getting better and more attractive, it can make customers feel satisfied, if customers feel satisfied, they will be loyal to the restaurant*
KEYWORDS	*Sports Facilities, Management*

INTRODUCTION

Consumers can recognize a product or service through a brand. Through brands, consumers can distinguish between one product or service and another (Syah and Yanuar 2013). The brand is an intangible asset whose value is more expensive than other physical assets such as land area, buildings and also production machines (Ferawati 2018). Brands have potential responses to generate consumer trust. Consumers who are loyal to a brand (brand loyalty) will be ready to pay more for the brand because they feel that they have gained unique value in the brand and are not obtained in other brands (Tepeci 1999). Branding is still used as a marketing strategy that provides added value for goods or services companies. Because the brand is accepted as an effective fundamental factor in consumer behavior. As the times go by, human choices to fill their free time are very diverse (Shabastian 2013). Nowadays, many spend their free time by going to entertainment places such as cafes, cinemas, restaurants and shopping centers. In accordance with the development of this era, Surabaya as a metropolitan city also responded, namely with the existence of a number of shopping centers, some of which have been operating and others are still in the stage of planning and development stages. In a fierce competition, product differentiation and prices are very important, considering the large variety of products offered today (Pradono, Kusumantoro, and Retapradana 2015). Product differentiation and prices aimed at pampering consumers and containing loyal consumers to a brand are things that must now be more misinterpreted in the future. Differentiation in the product can be in the form of packaged flavors or it can also be the quality of the product itself (Mutiara 2018). While the elements of the price can be in the form of discounts or discounts.

Because having loyal consumers to a brand is a very big asset for a company (Yoo, Donthu, and Lee 2000).

Marketing

Marketing has a wide scope with various meanings. But these understandings basically have the same meaning. As some of the following economic experts have pointed out. According to Kotler (2004) in (Shabastian 2013) marketing by social definition is a social process by which individuals and groups get what is needed and desired by creating, offering and freely exchanging valuable products and services with other parties‖. Meanwhile, when viewed from a managerial definition, marketing is often described as the art of selling products. Meanwhile, Vellas and Becherel in (Shabastian 2013) explain that marketing is a management process that identifies and anticipates demand and customer satisfaction by making a profit. The American Marketing Association(Kotler and Amstrong 2002:10) defines marketing as the process of planning and executing thoughts, pricing, promotion, and channeling ideas, goods, and services to create exchanges that meet individual and organizational goals.

Marketing Mix

Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the market." (Aaker,1997) which more or less means marketing mix is a collection of controllable marketing variables used by a business entity to achieve marketing goals in the target market (Wong and Merrilees1 2007). According to (Stanton and Futrell 1978) The marketing mix is a combination of 4 variables or activities that are the core of the company's marketing system, namely products, prices, promotion activities and distribution systems.

Product

A product is everything that can be offered to gain attention, proficiency, use, or consumption that may satisfy a need and desire. Sometimes we use other terms for products, such as offering, and solution (Kotler 2001). Products are also defined as anything that is offered into the market to get attention, owned, used or consumed so that it can satisfy the needs or desires of customers. Included in the physical object, services, people, places, organizations and ideas (Kotler and Amstrong 2002). Products have several components, namely diversity (product variety). Quality, design, features, brand, packing, sizes, services, warantties and returns, as stated by Kotler (Adnan et al. 2022). A company must find ways that are meaningful and in line with the development of the times to perfect the products it offers, it is because every product produced has a product life cycle, where after reaching the maturity stage, usually a product will experience a decline and possibly die along with the emergence of new technologies and switch from the maturity stage of the product to new growth (Musfar and SE 2020). As for producing a quality product, the management must determine the concept of a product that states that consumers will like a product that offers the best quality, performance, and innovative complements. Managers in product-oriented organizations focus their attention on the undertaking that produces the product, the management can assume that buyers value a well-made product and they can judge the quality and performance of a product (Akbar 2021).

Prince

In financial transactions, it is customary to quote prices in another way. The most obvious example is in the price of the loan, when the cost will be expressed as a percentage of the interest rate. The amount of interest paid depends on the loan amount and the loan period (Suherman and Siska 2021). Another example can be found in the prices of financial derivatives and other financial assets. For example the price of inflation related to government securities in some countries is quoted as the actual price divided by the factor representing inflation since the security was issued. The path in question is a vision (future goal) for an organization or company that is right in the jungle of the organization both in the present and future (Shabastian 2013).

