Traditional Snack's Customer Loyalty in Medan

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ABSTRACT

There are many things to be proud about Indonesia, not only the nature but also the foods. The characteristic of the variety of foods in Indonesia since long ago are the traditional snacks that mostly can be found in the wet market. Currently, many marketers are competing to acquire market share that there is a way to by making a good marketing plan in order to win the market so that consumers become loyal.

The purpose of this study is to determine and analyze whether research variables in this study affect the interest of consumers to buy traditional snacks in Medan, so that they will remain loyal to the purchase the traditional snacks while competing with other snacks.

The results of this research shows that in the first regression model, products and pricing strategy simultaneously and partially have a positive and significant influence on consumer interest, the second and third regression model, all three variables have influence on consumer loyalty. The advice that can be given is that the pricing strategy is crucial to win the competition.

Key Words: ***Product, pricing strategy, consumer interest, loyalty***

1. INTRODUCTION

There are many things to be proud about Indonesia, not only the nature but also the foods. The characteristic of the variety of foods in Indonesia since long ago are the traditional snacks that mostly can be found in the wet market. Currently, many marketers are competing to acquire market share that there is a way to by making a good marketing plan in order to win the market so that consumers become loyal. Especially in the middle of modern snacks race. The changing of society behaviour also caused the change of appetite , the flavour of these snacks also affect the prestige of the food itself.

With so many alternatives of foods or snacks that offer good products with competitive pricing as well as the right distribution channel. This not only will affect consumer's buying interest but also their loyalty.

The consumptive society in Indonesia are known as consumers who prefer products that are made overseas, which are known to have a range of products that are as broad as Indonesian traditional snacks, such as Blackforest cakes, pizza, tart, bread and cake with different flavours with varying ingredients. Most of these snacks or food is preferred more by children or teenagers. In term of appearance or presentation, which are more attractive, will sure affect the customer decision.

Now traditional snacks is difficult to find and even if it is found , it is usually a dedicated pastry shop or even as an alternative in modern pastry shop. This traditional snacks usually being compared with modern cake or other snacks, that is why it is implied as a secondary product, not as the main products, or as complementary products. As for the kinds of traditional snacks are widely known by the general public are *klepon, onde-onde, cenil donat, nagasari, kue talam, kue cucur, Putu cake* and many more. The Variations or types of ingredients shape, colour and flavour of these snacks will attract the interest of consumers to consume such food.

Marketers or companies will try to make anything that can be sold and apply various strategies to market their products in order to outperform the competitor.

In marketing, we must be able to determine the right price for consumers. Price is an element that often can bechanged quickly by marketers in response to changes in demand. That is why it is necessary to have pricing strategies to market a product or service. There are many price wars among manufacturers in determining the right price to attract consumers.

Traditional snacks is desired more by women as a light meal or snack either in leisure activities as well as various celebration events. Today, more and more modern snacks began to replace the position of traditional snacks. Traditional snacks can also represent certain region in Indonesia. The competition between modern snacks and traditional snacks will determine consumer loyalty to traditional snacks.

Buying interest is a sense of involvement experienced by consumers about a product or service that is influenced by others. Consumer behaviour is very important to determine interest in buying, so marketers must stimulate consumer's buying interest which will resulted in the decision to purchase the product. With the competition exist, we will be able to see will the market willingness towards this traditional snacks.

Problems developed in this study: Are the Product and Pricing Strategy affect consumer interest to buy traditional snacks in Medan and whether these variables will form the loyalty of consumers buy traditional snacks in the city of Medan.

2. LITERATURE

Product

Kotler and Armstrong (2003), stating that the product is all that can be offered to the market to be considered, owned, used or consumed to satisfy the desires or needs of the consumers. While Tjiptono (2005) states that the product is anything that can be offered by manufacturers to be considered, to be desired, sought, bought, used or consumed by the market as provider to the relevant market. Products offered include physical goods, services, people, place, organization and so on.

Product development

Sunarto (2004) states that there are five things that must be considered in product development, to stimulate consumers to make purchases:

1. Product attributes

Development of a product or service involves determining the benefits. These benefits are communicated in the form of product attributes such as quality, features and design.

- Quality means the product's ability to perform its function. The company choose an appropriate level of quality that are suitable to the market and product quality level of competitors' products.
- Features are competing tool to differentiate one company's products from others. Being the first manufacturer to introduce a new feature that is needed and worth is one of the most effective ways to compete
- The design can be one powerful weapon for companies. The design is more than just outer skin, but how to achieve the design of products that contribute to the usefulness of a product as well as appearance.

2. *Branding*

The brand helps consumers to identify products that might benefit them. A brand delivered six different meanings, such as: attribute, benefits, cultural values, and the wearer's personality. Branding also gives the advantage to the seller to segmentize the market.

3. Packaging

Design and packaging is the process related with the fine design and manufacture of container and the wrapper for a product. Objectives of the packaging include:

> As a protection of the content *(protection)*

> To provide ease of use *(operating)*

> attractiveness *(promotion)*

> As identity *(image)* of the products, such as: solid, long last, soft, or fancy

> Information *(labeling)*

> product innovation

4. labelling

Label has several functions, such as:

> The label identifies the product or brand

> Label illustrates several things about the product, the company who made it, its contents, how it is used, and how to use them safely

> Label promote products through a variety of interesting images. Today the label also include a caption with the price, expiration date and the nutrients contained therein.

5. Product Support Services

The company uses the product support services as a tool to gain competitive advantage. Companies must design products and supporting services to meet customer requirements.

Pricing strategies

According to .Machfoedz (2005), pricing is influenced by various factors, both internal factors and external factor. Internal factors include the company's marketing objectives, marketing mix strategy, costs and pricing methods. External factors include the nature of the market and demand, competition and other environmental elements.

Pricing strategy is the stage where companies classify and categorize the products or services they produce a 'new product' that yet to have a loyal consumer or products that have been circulating for a while and already has its own market share.

