The Effect of Service Quality, Customer Satisfaction toward the Loyalty of Customer

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ABSTRACT

This research aims to identify and analyze the effect of the service quality and satisfaction variables toward customer loyalty. Method of data collection in this research is using the survey method with questionnaires. Population in this research is the customers of Indosat Unlimited in Depok. Based on the results of the analysis, it indicates that the service quality significantly influences the customer loyalty, shown by the t significant value of 0.000 smaller than α = 0.05 with the regression coefficient of 2.537. Service quality has a significant effect on the customer loyalty indicated by the t significant value 0.000 less than α = 0.05. Service quality and satisfaction significantly influence the customer loyalty shown by F significant value of 0.000 smaller than α = 0.05 and are able contribute to the customer loyalty variables of 0.504 or 51.7%. The remaining 48.3% is influenced by other variables that are not examined in this research.

Keywords: Marketing, Service Quality, Customer Loyalty, Customer Satisfaction

I. INTRODUCTION

In modern times like today the internet has been very much needed in life. Almost every day we are connected to the internet network. The rapid development of the digital era at this time, greatly helps the world community to provide ease of service and unlimited coverage. As the rapid development of technology, making internet users in the world also soared. Moreover, for the millennial generation, both for daily life and business activities cannot be separated from the so-called internet technology.

According to Sibero (2011), the Internet is the Interconnected Network which is a computer network that connects computers globally. The internet can work the same as a computer network, and also a local computer network or a wider area computer network, and the internet uses a communication protocol that is the same as TCP / IP (Transmission Control Protocol / Control Protocol).

With the increasing use of the internet, many internet service providers have sprung up that offer various types of internet services according to customer needs.

With more and more internet service providers popping up in Indonesia, there will be tougher competition to win the interest and loyalty of customers. Many different ways are done by providers to be able to meet the needs, satisfaction and loyalty of their customers.

Indosat as one of the internet service providers in Indonesia also continues to improve their services. One of them is by using the Indosat Unlimited package. Indosat Unlimited provides service packages at affordable prices with speed packages that can be selected according to customer needs.

With the increase in service, is it enough to be able to maintain the loyalty of their customers or even be able to increase the number of their customers. This question then underlies researchers to see the extent to which service quality and satisfaction can influence Indosat Unlimited customer loyalty.

II. RESEARCH PURPOSES

The purposes of this research are to find out the influence of the service quality and satisfaction simultaneously on customer loyalty on PT. Indosat, Unlimited product. Also, within this research to figure out the effect of service quality and customer loyalty partially toward customer loyalty at the same locus.

III. LITERATURE REVIEW

SERVICE QUALITY

According to Kotler (2011) quality must begin with customer needs and end with customer perception. Means that a good quality image is not seen from the perception of the company or service provider, but based on the perception of customers. Supranto (2011) explain if service quality is a word that for service providers is something that must be done well. While the quality of service according to Gronroos (in
Ramtinto, (2008) is an activity or a series of invisible activities that occur as a result of interactions between consumers and employees or other things provided by the service provider companies intended to solve consumer problems / customer.

When tangible products cannot be easily distinguished, the main key to competitive success lies in adding value to good services and improving product quality. Distinguishing services that can be enjoyed by consumers are the ease of ordering, shipping, installation or installation, consumer training, consumer consulting, and maintenance and repair (Mahmud Machfoedz, 2010).

The service quality dimension (SERVQUAL) by Parasuraman (in Lupiyoadi, 2014) is divided into five SERVQUAL dimensions including: Tangibles (Physical Evidence). The ability of a company to show its existence to external parties. The appearance and capability of the company's physical facilities and infrastructure and the condition of the surrounding environment are tangible evidence of the services provided by the service provider. Which includes physical facilities (buildings, warehouses, etc.), equipment and equipment used (technology), as well as the appearance of its employees.

RELIABILITY
The company's ability to provide services as promised accurately and reliably. Performance must be in accordance with customer expectations which means timeliness, the same service for all customers without errors, sympathetic attitude, and with high accuracy.

RESPONSIVENESS
Willingness to help and provide fast (responsive) and appropriate services to customers, by delivering clear information.

