# THE IMPACT OF MARKETING PUBLIC RELATIONS AND SERVICE RECOVERY TO GAIN CUSTOMER LOYALTY

**Syafrida Hafni Sahir[1], Nanda Try Milinia Br S. Depari[2]**
[1,2] Faculty Economics and Business/Universitas Medan Area, Medan,City, Indonesia
Corresponding email: syahaf@yahoo.com

**Abstract** The aim of this research is to analyze the influence of Marketing Public Relations and Service Recovery on Customer Loyalty of PT Nugraha Ekakurir Line (JNE) Medan. Data was collected through distributing questionnaires involving 400 JNE customers, and using quantitative research.. The sampling technique used in this research was nonprobability sampling with a purposive sampling method. Data collection used a questionnaire distributed electronically via Google Forms. The data was analyzed using SPSS 22. The research findings show that marketing public relations and service recovery partially and simultaneously have a positive and significant effect on customer loyalty at PT Nugraha Ekakurir Line (JNE) Medan. The results obtained provide a better understanding of the relationship marketing public relations and service recovery on customer loyalty.

**Keywords:** Marketing Public Relation; Service Recovery; Customer Loyalty

## INTRODUCTION

With 38 provinces, 17,504 islands, and 5 major islands  Papua, Kalimantan, Sumatra, Sulawesi and Java. It is well-known for having the largest archipelago in the world (Risnain, 2021). Numerous logistics companies offer products movement services because of the vast distance and coverage.

Due to the rapidly expanding e-commerce and online retailers, Indonesia's logistics industry is now expanding (Suryawirawan, 2019). This is evident from the large number of recently established Indonesian startups, including Bukalapak, Tokopedia, Lazada, Shopee, Blibli, and Zalora. It is also evident from Indonesia's internet usage. Consequently, the rise of the logistics industry was spurred by online businesses, and numerous companies such PT.  JNE, JNT, TIKI, Pos Indonesia, and others are. As a result, the expansion of the logistics industry was spurred by the internet enterprises, and numerous companies such JNE, JNT, TIKI, Pos Indonesia, and others are expanding. They fight for the largest portion of the market.PT Nugraha Ekakurir Line (JNE) is a well-known service provider in the community among logistics companies in Indonesia. On November 26, 1990, JNE was founded. JNE is expanding along with the growth of the goods delivery service industry. Numerous stores have opened and are dispersed throughout Indonesia, including one in the city of Medan.

Indonesia has 6,000 stores, with the majority located in Jakarta, Surabaya, and Medan (Kabeakan, 2019).  Not only does JNE have stores all around Indonesia, but it was also recognized as the greatest courier service. According to information from Indonesia's leading brand index for courier services, which stood at 27.30% in 2020 and 39.30% in 2022 JNE has the #1 spot among all brands. Nevertheless, PT. JNE saw a drop in ranking in 2021, falling from number 2 by 28%.

According to statistics from the top brand index for courier services, JNE's performance did not fall in 2021; however, rival J&T's performance increased by 33.40%, which resulted in a decline in rank. With a performance of 39.30% in 2022, JNE was once

again the highest-ranked brand (Top Brand Award, www.topbrand-award.com). According to the author's preliminary observations, JNE may have received a superior award, but in practice, operational and service failures like delayed package arrival, deteriorated packaging, misplaced package recipients, and unsatisfactory customer service were unavoidable. According to PT. JNE data, complaints rose in tandem with an increase in exports (Orion, Dashboard PT. JNE).

Public relations and marketing were needed to disseminate information about client complaints in order to address problems. Public relations and marketing can explain to consumers why certain operations or service delivery errors occurred, in addition to offering promotions. In addition to providing promotions, marketing public relations can also provide explanations to customers regarding failures in delivery services and operations. According to Trinh and Nguyen (2021) *marketing public relations* is a concept used in promotional activities to attract customers and create good relationships between customers and companies. The purpose of marketing public relations is to grow sales, improve communication and build relationships with customers.

Customers need many kinds of information which are related products and services to be offered to customers. For those reasons company shall use marketing public relation. Providing accurate information by company may satisfy customers and in turn customer satisfaction will result customer loyalty.

Therefore, the first hypothesis is marketing public relations has positive effect on customer loyalty.

In solving problems, communicating with customers is not adequate and service recovery is needed to retain customers. According to the results of research by Siagian, Pardede, Simarmata (2021) that *service recovery* is a policy in overcoming service failures and to gain consumer loyalty. Service recovery is very important for companies because it is a commitment to provide the best service. The commitment given by JNE is in the form of being responsible for every service failure and delivery operation, such as compensating 10 times the shipping cost if the goods sent are not insured and replacing the value of the goods if the goods are sent using insurance.