METHOD

The sample used in this study can be determined using the infinite sample formula, with a 95% confidence level and a 10% error level as follows :

n = Z2 α.p.q

d 2

Informations :

n= number of samples

Z= Price interval depending of Alpha (α=1- 0,95=0,05), so his Z = 1,976

p= estimator proporsi populasi

d= interval (0,10)

q= 1 – p

α	Z
0,01 (1%)	2,576
0,05 (5%)	1,976
0,10 (10%)	1,645

So the sample count is:

$$n = \frac{(1,976)^2 (0,5)(0,5)}{(0,10)^2}$$

$$= \frac{3,904 x 0,25}{0,01}$$

= 97,6 = 100 responden

Therefore, the sample used in this study was 100 people as respondents. The sampling technique in this study is non probability sampling with the Purposive Sampling method. The non probability sampling technique is a sampling technique where each member of the population does not have the same opportunity to be selected as a sample.

RESULTS AND DISCUSSION

Characteristics of respondents selected by researchers totaled 100 people and grouped over certain characteristics, including respondents' gender, respondent's age, respondent's occupation, and respondent's monthly expenses, Here are the results of processed data using SPSS 13.0.

Table 1. Profile of Respondents by age

usia	jumlah	percentace (%)
20-25	39	39
26-30	42	42
31-35	12	12
36-40	4	4
41-45	2	2
46-49	1	1
Total	100	100

Table 2. Respondent Profile Based on Respondent's Last Education

pendidikan	jumlah	percentace (%)
SMU	48	48
D1	1	1
D3	1	1
S1	45	45
S2	5	5
Total	100	100

Table 3. Respondent Profiles Based on Last Go to Cafe

terakhir pergi ke cafe	jumlah	percentace (%)
<1 minggu terakhir	44	44
1-4 minggu terakhir	43	43
1-3 bulan terakhir	11	11
3-6 bulan terakhir	1	1
>6 bulan terakhir	1	1
Total	100	100

Table 4. Respondent Profiles Based on Last Go to Cafe

terakhir pergi ke cafe	jumlah	percentace (%)
<1 minggu terakhir	44	44
1-4 minggu terakhir	43	43
1-3 bulan terakhir	11	11
3-6 bulan terakhir	1	1
>6 bulan terakhir	1	1
Total	100	100

Table 5. Respondent Profiles Based on Who to Go to Cafe with

pergi ke cafe dengan siapa	jumlah	percentace (%)
Teman	68	68
Relasi Kerja	8	8
Pacar	11	11
Sendiri	11	11
Keluarga	2	2
Total	100	100

Table 6. Respondent Profiles Based On What Time To Go To Cafe

pada saat apa pergi ke Cafe	jumlah	percentace (%)
Berkumpul bersama teman	66	66
Break makan siang	7	7
Bekerja diluar kantor	1	1
Bertemu relasi kerja	9	9
Lain-lain	17	17
Total	100	100

Descriptive Analysis of Respomden Convergent Validity and Reliability Construct Responses Validity shows the extent to which the measuring device measures what it wants to measure. The validity test is carried out through convergent validity, where the indicator is said to have convergent validity if the indicator has a standardized regression weight value of > 0.50 and a probability value (prob.)

CONCLUSION

Based on the results of the SEM analysis and discussion, conclusions that can be formulated: 1) Product Strategy in this study has a significant effect on Brand Loyalty. If viewed in terms of products, Tator Cafe does have a variety of food and drinks, quality that is

always maintained, food and beverage jamanan, attractive food and beverage design, satisfying service, the right portion, good packaging and shape. All these things make customers satisfied with the food and drinks served by Tator Cafe and make customers Loyal to Tator Cafe. 2) Pricing Strategy also has a significant effect on Brand Loyalty. The price offered by Tator Cafe is indeed for the upper middle class. From the results of the study, it can also be formulated that the Price Strategy makes customers satisfied and makes customers loyal to Tator Cafe. 3) When viewed as a whole, the Product Strategy and Price Strategy have a significant effect on the Loyaty Brand even though the Product Strategy is more dominant when compared to the Price Strategy

From the results of the research and conclusions mentioned above, suggestions can be submitted as follows: 1) In terms of Product Strategy: Food and beverages served by Tator Cafe can satisfy customers and make customers loyal to Tator Cafe, even so Tator Cafe must maintain so that customers can continue to be loyal. To maintain it, Tator Cafe is recommended to add a variety of food and drinks within a certain period of time, training employees to maintain the quality of service.

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