Choosing Pricing Strategies To Achieve Target Market

In this case the seller can choose between two kinds of pricing strategies that are considered extreme, such as:

a. Skim-the-cream-picing; This strategy sets a high price with the intention companies can gain maximum profit. Of course, this strategy only apply if conditions of the competition are very loose or even almost without competition so that at any price the products will still be in demand by consumers

b. Penetration pricing; opposite to the above strategy This strategy sets product prices as low as possible. It is intended to achieve the sales volumes of the highest in certain market segment. This strategy can be applied when very strict conditions of competition or market conditions have shown saturation.

Pricing Strategy in Competition

Important step to be taken to set prices in a competitive situation is to develop an effective pricing strategy and the ability to anticipate consumers' reaction on product prices. In general the price of the competition can be classified into three categories, such as:

1. Stable Pricing Strategy: This strategy intends to avoid direct confrontation form of price competition. Stable pricing strategy is expected to maintain the position of the product in the market. Historically the price of of basic ingredients (rice, flour, wheat and salt) are relatively stable in the long term. While the need for clothing and shelter materials fluctuate from time to time. Some things that often hinder stable pricing include the scarcity of raw materials and the rise of the import of substitution materials. Besides that, competitors affect the policy of stable prices.
2. Lower Price Strategies. low price strategy will generally be used when the company is facing keen competition and consumers have sensitivity on prices. Many companies take

a low price strategy by making local products or generic products. With hope, the company can reduce the cost of production and marketing costs to reduce the selling price. The effectiveness of the strategy is in fact determined by the reaction given by competitors. Very likely, competitors will also use the same way to deal with low price strategy. In the long term if the 'price war' with the competition continues, it would be detrimental to both sides.

3. Price Above Competitors strategy: this strategy performed well by increasing the price existing products or by launching high quality products for the consumer groups that are sensitive to price changes. However, many companies raised prices for some other reason such as scarcity of raw materials and labor. In many cases it is the company deliberately raise the price in the hope that competitors also follow to raise price. This means the overall producers would enjoy the benefits of a high price.

Consumer buying Interests

Buying interest is consumer behavior which indicates the extent of its commitment to make a purchase. Besides buying interest is the tendency of respondents to act before a buying decision is actually implemented. There are differences between actual purchases and interest in the purchase. If the actual purchase is a purchase that really made by consumers, the interest in the purchase is the intention to make a purchase on a future occasion. Although purchase interest is not necessarily going really happen in the future but the measure of the interest in the purchase is generally done in order to maximize the prediction against the actual purchase itself.

According to Howard in Durianto and Liana (2004) buying interest is a matter related to consumers plan to buy a particular product as well as how many units of the product is needed at a particular period.

Aspects of the Consumer Buying interest

Lucas and Britt in Natalia (2008) stated that the aspects contained in buying interest include:

a. Attention, the attention of the consumer to a product (or service)
b. Interest, after their attention then there will be an interest in consumer
c. Desire, continued in the desire to have a product
d. Confidence, then raised the confidence of the individual self to the product causing decisions (the end) to obtain the action called buying.
e. Decision

It was concluded that the aspects of purchase interest is as follows:

1. *(interest)* which shows their concentration and feelings of pleasure
2. *(Desire)* is shown with the urge to want to have.
3. *(conviction)* are shown with their individual sense of confidence to the quality, usability and benefits of the product to be purchased.

According to Ferdinand (2002), buying interest may be identified as follows:

a. Transactional interest, namely the tendency of a person to buy a product
b. Reference interest a person's tendency to refer products to others
c. Preferential interest, the interest that describes a person's behavior have a major preference to these products. These preferences can only be replaced if something happens to the product of preference
d. Explorative interest, this interest describes the behaviour of someone who is always looking for product information about the product that really interest him and looking for information to support the positive properties of the product.

Consumer loyalty

According to Nugroho (2005), customer loyalty is defined as a measure of customer loyalty in using a product brand or service at a certain time in a situation where a lot of products or services that can meet their needs and the customer has the ability to get it. Griffin (2005) argues that loyalty was the formation of attitudes and behavioural patterns of a consumer to purchase and use products from their previous experience.

Consumers that are categorized as loyal customers are satisfied customers with specific products so that they have the enthusiasm to introduce it to anyone they know. Furthermore, loyal customers will also show their loyalty to purchase other products from the same company. Consumer loyalty to a product associated with a positive attitude will re-purchase the product consistently.

Factors Affecting Consumer Loyalty

According to Aaker (2004) the factors that influence consumer loyalty are as follows:

1. *(satisfaction)*

   Consumers will be loyal to a product when he gets the satisfaction of the product. if after trying and the response was good, it means consumers are satisfied so that it will decide to buy those products consistently over time. This means it has created consumer loyalty to the product

2. (*Habitual Behavior)*

   Customer loyalty can be established because consumer habits. If it is an usual thing, the buyer is no longer through a long decision-making. In this condition it can be said that consumers will continue to buy the same product for a particular type of product and tend not to change products.

3. *(Commitment)*

   Customer loyalty will arise if there is confidence to the products so there will be communication and interaction among consumers, by talking about the product.

4. *(Liking of The Brand)*

   loyalty level can be measured from the onset of preference for products until there is pleasing performance of such products. Consumers are said to be loyal are consumers who repeatedly buy the product not because of the special offer, but because consumers believe the products have a good quality.

5. *(Switvhing Cost)*

   The difference in the sacrifice and or the risk of failure, cost, energy and physical that are paid by consumer as he chooses one of the alternatives. If cost is a big diversion, then consumers will be cautious to switch to another product because of the risk of failure is too great that consumers tend to be loyal.