Other important factor is service recovery. Improper service to customer can be fixed through service recovery, by which customer dissatisfaction because of variety of mistakes can be minimized. Service recovery, therefore, improves customer happiness. Due to this situation, second hypothesis is service recovery positively affect customer loyalty and third hypothesis is customer public relation and service recovery simultaneously bring customer loyalty.

**METHOD**
The approach used in this research is a quantitative approach which aims to determine quantities the influence of the independent variable on the dependent variable. Quantitative descriptive research methods that are focused on finding information on research questions to solve problems based on ready-made data to analyze and interpret data (Creswell and David, 2018). The analysis is based on primary data resulting from interviews and a list of questions distributed to respondents obtained from customers of JNE in Medan. Data collection in this study was carried out with several techniques: observations; observing the object of research and data is recorded as field findings. Interviews; conducting interviews with employees of JNE asking questions verbally to

obtain research data. Online questionnaires via Google Form. Scoring 1 (worst) to 5 (best) is provided to each question (Sahir *et al.*, 2021). The data analysis contained in this study was obtained using the *SPSS* version 22 program. SPSS (Statistical Program for Social Science) is an application program for analyzing statistical data.

**Validity Test**

The validity test is used to test whether the questions contained in the questionnaire are valid so that they can be used to measure constructs in accordance with what the author expects to get accurate results. This test is seen from the Pearson correlation with a significance level of 0.05. If rcount> $r_{table}$ then the question is declared valid, while if $r_{count}$ < $r_{table}$ then the question is declared invalid.

**Table 1.** Validity Test Results

| Variables | Indicator | Item Statement | Counter | $R_{tabel}$ | Description |
|---|---|---|---|---|---|
| *Marketing Public Relations* (X1) | Consumer knowledge of the brand | X1.1 | .576 | | Valid |
| | | X1.2 | .530 | | Valid |
| | | X1.3 | .617 | | Valid |
| | Consumer attitude towards the brand. | X1.4 | .542 | | Valid |
| | | X1.5 | .612 | | Valid |
| | | X1.6 | .502 | | Valid |
| | Intention to buy. | X1.7 | .612 | | Valid |
| | | X1.8 | .457 | | Valid |
| | | X1.9 | .491 | | Valid |
| | The accuracy and precision of the information provided. | X1.10 | .498 | | Valid |
| | | | | .098 | |
| *Service Recovery* (X2) | Customers remain satisfied | X2.1 | .820 | | Valid |
| | | X2.2 | .709 | | Valid |
| | Influence consumer perception. | X2.3 | .776 | | Valid |
| | | X2.4 | .829 | | Valid |
| Customer Loyalty (Y) | Make regular repeat purchases | Y.1 | .687 | | Valid |
| | Refer to others. | Y.2 | .703 | | Valid |
| | | Y.3 | .588 | | Valid |
| | Showing disinterest in competitors. | Y.4 | .608 | | Valid |
| | | Y.5 | .686 | | Valid |
| | | Y.6 | .610 | | Valid |

In this study, the number of samples used n = 400, obtained $r_{tabel}$ = 0.098 at sig. 0,05. Table 1 shows that all questionnaire items show the coefficient value rcount> $r_{tabel}$ (0.098), so the regression model is concluded that all questionnaire items are declared valid because the answers given by respondents to the questionnaire items on average give answers agree and strongly agree.

**Reliability Test**

The reliability test is used to determine the consistency of the measuring instrument, whether the measuring instrument used is reliable and remains consistent if repeated measurements are made. The method used is the Cronbach's Alpha ($\alpha$) method which is measured on a scale of 0 to 1. A variable is declared reliable if the results show an $\alpha > 0.60$ value.

**Table 2.** Reliability Test

| Variables | Crobach's Alpha | Standardized Coefficient Value | Description |
|---|---|---|---|
| *Marketing Public Relations* (X1) | .735 | | *Reliable* |
| *Service Recovery* (X2) | .791 | 0,6 | *Reliable* |
| Customer Loyalty (Y) | .721 | | *Reliable* |

Table 2 shows that all research variables consisting of marketing public relations, service recovery and customer loyalty show a Cronscbach's Alpha value> 0.6, so the regression model is concluded that all variables are declared reliable.

