

## CHAPTER I

### INTRODUCTION

#### A. Background of the Study

Nowadays, a company has to increase its profit by creating products or service quality. Moreover, in dealing with competitors, this fact completes and supports the management of the company in order to create customer loyalty.

A marketing concept is a key success of effort by determining a market demand and providing an effective and efficient satisfaction compared to other competitors (Kotler, 2000 : 21). The importance of building the relationship will be clear considering that it will cost a fortune to get new customers rather than maintain the present customer (Boles *et al.*, 1997 : 253 and Swastha & Hani, 1997 : 2).

Oliver (1997 : 9-12) defines loyalty as a commitment to buy or protect the same and consistently - chosen product or service in the future without situational influence and marketing plan which can potentially change customer loyalty. In other words, customers are determined indeed to buy a particular product or service than the other products.

Based on this background, the researcher intends to conduct a research on customer loyalty toward pharmaceutical distributor of Citra Jananuraga Hutama Incorporation. in Semarang since it proves that its every sale has its own interesting characteristics to guarantee customer loyalty. Even though the price is getting higher and higher, and the competition with other distributors is very stiff nowadays, the customers of Citra Incorporation still exist and remain the same as repeated buyer. The reason lies on the service quality in which the customers still re-order medicine regularly with various frequency of ordering every week.

Citra Jananuraga Hutama Incorporation, cited in Jurnatan Complex B-32 Semarang, is a pharmaceutical distributor of various products such as generic, patent, and over-the-counter medicines. Some generic and patent medicines are under doctor's prescription. Citra Incorporation holds an approval letter from Indonesian Ministry of Health No. 3309/PBF/VII/99 issued on 7 July 1999.

According to the Department of Health, there are about 200 pharmaceutical distributors in Central Java in 2009. Since several of them sell illegal medicines, Citra Incorporation commits to sell the unlawful products in order to be recognized as an official pharmaceutical distributor in Semarang. Citra Incorporation is a distributor of AFI Farma, Imfarmint Pharmaceutical, Trifa Laboratories, Triman Pharmaceutical dan Ifars Pharmaceutical as new pharmaceutical producers. From those 5 producers, this distributor has more

than 500 types of products ready to sell. As for the customers, Citra Incorporation has other 53 pharmaceutical distributors, 319 pharmacies, 15 hospitals and 85 paramedics, 40% of which is in Semarang.

51 out of 319 pharmacies are in central part of Semarang. My a prior survey was conducted in Citra Incorporation concerning only the pharmacies to acquire the data of customers. The result proved that they are loyal by the characteristics of frequently talking positively, preferring to order, and recommending Citra Incorporation to other customers of pharmacy. According to the owner of Citra Incorporation, the loyal customers are the ones or the pharmacies which order at least 3 times every week in a month. The data of pharmacies in table 1 show that there are 33 pharmacies ordered at least 3 times every week in July 2009

**Table 1:**  
**Data of Customers**  
**in Central part of Semarang of Citra Jananuraga Incorporation in July 2009**

No	Name of Pharmacy	Address	Re-order $\geq 3$ times in the last 3 weeks
1.	Apt. Eka Sakti	Jl. Merak 3	√
2.	Apt. Rojo Sehat	Jl. Raden Patah 108	√
3.	Apt. Anyar	Jl. M.T. Haryono A/ 4	√
4.	Apt. Asta	Jl. Sedane 14	√
5.	Apt. Fortuna	Jl. Bugangan 25A	√
6.	Apt. Depok Sejahtera	Jl. Depok 5	√
7.	Apt. Damai	Jl. Widoharjo 35	
8.	Apt. Delta	Jl. Imam Bonjol 188A	√
9.	Apt. Griya Husada	Jl. Brotojoyo Barat 2/11	√
10.	Apt. Kharisma	Jl. Wot gandul Timur 2-4	
11.	Apt. Selamat	Jl. Imam Bonjol 108 H	
12.	Apt. Sompok	Jl. Sompok 4 C	
13.	Apt. Abdullah Farma	Jl. Petek 57	