Types of Consumer Loyalty

According to Griffin (2005) there are four types of consumer loyalty, namely:

1. *(no loyalty)*

   For various reasons, some consumers do not develop loyalty to a particular product or service. This means that consumers will never become a loyal customer, they only contribute little to a company. Generally companies have to avoid the this group of consumers because they will never be a loyal customer

2. *(inertia loyalty)*

   Consumers who have this attitude usually buy based on habit. The bases used to buy products usually because it was used or because it always uses the product. Such loyalty is more common in products that are frequently used, but does not rule out the possibilities to get a swing customer from a competitors' product, for example by improving the quality of the product and with the addition of other amenities.

3. *(latent loyalty)*

   Relatively high preference level combined with a low level of repeated purchases show a hidden loyalty. Companies can overcome these latent loyalty by understanding the factors that contribute to the situation of the latent loyalty.

4. *(premium loyalty)*

premium loyalty is a kind of loyalty that occurs when a high level of interest is in sync with repurchase activity. Loyalty like this is what expected by the company. At the high level of preference, then the consumer will be proud to find and use these products gladly share their knowledge of their experiences with friends, family or other consumers

conceptual framework

Needs and desires of consumers for goods and services evolve over time and affect their behaviour in the purchase of the product. Manufacturers need to give more attention to the product, considering the price competitiveness as well as the affordability of pricing strategy with more optimal to maintain its position in the market. As well as attracting more consumers to the traditional snacks in the middle of modern hawker competitor is currently developing.

Product Is a form of offerings to potential clients about goods and services that can meet the needs and desires of consumers. If for traditional snacks in terms of quality could compete, because this food has a distinctive flavor. But for traditional snacks that seldom have special packaging is different with modern snacks. In this case, it is the advantages and disadvantages of each snacks product whether traditional or modern.

Pricing strategies such as product pricing, the effect on consumer psychology, competitive pricing and marketing affect the market. Determination of prices is difficult because of various products have demand and associated costs as well as the competition is different. Marketers usually adjust their prices to take into account a wide range of customers and situations change. Thus it can determine whether it will be able to win a competitive market that exists.

Buying interest is a tendency to feel attracted or compelled to perform activities of getting and having goods and services. It can be said that buying interest is mental statements from consumers who purchase a number of products with a particular brand. This is urgently required by the marketers to find consumers to buy the product.

Seeing such competitive conditions, the traditional snacks manufacturer must determine the appropriate competitive strategies to face the competition. Factors diversity of products, the appropriate pricing strategy as the price will be serious. This will have an impact on customer loyalty to maintain its market.

Based on the description above, the conceptual framework of this research can be described as follows:

Figure 1 Conceptual Framework

3. RESEARCH METHODS

Type of this research is quantitative descriptive, nature of this research is descriptive explanatory (explanation), based on the position of the variables that were analysed and the relationship between one variable with another variable (Sugiyono; 2006). This research was conducted using a survey approach, through the collection of data regarding the factors associated with research variables through the sample as a part or a representative population, to examine the study variables.

In this study, the primary data are women aged between 20-50 years as the population of 519 717 people (BPS Medan 2012). The required sample set by using the formula Slovin (Prasetyo and Jannah; 2005) with the critical value of 10% which is100 people.

Methods of sample selection in this research is purposive sampling. selection of samples is determined based on certain criteria. The criteria are women between the ages of predetermined range who bought traditional snacks in Medan.

To obtain the necessary data, the data collection method used is through interviews, questionnaires , and documentation study, using primary data and secondary data.

Table 1. Variable Operational Definition Research

variable	Definition	Indicator	Pengukuran
Product (X_1)	product is anything that can be offered by manufacturers to be considered, to be desired, sought, bought, used or consumed by the market as provider to the relevant market.	a. product attributes b. branding c. Packaging d. Labelling e. Support services roduk	Likert scale
Pricing strategies (X_2)	Pricing strategy is the stage where companies classify and categorize the products or services they produce a 'new product' that yet to have a loyal consumer or products that	a. Stable pricing strategy b. Strategy prices below competitors c. Strategy price above competitors	Likert scale

	have been circulating for a while and already has its own market share		
Consumer Interests (Y_1)	something related to consumers' plan to buy a particular product as well as how many units of the product is needed at a specific period	a. interests transactional b. interests refrensial c. preferential interest d. interests explorative	Likert scale
Consumer Loyalty (Y_2)	attitudes and behavioral patterns of a consumer to purchase and use products from their previous experience	a. satisfaction b. habitual behavior c. Commitment d. A product e. Cost shifting	Likert scale

Data Analysis Model

coefficients [a]

Model	unstandardized Coefficients		standardized Coefficients	t	Sig.	correlations			collinearity Statistics	
	B	Std.Error	beta			Zero-order	Partial	part	tolerance	VIF
1 (Constant)	1177	2467		.477	.634					
Product	.268	.114	.196	2,356	.021	.593	.234	.153	.606	1650
Strategi_harga	.364	.136	.255	2,669	.009	.667	.263	.173	.462	2164
Minat_Konsumen	.481	.116	.424	4138	.000	.729	.389	.269	.402	2,491

a. Dependent Variable: Loyalitas_Konsumen

Regression Analysis models used in this study are as follows:

1. In the first hypothesis by using multiple linear regression analysis *(multiple regression analysis),* with the following equation:

$$Y_1 = b_0 + b_1 X_1 + b_2 X_2 + e$$

2. For the second hypothesis multiple linear regression analysis *(multiple regression analysis),* with the following equation:

$$Y_2 = b_0 + b_1 X_1 + b_2 X_2 + b_3 Y_1 + e$$

4. RESULTS AND DISCUSSION

Explanation Scope of Research

This research was conducted in order to analyze and determine the reactions and responses of consumers / respondents about the traditional snacks.