**Classical Assumption Test**

The normality test aims to test and find out whether the regression model, independent variables and dependent variables have a normal distribution or not Normality testing in this study was detected through statistical analysis resulting from regression calculations. Kolmogrov-Smirnov test, namely testing is done by comparing the profitability obtained with a significant level. If the significant value> 0.05 then the distribution is normal and if the significance value <0.05 then the data distribution is not normal.

**Table 3.** Kolmogrov-Smirnov Test
**One-Sample Kolmogorov-Smirnov Test**

| | Unstandardiz ed Residual |
|---|---|
| N | 400 |
| Normal Parameters Mean | .0000000 |
| Std. Deviation | 2.294690006 |
| Most Extreme Differences Absolute | .060 |
| Positive | .027 |
| Negative | -.060 |
| Test Statistic | 1.205 |
| Asymp. Sig. (2-tailed) | .110 |

Table 3 shows that the Kolmogorov Smirnov test results have a significance value (Asymp. Sig.2-tailed) of 0.110 so that the significance value of 0.110> 0.05, it is concluded that the residual value is normally distributed and fulfills the assumption of normality.

**RESULTS AND DISCUSSION**

The questionnaire was distributed to 400 respondents. Based on gender characteristics, 237 people are female and 163 people are female, totaling 59.25% and 40.75% respectively. About 286 (71.50%) respondents were 20-30 years old, 61 (15.25%) respondents were 31-40 years old, 52 (13.00) respondents were 41-50 and 1 (0.25) respondent was 51-60 years old.

Hypothesis testing is carried out through three analyses, namely, the t test which aims to test the partial influence between the independent variable on the dependent variable with the assumption that the dependent variable is considered constant, with a confidence level of 95% ($\alpha$ = 0.05). The F test is carried out to test the simultaneous influence of independent variables on the dependent variable, with a confidence level of 95% and to measure how far the distribution of independent variables is able to explain variations in the dependent variable. researchers carried out a determination test.

**Table 4.** The t-test
**Coefficientsᵃ**

| Model | Unstandardized Coefficients | | Standardized Coefficients | | |
| --- | --- | --- | --- | --- | --- |
| | B | Std. Error | Beta | t | Sig |
| 1 (Constant) | 17.850 | 1.679 | | 10.631 | .000 |
| Marketing Public Relations | .171 | .034 | .245 | 5.015 | .000 |
| Service Recovery | .049 | .053 | .045 | 2.933 | .003 |

In this study, the number of samples n=400, the t value$_{tabel}$ is obtained from a significant 0.05 with df = n - k=400 - 3 =397, the coefficient value $_{tabel}$ =1.965 at sig. 0,05. The following can be described regarding the partial test results as follows:

a. Marketing public relations has a positive and significant effect on customer loyalty at PT. JNE, Medan (tcount value  > t$_{tabel}$ , 5.015 > 1.965 at sig. 0.000 <0.05) so that the research hypothesis H$_1$  is accepted.

b. Service recovery has a positive and significant effect on customer loyalty at PT. JNE, Medan (tcount value  > t$_{tabel}$ , 2.933 > 1.965 at sig. 0.003 <0.05) so that the research hypothesis H$_2$  is accepted.

**Table 5.** F-test
**ANOVAᵃ**

| Model | Sum of Squares | df | Mean Square | F | Sig |
| --- | --- | --- | --- | --- | --- |
| 1 Regression | 143.665 | 2 | 71.832 | 13.573 | .000ᵇ |
| Residuals | 2100.975 | 397 | 5.292 | | |
| Total | 2244.640 | 399 | | | |

In this study the number of samples n = 400, where the value of df (1) = k - 1 = 3-1 = 2 and the value of df (2) = n-k = 400 - 3 = 397 then obtained F$_{tabel}$ = 3.018 at sig.0.005. While

the value of $_{Fhitung}$ = 13.573 at sig.0.000. From the table above, it can be concluded that marketing public relations and service recovery simultaneously have a significant effect on customer loyalty ($F_{count}$> $F_{tabel}$ value, 13.573> 3.018 at sig. 0.000 <0.005) so that the research hypothesis $H_3$ is accepted.

**Table 6.** Results of the Coeffient of Determination (R)$^2$

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .653$^a$ | .426 | .421 | 2.300 |

The coefficient of determination value R in table 6 = 0.653 means that public relations marketing and service recovery and loyalty have a strong relationship.. Meanwhile, the adjusted value of $R^2$ = 0.426 means that customer loyalty at  PT. JNE  Medan can be explained by marketing public relations and service recovery by 42.6% and the remaining 57.4% can be explained by other variables not examined, including service, price, marketing communication and so on.

Based on the results of the above statistical test, it shows that marketing public relations has a positive and significant effect on JNE of Medan, primarily, on customer loyalty.