14.	Apt. Kimia Farma 18	Jl. Pemuda 135	√
15.	Apt. Kimia Farma 178	Jl. Brigjen Sudiarto 466	√
16.	Apt. Sumber Waras	Jl. Soegijapranata 14 E	
17.	Apt. Setia	Jl. Ki Mangun sarkoro 812 A	
18.	Apt. 33	Jl. Sidorejo 33	
19.	Apt. Anugrah Sari	Jl. Kedung Mundu 162 D	
20.	Apt. Bringin Indah	Jl. Bringin Raya 8/1G	√
21.	Apt. Mataram	Jl. M.T. Haryono 309	√
22.	Apt. K-24	Jl. Gajah Mada 63	√
23.	Apt. K-24	Jl. Brigjin Katamso 69	
24.	Apt. Tlogo Sari	Jl. Tlogo Sari 1/16	√
25.	Apt. Anugrah Mulya	Jl. M.T. Haryono 707	√
26.	Apt. Ben Sehat	Jl. Kanjengan A 37	√
27.	Apt. Alam Sehat	Jl. Kentangan Barat 214	√
28.	Apt. Phramaca	Jl. M.T. Haryono 691	√
29.	Apt. Budi	Jl. Senjoyo 1/69	√
30.	Apt. Anti	Jl. Celo Sari dalam 3 no 7	√
31.	Apt. Panca Mulya	Jl. Ki Mangun Sarkoro 15	√
32.	Apt. Penta Jaya	Jl. Gang Warung 20	√
33.	Apt. Sputnik	Jl. Pandanaran 55	√
34.	Apt. Johar	Jl. Agus Salim 28	√
35.	Apt. Ina Mart	Jl. Indra Prasta 44A	√
36.	Apt. Dargo	Jl. Dargo 8	√
37.	Apt. Citarum	Jl. Ruko Citarum Indah D9	√
38.	Apt. Kebon Dalem	Jl. Gg Pinggir 62	√
39.	Apt. Kembar Jaya	Jl. M.T. Haryono 52A	√
40.	Karang anyar	Jl. Karang Anyar 4 A	
41.	Stamina 2	Jl. M. T. Haryono 675	
42.	Apt. Sehat Mulya	Jl. M.T Haryono 225	√
43.	Apt. Seteran	Jl. Seteran Selatan 1A	
44.	Apt. Ramacha	Jl. Gg baru 163	
45.	Apt. Sapta	Jl. M.T. Haryono 597	
46.	Apt. Poncol	Jl. Imam Bonjol 12	√
47.	Apt. Mitra Medika	Jl. Citarum I/10	√
48.	Apt. Hendra	Jl. Imam Bonjol 204 A	
49.	Apt Layar	Jl. Layar 87 A	√
50.	Apt. Bina Sehat	Jl. Kali Mas Raya 29	
51.	Apt. Imam onjol	Jl. Imam Boonjol 129	

Source of the Data: Data of the Company, 2009

I am interested in doing the research of analyzing the significant factors influencing customer loyalty with the perception from the customers toward Citra Jananuraga Hutama Incorporation Semarang as well as finding and developing the business strategy for the next future in order to build more customer loyalty in factor analysis influencing customer loyalty of pharmaceutical distributor toward citra jananuraga incorporation, semarang.

#### **B. Statement of the Problem**

Since the price of medicines are increasing, the pharmaceutical distributors and producers keep on maintaining customers through the service quality, the availability, and the legality of the medicine. The service quality includes the approach of the owner and the sales force toward the customers, the competency to build customer trust, great attention, and the frequent visit especially from the sales force. The other services are in time delivery, tolerable date of payment, and well-serve for returnable products.

The availability of the various medicines is also important to give choices for customers. Usually the owner and the sales force should also to master the composition of the product to propose the alternative medicine to customers.

The existence of Drug and food control department (Balai POM) is a challenge for the pharmaceutical distributor to be a legal distributor. The composition of medicines should be appropriate with the permission from this department otherwise it entitles to close down the distributors that break the rules. This department also record where the medicine is sold. Thus, the

distributors should keep invoices as a proof of sale and be listed by the date and name of the buyer by.

The researcher will conduct the research upon the factors influencing customer loyalty toward Citra Jananuraga Incorporation. Thus, the statements of the problems are:

1. What is the perception of the respondents regarding the factors influencing the customer loyalty to Citra Incorporation?
2. What are the significant factors influencing the customer loyalty to Citra Incorporation?
3. What strategies are formulated by Citra Incorporation to develop customer loyalty through marketing mix?

### **C. Objectives of Study**

The objectives of study are:

1. To find out the perception of the respondents regarding the factors influencing the customer loyalty to Citra Incorporation.
2. To find out the significant factors influencing the customer loyalty to Citra Incorporation.
3. To formulate the strategies that can be developed to increase the customer loyalty to Citra Incorporation through marketing mix.

**The Significance of this study is:**

1. **For Citra Jananuraga Incorporation.**

To understand and employ comprehensively about the types and characteristics of customers. Thus Citra Incorporation is able to find and maintain the future strategy to build better customer loyalty.

2. **For the readers**

To provide a reference about the related research of building satisfaction and customer loyalty

3. **For the researcher**

To increase knowledge about management especially regarding the customer loyalty.