Results Regression Model First

Table 2 Regression Results First Hypothesis

Model	unstandardized Coefficients		standardized Coefficients			correlations			collinearity Statistics	
	B	Std.Error	beta	t	Sig.	Zero-order	Partial	part	tolerance	VIF
1 (Constant)	2,496	2139		1167	.246					
Product	.383	.091	.319	4194	.000	.615	.392	.270	.716	1,397
Strategi_Harga	.698	.096	.555	7,300	.000	.725	.595	.470	.716	1,397

a. Dependent Variable: Consumer Interests

The table can be obtained from the results of multiple linear regression equation in this equation:

$$Y_{1} = 2{,}496 + {}_{1} + 0.698X\ 0.383X_{2}$$

In these equations the product ($X_{1)}$ and pricing strategy ($X_{2)}$ have a positive influence on the rise and fall of the value of consumers interest ($Y_{1)}$ to buy traditional snacks that are often found in the city of Medan. Based on the regression equation coefficients that each independent variable has contributed to the increase or decrease in the dependent variable. Sometimes people assume traditional hawker food is unique because there are many modern types of snack foods. Moreover, traditional hawker food is usually better known and understood by the women, both for its own consumption and occasionally for the consumption of a particular celebration.

Second Model Regression Results

table 3 Second Model Regression Results

By looking at the table above, multiple linear regression yields the following equation:

$$Y_{2} = 1{,}177 + 0{,}268X_{1} + {}_{2} + 0{,}481Y\ 0{,}364X_{1}$$

From the equation it can be seen that the product ($X_{1),}$ pricing strategy ($X_{2)}$ and the interests of consumers ($Y_{1)}$ positive influence on the rise and fall of the dependent variable, customer loyalty ($Y_{2)}$ for the purchase of traditional street food in Medan. Based on a multiple regression equation coefficients that each independent variable has contributed to the rise and fall of the dependent variable. It can be seen that most women who like to eat snacks have a tendency to consume traditional snacks. Consumers also would recommend to family / friend / colleague to buy traditional snacks because it is more recognizable.

Simultaneous Test Results (Test F)

Simultaneous Test Results (Test F) Regression Model I

Table 4 Test Results of Simultaneous Regression Model I

ANOVA [b]

Model	Sum of Squares	df	mean Square	F	Sig.
1 Regression	1440.274	2	720 137	72 294	.000 [a]
residual	966 236	97	9,961		
Total	2406.510	99			

a. Predictors: (Constant), Strategi_Harga, Products

b. Dependent Variable: Minat_Konsumen

Source: Research Findings, 2015 (Data Processed)

From Table 4.9 above based on the results obtained by data processing $_{calculated}$ F value of 72.294 with a 0.000 significance and values F_{table} at the 95% confidence level ($\alpha = 0.05$), the obtained value of F_{table} 0.05 (1; 95) = 3.94. Thus $F_{count>}$ $F_{table,}$ ie 72.294> 3.94, so that H_{0}

$_{is}$ rejected and H_1 accepted. Then the product (X_1) and pricing strategy (X_2) effect *(highly significant)* towards consumers buying interest (Y_1) to buy traditional snacks that are currently competing with modern snacks, based on the results that have been obtained can also seen that the significance of the simultaneous test is 0.000, which is smaller than at α = 0.05.It also means that the interest of consumers to buy and consume traditional snacks for availability varied and affordable price. In addition, most people still choose and provide traditional snacks in certain occasions be it formal or non-formal. *Highly significant* indicates that the product and pricing strategy together very significantly affect the interest of consumers to consume traditional snacks, so traditional snacks strategies to have affordable price will make people prefer traditional snacks to modern snacks. Sometimes there are also things that make consumers consider to buy traditional snacks, consumers' sense of prestige also doubts the traditional hawker raw material itself.

Simultaneous Test Results (Test F) Regression Model Second

Table 5 Test Results of Simultaneous Regression Model Second

ANOVA [b]

Model	Sum of Squares	df	mean Square	F	Sig.
1 Regression	1848.456	3	616 152	47 125	.000 [a]
residual	1255.184	96	13,075		
Total	3103.640	99			

a. Predictors: (Constant), Minat_Konsumen, Products, Strategi_harga

b. Dependent Variable: Loyalitas_Konsumen

Source: Research Findings, 2015 (Data Processed)

Based on the results of data processing are shown in Table 6 above knowable $_{calculated}$ F value of 47.125 with a significance of 0.000. with the value of F_{table} at the 95% confidence level (α = 0.05) the obtained value of F_{table}0.05 (2; 93) = 3.09. Thus F_{count}> F_{table}, ie 47.125> 3.09, so that H_0 is rejected and H_1 accepted, which means that the product (X_1), pricing strategy (X_2), and the interest of consumers (Y_1) significantly towards consumer loyalty (Y_2) purchase and consume traditional snacks. Based on the results can also be seen that the values of significance to the simultaneous test is 0.000, which is smaller than the α = 0.05, and this also means *highly significant* . This indicates that the product, pricing strategy and consumer interests together affect significantly loyalty of consumers to buy traditional snacks, thus the products of traditional snacks that are available at the right pricing strategy will cause consumer interest so that they will remain loyal to consume traditional snacks. In addition to a variety of traditional snacks, pricing strategy determines the purchasing power of one's role is important to note as well as to face competition with modern types of snacks. People are increasingly interested in the traditional snacks that are mostly typical food from several regions in Indonesia.

Partial Test Results (t test)

Partial Test Results (t test) Regression Model First

In Table 2 of the results of multiple linear regression analysis model first, can also be seen and known the results of the t value $_{calculated}$ based on each variable of this study. Value t_{count} will be compared with nilai t_{table} at the 95% confidence level (α = 0.05), which obtained the value t_{table} = 1.980. For product variable (X_1) obtained by value $t_{arithmetic}$ amounted to 4.194, then the t_{count}> t_{table} is 8.843> 1.980, thus H_0 is rejected and H_1 accepted. That is product affect the interest of consumers to buy traditional snacks to be consumed. Of the significant value of the variable product obtained significance level of 0.000, which compared with 95% confidence level (α = 0.05), the product variables in this study are significant because 0.000 <0.05. Based on the multiple linear regression equation first showed that the regression coefficient product (X_1) has a positive sign, indicating that the shape and colors, with a unique name, and good taste, as a stimulus for consumers and interest (Y) to consume them. Moreover, traditional snacks that look clean and nutritional value are good for health.