Thus, it can be conveyed that in the view of customers it is important for JNE to have employees who have marketing public relation and communication skills. Service errors ultimately may cause losses both directly or indirectly.

In addition to the above,  PT. JNE shall periodically, quarterly or semesterly, provide session to improve or refresh its employees' skills on marketing public relations in order to improve complaint handling skills, avoid misunderstanding in services and ultimately to gain customer loyal.

According to Hendrayani, *et al.,* (2022), it can be conveyed that companies that are able to provide good and appropriate public relations communication can have a significant influence on increasing customer loyalty. The same thing was also conveyed by Saraswati and Prihadini (2020), concluding that with the ability of effective and efficient marketing public relations, this condition can have a significant effect on increasing customer loyalty to remain loyal to using the products or services offered by the company.

Quayson *et al.,* research (2023) conveyed that companies must be able to provide good communication to be the key to marketing public relations strategies, which can have an influence on increasing customer loyalty. According to Bilhaq and Putri, (2022)  marketing public relations is able to increase and strengthen customer loyalty through good communication, publications and events to customers.

Thus, research conducted by authors confirms the findings of the above researches that customer loyalty can be improved with the existence to marketing public relations. Marketing public relations skill of employees will help PT. JNE to prevent its customers to move to competitors.

Moreover, also based on the result of statistical test, service recovery has a positive and significant impact on customer loyalty. Service recovery can be seen by customers as the seriousness of PT. JNE and its employees to immediately response to customers' complaints, solve customer problems, and communicate the issues to customers.

PT. JNE and its employees have to always remember that the success of PT. JNE cannot be separated from the willingness of customers, hence loyalty of customers, to utilize PT. JNE services. Therefore, various effort on corrective actions has to be demonstrated to gain customer satisfaction as customer happiness is top priority of PT. JNE and shown in its motto **"Connecting Happiness".**

The attitude of PT. JNE and its all employees shall be related to improve customer satisfaction, and customers shall be able to see the service recovery made by PT. JNE and its employees as a one of the PT. JNE's competitive advantage in comparison with other logistics companies.

According to research by Rita, Oliveira and Farisa,(2019), It can be concluded that by restoring services carried out by the company, it is necessary to be able to have a strong influence on increasing consumer loyalty in the future. The same thing was also conveyed by Tran, (2022), concluding that the restoration of services that have been carried out by the company for mistakes or shortcomings that occur and are carried out by employees to consumers will be able to provide a positive view of the customer's mind so that this can have a significant influence on better customer loyalty.

According to research by Edström *et al.*, ( 2022) if the failure is not handled immediately, it will incur large costs in recovery and cause customers to move. According to research by DeWitt, Nguyen and Marshall (2008), it is concluded that in the formation of customer loyalty, it is necessary to pay attention to the security felt by customers as mediating the effect of service recovery on customer loyalty. Research by Savira and Nieamah, (2022) service recovery by companies can have a significant effect on increasing customer loyalty.

With regard to the above citations, it can be conveyed that there is a relevance between author findings and the finding of researches above. It shows that poor services will result in customers' unhappiness and hence poor services have to be improved immediately to prevent customers running away to competitors. Customers who have received poor service from PT. JNE employees and if these poor services repeated to occur without any corrective action from the company or its employees, sooner or later the customer will not believe and will move to other *competitors* who can provide better service for him or her.

Marketing public relations skill supports PT. JNE employee in responding to the customers' needs and also to enable employees to communicate using better words and language to customers. Therefore, misunderstanding and disappointment of customers can be minimized and avoided. If customers are happy, sales and profit of the company will increase and in turn employees are happy too.

**CONCLUSIONS**

Due to geographical size and complexity where Indonesia has thousands of islands and with the emerging of online business and e-commerce, the logistics business is significantly established. JNE has already given best services. This can be observed from high level of customer loyalty to JNE. This research found that 42.6% of customer loyalty was stemmed from the implementation of customer public relation and service recovery, while 57.4% of customer satisfaction comes from other variables which were not observed in this research; for example, number of outlets, proximity of outlets, on time delivery, or other factors.

In the future JNE needs to improve skills in communicating with customers therefore employees are ready to face big tasks, especially related to interaction and communication

with customers. PT. JNE shall provide training for employees who are still less skilled in communicating with customers.

To find out the gaps or shortcomings in the service, it is necessary to make improvements and corrections so that in the future there will be no recurrence of mistakes that have been made by employees, PT. JNE shall periodically and continuously review and evaluate its services that have been performed and provided by employees to customers.