Partial effect of variable pricing strategies (X_2) obtained by value t_{count} it amounted to 6.953, thus $t_{count} > t_{table}$ is 7,300> 1,980, then H_0 is rejected and H_1 accepted. According to results that variable pricing strategies affect the interest variable (Y) consumers buy traditional snacks in Medan. For the significant value of variable pricing strategies acquired a significance level of 0.000, and compared with confidence rate of 95% (α = 0.05), the product variables in this study are significant because 0.000 <0.05. From the multiple linear regression equation shows that the regression coefficient pricing strategy (X_2) has a positive sign. This indicates that the price offered is reasonable and in accordance with its flavor.

Partial Test Results (t test) Second Regression Model

Table 3 Results of regression analysis model second equation can be seen from the results of the value of $t_{calculated}$ based on each variable of this study. Value t_{count} will be compared with the value t_{table} at the 95% confidence level (α = 0.05), which obtained the value t_{table} = 1.960. For product variable (X_1) obtained by value $t_{arithmetic}$ amounted to 2.356, then the $t_{count} > t_{table}$ is 8.843> 1.980, thus H_0 is rejected and H_1 accepted. This means that products affected customer loyalty (Y_2) to buy traditional snacks. For the significant value of the variable product (X_1) acquired a significance level of 0.021 compared with the 95% confidence level (α= 0.05), the product variable, are significant because 0.021 <0.05. Based on the linear regression equation, the regression coefficient is positive pricing strategy. Thus a variation of traditional snacks and labelling by the seller of traditional snacks especially raw material for making healthy food, because most use materials that are simple, accessible and safe to consumed, this is to make sure consumers always feel safe to consume.

Partial effect of pricing strategies (X_2) obtained by value t_{count} it amounted to 6.953, thus $t_{count} > t_{table}$ is 2,669> 1,980, then H_0 is rejected and H_1 accepted. According to results that pricing strategies affect the loyalty (Y_2) of consumers to buy traditional snacks in Medan.

As for the interest of consumers value t_{count} obtained at 4.138, thus $t_{count} > t_{table}$ is 4.138> 1.980, then H_0 is rejected and H_1 accepted. Which means that consumer interest influence the consumer loyalty (Y_2) to consume traditional snacks amid the competition with other modern-snacks

Test Results of determination (R^2)

Test Results of determination (R^2) Regression Model I

Table 6 Test Results of Determination

Model Summary [b]

Model	R	R Square	AdjustedR Square	Std.Error of the Estimate	Change Statistics: R Square Change	F Change	DF1	DF2	Sig. F Change	Durbin-Watson
1	.774[a]	.598	.590	3,156	.598	72 294	2	97	.000	1,837

a. Predictors: (Constant), Confidence, Klp_Rujukan, Learning

b. Dependent Variable: Interests

Source: Research Findings, 2015 (Data Processed)

From Table 6 above it can be seen that the adjusted R squarenya is 0.590 or 59%. That 59% of the dependent variable is the interest of consumers (Y_1) can be explained by the product (X_1) and pricing strategy (X_2), while the remaining 41% were other variables that are not examined in this research model, such as promotions, brand, product quality and other factors.

Test Results of determination (R^2) Regression Model Second

Table 7 Test Results of Determination

Model Summary [b]

Model	R	R Square	AdjustedR Square	Std.Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	DF1	DF2	Sig. F Change	
1	.772[a]	.596	.583	3616	.596	47 125	3	96	.000	1877

a. Predictors: (Constant), Confidence, Klp_Rujukan, Learning

b. Dependent Variable: Interests

Source: Research Findings, 2015 (Data Processed)

Based on Table 7 it can be seen that the adjusted R-square value of the data processing research is 0.583 or 58.3%. Thus 58.3% of the dependent variable, namely customer loyalty (Y_2) can be explained by the product (X_1), pricing strategy (X_2), and the interest of consumers (Y_1), while the remaining 41.7% are another variables that are not examined in this research model such as a competitor's product, location, food distribution and so forth.

Classical Assumption Test Results

Normality Test Results

Normality Test Results First Multiple Regression Model Equations

The test results of normality using graph analysis can be seen in Figure 2 as follows:

In Figure 2 it can be seen that the data points coincide spread along the diagonal line. This means that the normal distribution of data, thereby, by assuming as normal distribution of data, fulfil the first multiple regression model. The normal assumption of the first sub-sttuctural based on the histogram graph shown in Figure 3 below:

Source: Research Findings, 2015 (Data Processed)

From Figure 3 shows that the residuals are normally distributed and symmetrically shaped not skewed to the left or to the right. Based on the histogram chart patterns show normal distribution.

Normality Test Results Second Model Regression Equations

The test results for normality in the second multiple regression model using graphical analysis can be seen in Figure 4 as follows:

Source: Research Findings, 2015 (Data Processed)

From Figure 4 it can be seen that the data points coincide spread along the diagonal line. This means that the normal distribution of data, thereby fulfilling multiple regression model both normal assumptions. The normal assumption of the first sub-sttuctural based on the histogram graph shown in Figure 5 below:

Source: Research Findings, 2015 (Data Processed)

Figure 5 shows that the residuals are normally distributed and symmetrically shaped not skewed to the left or to the right. Based on the histogram chart patterns show normal distribution

Autocorrelation Test Results

Auto-correlation test is executed to see whether there is autocorrelation in a regression model. A good regression model is a regression that is free from autocorrelation. In this case by using Durbin Watson (DW *test)* . The value of the Durbin-Watson (DW) is between -2 to = 2, showed no autocorrelation happened, and the magnitude of the value DW <2 and DW> 2 it can be said autocorrelation.

In Table 6 and 7 above, it can be seen that DW in both these regression models is between -2 up to the value = 2, so in the model, autocorrelation is not happened.

Test Results multicoloniarity

Multi coloniarily tests is to test whether the regression model found a correlation between independent variables or not. A good regression model should not contain correlation between independent variables, in case there is a problem then the correlation multikolieritas so the regression model can not be used. Their multicoloniarity can be seen from the *tolerance value* or the value of *Variance Inflation Factor* (VIF). Limit *tolerance value* is 0.1 and VIF limit is 10. Where: *Tolarance value* < 0.1, or VIF> 10 then it occurred multicoloniarity. *Tolarance value* > 0.1, or VIF < 10 then there is no multicoloniarity. The test results of this research can multicoloniarity seen back in Table 2 is based on test results obtained showed that the independent variables consist of product and pricing strategy has a value of *tolerance* > 0.1 or VIF <10, it can be concluded that the model of the research does not contain multicoloniarity.

Similarly, based on Table 3 of the second multiple regression test results obtained, test results obtained multicoloniarity indicate that the independent variables (product, pricing strategy and consumer interest) has a value of *tolerance* > 0.1 or VIF <10, it can be concluded that the models in this study does not contain multicoloniarity.

Test Results heterokedastisitas

Heteroskdastisitas test results can be viewed by analysis of graphs that can be seen in Figure 6 and Figure 7 below:

Test Results Heteroskidastity First Multiple Regression Model Equations

Figure 6

Figure 7

From Figure 6 and Figure 7 it can be viewed that there was no clear pattern, as well as the points spread above and below the number 0 on the Y axis, so it can be concluded that the second regression model also does not occur heteroskedastisitas.

Correlation Test Results

In the path analysis method, to find a causal relationship or influence the research variables, perform calculation on the correlation matrix of the study variables of product, pricing strategy and consumer interest on consumer loyalty. The results of the correlation coefficient calculation can be seen in Table 8 as follows:

Table 8 Results Correlation Coefficient

correlations

		Product	Strategy_ price	Consumers Minat_	Consumers Loyalitas_
Product	Pearson Correlation	1	.533 **	.615 **	.593 **
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
Strategi_harga	Pearson Correlation	.533 **	1	.725 **	.667 **
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
Minat_Konsumen	Pearson Correlation	.615 **	.725 **	1	.729 **

	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
Loyalitas_Konsumen	Pearson Correlation	.593 **	.667 **	.729 **	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100

**. Correlation is significant at the 0:01 level (2-tailed).

Source: Research Findings, 2015 (Data Processed)

In Table 8 it can be seen the value of the correlation between variables, where the correlation coefficient is positive figure indicates that the relationship between these variables is proportional, which means an increase of a variable will be followed by an increase in other variables.

Results Path Analysis (*Path Analisys)*

Data processing techniques to the analysis of the path (*path analisys)* is to find the direct and indirect effects of a set of variables, where the variable is comprised of variable causes (exogenous) that will influence the result variable (endogenous variable). In the regression analysis model variables are known as the dependent variable and independent variables.

Results Equation Sub-Structural Analysis First Line

This test is done to determine how much the path coefficients in this study. In the equation of the first path analysis was conducted to determine the effect or the relationship between the variant causes (exogenous) in this case the product (X_1) and pricing strategy (X_2) to result variable (endogenous) that the consumer interest (Y_1).

The results of path analysis equation first regression model can be seen in Table 9 as follows:

Table 9 Test Results Sub-structural coefficient First Line

coefficients [a]

Model	unstandardized Coefficients		standardized Coefficients
	B	Std. Error	beta
1 (Constant)	2,496	2139	
Product	.383	.091	.319
Strategi_Harga	.698	.096	.555

a. Dependent Variable: Minat_Konsumen

Source: Research Findings, 2015 (Data Processed)

From Table 9 it can be obtained path coefficients and the following equation: $\rho y_1 x_1 = 0.319$ and $\rho y_1 x_2 = 0.555$

Thus the path of the coefficient of the equation first sub-structural as follows:

$Y_1 = \rho y_1 x_1 x_1 + \rho y_1 x_2 x_2 + \square_1$

$Y_1 = 0{,}319X_1 + 0{,}555X_2 + \square_1$

Where the value of $\square_1$ are: $1 - R^2 = 1$ to $0.590 = 0.410$

From the results of the first regression model equation first path analysis are used to determine the effect of the direct, indirect effect and the total effect of the equation, namely:

a. Effect of the Direct and Indirect Products (X_1) The Consumer Interests (Y_1)

Table 10 Effect of Direct and Indirect Products (X_1) The Consumer Interests (Y_1)

Effect of Direct and Indirect	Causal Effect Calculation		large Contributions
Effect of $X_1 Y_1$	$\rho y_1 x_1$	0.319	0.319
Total Effect of X_1 to Y_1			0.319

Source: Research Findings, 2015 (Data Processed)

In Table 10 it can be seen that the direct effect of the product on the consumer interest to buy traditional snacks by 0.319.

b. Effect of Direct and Indirect Strategies Price (X_2) Against Consumer Interests (Y_1)

Table 11 Effect of the Direct and Indirect Strategies Price (X_2) Against Consumer Interests (Y_1)

Effect of Direct and Indirect	Causal Effect Calculation		large Contributions
Effect of $X_2 Y_1$	$\rho y_1 x_2$	0.555	0.555
Total Effect X_2 to Y_1			0.555

Source: Research Findings, 2015 (Data Processed)

From Table 11 it can be seen that the direct effect treasure strategy against the interest of consumers to buy traditional snacks by 0.555.