To maximize marketing public relations events for customers, so customers are aware of the service improvement being implemented. Other than events, such messages can also be delivered through publication (leaflets, flyers, banners, both offline and online) to customers using a clear, concise and simple language.

PT. JNE is expected to establish a system to enhance relationship with customers. If there are customers who experience damage of goods or failures in delivery, PT. JNE is expected to immediately repair the losses incurred by customers. In addition, PT. JNE should have a suggestion box at SCO (*sales counter officer)* table or on JNE website so that customers can provide suggestions, criticisms and input that need to be listened by the company.

**Reference**
Bilhaq, A. M., & Putri, Y. R. (2022) 'Analysis of the Implementation of Bank Syariah Indonesia's Marketing Public Relations Strategy in Maintaining Customer Loyalty', *EProceedings*, 9(2), pp. 914–923.

Creswell, J. W. and David, J. (2018) *Research Design Qualitative, Quantitative, and Mixed Methods Approaches.* 5 th. Singapore: SAGE Publication,Inc.

DeWitt, T., Nguyen, D. T. and Marshall, R. (2008) 'Exploring Customer Loyalty Following Service Recovery', *Journal of Service Research*, 10(3), pp. 269–281. doi: 10.1177/1094670507310767.

Edström, A. *et al.* (2022) 'Where service recovery meets its paradox: implications for avoiding overcompensation', *Journal of Service Theory and Practice*, 32(7), pp. 1–13. doi: 10.1108/JSTP-06-2021-0120.

Hendrayani, Y., Alkautsar, M. S. and Manihuruk, H. (2022) 'Marketing public relations strategy of coffee shop business during COVID-19 pandemic', *PRofesi Humas Jurnal Ilmiah Ilmu Hubungan Masyarakat*, 7(1), p. 93. doi: 10.24198/prh.v7i1.37492.

Quayson, A. *et al.* (2023) 'Marketing communications' dimensions and brand loyalty in the banking sector', *Revista de Gestão*. doi: 10.1108/REGE-10-2021-0191.

Risnain, M. (2021) 'THE CONCEPT OF THE ARCHIPELAGIC PROVINCE AND ARCHIPELAGIC STATE IN THE PERSPECTIVE OF NATIONAL AND INTERNATIONAL LAW', *Lampung Journal of International Law*, 3(2), pp. 73–84. doi: 10.25041/lajil.v3i2.2367.

Rita, P., Oliveira, T. and Farisa, A. (2019) 'The impact of e-service quality and customer satisfaction on customer behavior in online shopping', *Heliyon*, 5(10), p. e02690. doi: 10.1016/j.heliyon.2019.e02690.

Sahir, S. H. *et al.* (2021) 'Effect of halal food management system certification on buying interest of Indonesian consumer goods', *Uncertain Supply Chain Management*, 9(3). doi: 10.5267/j.uscm.2021.4.005.

Saraswati, A., & Prihadini, D. (2020) 'Analysis of Marketing Public Relations Strategy in Increasing Sofyan Hotel Customer Sofyan Hotel Customer Loyalty (Descriptive Study at Menteng Sofyan Hotel Cut Meutia, Central Jakarta)', *LUGAS Journal of*

*Communication*, 4(2).

Savira, E & Niemah, K. F. (2022). (2022) 'e Effect of Service Recovery on Passenger Satisfaction of Wings Airline at Komodo Labuan Bajo Airport', *TheJournal of Citizenship*, 6(1), pp. 263-273.

Siagian, N. F., Pardede, H. D., & Simarmata, H. M. P. (2021) 'The Effect of Service Recovery on Customer Satisfaction Level at Bank Panin Kcu Pematangsiantar', *Journal of Economics and Business*, 4(1), pp. 410–417.

Suryawirawan, O. A. (2019) 'perceived ease of use dan perceived usefulness terhadap e-commerce intention melalui aplikasi online shop pada mahasiswa di surabaya', *Jurnal MEBIS (Manajemen dan Bisnis)*, 4(1), pp. 1–8.

Tran, N. T. (2022) 'Impact of corporate social responsibility on customer loyalty: Evidence from the Vietnamese jewellery industry', *Cogent Business & Management*, 9(1). doi: 10.1080/23311975.2022.2025675.

Trinh, V. D. and Nguyen, H. M. (2021) 'Model of Relationships Among Marketing Public Relations, Service Quality and A vice Quality and Attitude T ttitude Toward Brand', *ASEAN Marketing Journal*, 10(1), pp. 17–30. doi: 10.21002/amj.v10i1.10626.