2. Results Equation Sub-Structural Analysis Second Line

this test aims to determine how big the path coefficients in this study. In Equation path analysis were both performed to determine the effect or the relationship between variables causes (exogenous) is the independent variable in this case the product (X_1), pricing strategy (X_2) and ask consumers (Y_1) of the endogenous variable that consumer loyalty (Y_2).

Equation path analysis in the second regression analysis model, can be seen in the following:

Table 12 Test Results Coefficient of Sub-structural Second Line

coefficients [a]

Model	unstandardized Coefficients		standardized Coefficients
	B	Std. Error	beta
1 (Constant)	1177	2467	
Product	.268	.114	.196
Strategi_harga	.364	.136	.255
Minat_Konsumen	.481	.116	.424

a. Dependent Variable: Loyalitas_Konsumen

Source: Research Findings, 2015 (Data Processed)

From Table 13 obtained by the path coefficients with the following equation:

$\rho y_2 x_1 x_1 = 0.196$

$\rho y_2 x_2 x_2 = 0.255$

$\rho y_2 y_1 Y_1 = 0.424$

From the results of the path coefficients obtained the substruktural equation, namely:

$Y_2 = \rho y_2 x_1 x_1 + \rho y_1 x_2 x_2 + \rho y_2 y_1 Y_1 + \square_2$

$Y_2 = 0{,}196X_1 + 0{,}255X_2 + 0{,}424Y_1 + \square_1$

Where the value $\square_2$: $1 - R^2 = 1 - 0{,}5\ 83 = 0.417$

With the results of structural equation sub-second path analysis, are used to determine the influence of direct, indirect effect and the total effect of the equation is as follows:

a. Effect of the Direct and Indirect Products (X_1) Customer Loyalty (Y_2)

Table 14 Effect of the Direct and Indirect Products (X_1) Customer Loyalty (Y_2)

Effect of Direct and Indirect	Causal Effect Calculation		large Contributions
Effect of $X_1 Y_2$	$\rho y_2 x_1$	.196	.196
Effect of $X_1 Y_2$ through Y_1	$(\rho y_1 x_1)$ $(\rho y_2 y_1)$	(0.319) (0.424)	0.135
Total Effect of X_1 to Y_2			0.331

Source: Research Findings, 2015 (Data Processed)

Table 14 shows that the direct effect of the product on loyalty to buy traditional snacks amounted at 0.196, while the indirect effect on consumer loyalty products through consumer interest is at 0.135. Thus the total effect is equal to 0.331. That is, the products contribute quite a bit to the loyalty of consumers to buy traditional snacks in Medan

b. Effect of Direct and Indirect Strategies Price (X_2) Consumer Loyalty (Y_2)

Table 15 Effect of the Direct and Indirect Strategies Price (X_2) to Consumer Loyalty (Y_2)

Effect of Direct and Indirect	Causal Effect Calculation		large Contributions
Effect of $X_2 Y_2$	$\rho y_2 x_2$	.255	.255
Effect of $X_2 Y_2$ through Y_1	($\rho y_1 x_2$) ($\rho y_2 y_1$)	(0.555) (0.424)	0.235
Total Effect X_2 to Y_2			.490

Source: Research Findings, 2015 (Data Processed)

Based on Table 16, it can be seen that the direct effect on customer loyalty strategies treasure to buy traditional snacks amounted at 0.255, while the indirect effect on consumer loyalty pricing strategy at 0.235. The obtained total influence exerted by 0.490. Means the pricing strategy contributed greatly to the loyalty of consumers to buy and consume traditional snacks in Medan.

c. Direct and Indirect Influence Consumer Interests (Y_1) Customer Loyalty (Y_2)

This influence can be seen through the coefficients of the data processing is as follows:

Table 17 Effect of the Direct and Indirect Consumer Interests (Y_1) Toward Consumer Loyalty (Y_2)

Effect of Direct and Indirect	Causal Effect Calculation		large Contributions
Effect of $Y_1 Y_2$	$\rho y_2 y_1$	.424	.424
Total Effect X_2 to Y_1			.424

Source: Research Findings, 2015 (Data Processed)

From Table 17 it can be seen that the effect of a given consumer interest in variable (Y_1) customer loyalty (Y_2) of 0.424. it is concluded that the total impact that consumer interest is strong enough to affect loyalty of consumers to buy traditional snacks in Medan.

Diagram Path Analysis

The magnitude of the path coefficients are shown by the output path diagram. From the previous explanation, path coefficient value can described in the image below:

Source: Research Findings, 2015 (Data Processed)

Figure 8 Diagram Line

From Figure 8 can be determined that the structural equation path diagram are as follows:

$Y_1 = 0{,}319X_1 + 0{,}555X_2 + 0.410$

$Y_2 = 0{,}196X_1 + 0{,}255X_2 + 0.417$

Based on Figure 8 , it can be summed up briefly direct effect, indirect effect and the total effect of exogenous variables on endogenous variables that can be seen in the following table:

Table 18 Influence of Causal Variables

Effect of variable	influence of Causal		Effect of Total
	Direct Impact	Through Y_1	
X_1Y_1	0.319	-	0.319
X_1Y_2	.196	(0.319) (0.424) = 0.135	0.331
X_2Y_1	0.555	-	0.555
X_2Y_2	.255	(0.555) (0.424) = 0.235	.490
Y_1Y_2	.424	-	.424

Source: Research Findings, 2015 (Data Processed)

Discussion

Consumer loyalty to a product is reflected in the habits of consumers to purchase the products repeatedly and continuously. Loyal customers will also deliver a positive thing to prospective or other consumers. Thus marketers need to observe consumer loyalty to be able to meet the desires and needs of consumers in order to achieve the company's objectives itself.

In this study, there are two forms or regression models. Based on the result of determination in the first regression model obtained how much influence the products and pricing strategies to interest consumers to buy traditional snacks in Medan can be explained by the product and pricing strategies, 0.590 or 59% respectively.

Consumers who are satisfied with a product or brand that is consumed will re-purchase the product. Kotler and Armstrong (2007) states that loyalty comes from fulfilling the expectations of consumers, while the expectation is derived from the experience of previous purchases by consumers, the opinions of friends or relatives, appointments or information from marketers or competitors. So that consumer loyalty is a strong commitment in the purchase and reuse of goods and services companies (Oliver in Aaker; 2004). In other words, the products and the determination of the pricing strategy could form an opinion of consumers and a positive perception anyway.

Indonesian traditional snacks in Medan today can be said is against the modern snacks, most of which is the adoption of foreign food products. As it is known today more and more modern patisserie or snacks that generate consumer interest. the traditional snacks still have a place in the hearts of society, is not impossible that the traditional snacks still survive in the midst of competition.

From the results of the partial test in the first regression model showed that both the product and pricing strategies is positive, which means the rise and fall of consumer buying interest to buy traditional snacks can be influenced by both the independent variable in this study. simultaneous testing also showed that the product and pricing strategy jointly influence consumer buying interest to buy and consume traditional snacks, the effect is very real or *highly significant* . Thus it can be said that although many factors affect consumer interest but in this case product and pricing strategies of traditional snacks itself serves to attract customers. Both tests performed whether the partial test or test can simultaneously answer the hypothesis in this study. In accordance with the decision-making criteria to test the hypothesis based on both the test results can be produced that meet the criteria in which H_0 is rejected and H_1 accepted. That the products and pricing strategies partially and simultaneously affected the interest of consumers to buy traditional snacks in Medan.

Based on the analysis path in the first sub structural equation, that the product and pricing strategy is an exogenous variable and interest of consumers as an endogenous variable, in order to obtain the value of the path coefficient of each independent variable (exogenous), where the coefficients as the amount directly from each variable. Result by processing the data, showed that the product variables contribute to or direct influence on consumer interest to buy traditional snacks Indonesia in Medan. 0.319, or 31.9% respectively, while variable pricing strategy contributed or direct influence on consumer buying interest amounted to 0.555 or 55 , 5%.

For the second model regression equation, determination test is also conducted to see the effects of the variables used in this study, namely products, pricing strategy and consumer buying interest on consumer loyalty to consume traditional snacks in Medan. The results show that is equal to 0.583 or 58.3% of consumer loyalty can be explained by the product, pricing strategy and consumers interest. The rest was influenced by other variables that are not used or examined in this study.

In addition to determination test on the second model's equations also tested partially and simultaneously. Partially it can be seen that from each variable consists of products, pricing strategy and consumer buying interest significantly influence consumer loyalty buy traditional snacks in Medan. the calculation results show significant positive of each variable affect consumer loyalty.

In the simultaneous test obtained known that jointly or simultaneously, products, pricing strategy and influence the consumers to buy the loyalty of consumers to buy traditional snacks Indonesia in Medan. From the calculation results are also obtained that these variables are highly significant or *highly significant* .

For the path analysis the second structural sub equation where product and pricing strategy pose as exogenous, and a interest to buy as exogenous variables as well as *intervening* , while customer loyalty as an endogenous variable. From the research results that affect the product and contribute or direct influence on customer loyalty buy traditional snacks in the field of 0.196 or 19.6%, for the indirect effect through buying interest as *intervening* on consumer loyalty to buy traditional snacks by 0.135 or 13.5%. So the total product effect on consumer loyalty is 0.331 or 33.1%.

pricing strategy has a direct 0.255 or 22.5%, influence on customer loyalty while the indirect influence is 0.235 or 23.5%. as a result, total effect of the pricing strategy on customer loyalty in Medan to buy traditional snacks is 0.490 or 49%. From consumer buying interest to buy traditional snacks in Medan direct influence on customer loyalty to buy traditional snacks in the field of 0.424 or 4 2.45.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. From test results, both model regression models, product and pricing strategies simultaneously affect the interest of consumers to buy traditional snacks in Medan, product, pricing strategy and consumer interest also have a real and significant impact on customer loyalty. Thus it can be stated that H_0 is rejected and H_1 accepted.
2. Based on test results, the first regression model showed that coefficient have a positive and significant influence partially over both the product and pricing strategy. The positive sign shows that the product and pricing strategies affect the rise and fall of consumer interest to buy traditional snacks in Medan. the partial test results on the first model showed that pricing strategy has most dominant to influence consumer interest to buy traditional snacks. While in the second regression model a good product, pricing strategy and consumer interests significantly influence consumer loyalty to buy traditional snacks. So in accordance with the criteria for decision making of this hypothesis can be stated that H_0 is rejected and H_1 accepted.
3. determination test of the first regression model was 0.590 or 59% interest of consumers to buy traditional snacks can be explained by the product and pricing strategies, while the rest are other variables not examined in this study, such as promotions, brand image and others. While determination test on a second regression model was 0.583 or 58.3% of consumer loyalty can be explained by the product, pricing strategy and the interests of consumers to buy traditional snacks Indonesia in Medan.

Suggestion

1. Consumers who can be categorized as a loyal consumer is a satisfied consumer towards specific products so that they have the enthusiasm to introduce him to anyone they know.

2. traditional hawker snacks currently undergoing a transformation from a traditional and cheap snacks to a snacks that able to penetrate a modern type of snacks-market. Whereas traditional snacks in Medan is not only sold alongside a road, but has already penetrated fancy restaurants and cafe. the basic ingredient in the manufacturing process is very important in traditional snacks. Because the basic material will affect the flavor and appearance of the snacks themselves.

3. Setting up a price is a strategy to attract consumers. in order to remain eligible to the market, we need to adjust prices according to the taste of the traditional snacks themselves. Because sometimes the price will be the main decision by the customer whether to buy he snacks or not.

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