ASSURANCE (GUARANTEE AND CERTAINTY)
Knowledge, politeness, and the ability of company employees to grow customers' trust in the company. Consists of several components including communication, credibility, security, competence, and courtesy.

EMPHATY
Give sincere and individual or personal attention given to customers by trying to understand consumer desires. Where a company is expected to have an understanding and knowledge of customers, understand customer needs specifically, and have time for operations that are comfortable for customers.

CUSTOMER SATISFACTION
Satisfaction or satisfaction comes from the Latin satiis (meaning pretty good, adequate) and facio (doing or making). In simple satisfaction can be interpreted as an effort to fulfill something or make something adequate. However, from the perspective of consumer behavior, the term consumer satisfaction then becomes something complex. According to Kotler and Armstrong (2016) consumer satisfaction is the extent to which a product's perceived performance matches a buyer’s expectation. Consumer satisfaction is the level where an achievement of performance of a product received by consumers is equal to the expectations of consumers themselves. Meanwhile according to Irawan (2008), customer satisfaction is the result of accumulation of consumers or customers in using products and services (services). Consumers are satisfied if after buying the product, it turns out the product quality is good. Therefore, every transaction or new experience, will give effect to customer satisfaction.

Satisfied consumers are consumers who will share their taste and experience with other consumers. Views on customer satisfaction vary greatly, diversity will give readers a broader understanding. There is no single best measure of customer satisfaction that is universally agreed upon. However, in the midst of various ways of measuring customer satisfaction, there are some common core concepts regarding measurement objects as follows: a) Overall Customer Satisfaction (Overall Customer Satisfaction) The simplest way to measure customer satisfaction is to directly ask consumers how satisfied they are with certain specific products or services.

Usually, there are two parts to the measurement process. First, measuring the level of customer satisfaction with the company's products or services. Second, assess and compare with the overall level of customer satisfaction with the products or services of competitors. b) Confirmation of Expectations. In this concept, customer satisfaction is not measured directly, but concluded based on the suitability / mismatch between consumer expectations with the actual performance of the company's services or products on a number of important attributes or dimensions. c) Willingness to Recommend (Willingness to Recommend).

In the case of a relatively long repurchase or even a one-time purchase, consumers' willingness to recommend friends or family is an important measure to analyze and follow up on. According to Kotler that to determine the level of customer satisfaction, there are five indicators that must be considered by the company, namely: a) Quality of Service, b) Product quality, c) Emotional, d) Products and e) Cost and Convenience.

CUSTOMER LOYALTY
Hurriyati (2014) states that customer loyalty (customer loyalty) is a very important impetus for creating sales. According to Engel (2012), loyalty is also defined as a deep commitment to repurchase or repeat the pattern of product or service preference in the future, which causes repeated purchases of the same brand or a set of the same brand, despite the involvement of situational factors and marketing efforts that have the potential to cause brand switching behavior.

Loyal customers always refuse if offered a product or service from another company (competitors). They already have their own love for products or services that have been used.

Dick & Basu in Tjiptono (2010) explained that loyalty includes two important components, namely in the form of loyalty as behavior and loyalty as attitude. The combination of these two components will result in four types of possible situations of loyalty, namely: no loyalty, spurious loyalty, latent loyalty, and loyalty ". Tjiptono (2011) describes four types of situations of possible loyalty from Dick & Basu, as follows: a) No Loyalty, b) Spurious Loyalty, c) Latent Loyalty and d) Loyalty
IV. RESEARCH METHODOLOGY

The type of research used in this study is explanatory research or explanatory research with quantitative approaches. The number of samples used in this study were 52 respondents of Indosat Unlimited service customers in Cimanggis Depok. The sampling technique uses random sampling technique that is the sample is taken randomly.

Data analysis techniques used are: a) Descriptive analysis; is needed on research variables. Based on these variables, analysis can be done to get an information about many things according to Umar (2011). b) Multiple Linear Regression Analysis; an analysis of multiple linear regression equation models is used to simultaneously the effect between independent variables and dependent variables. c) F-test, to test the effect of the independent variables simultaneously on the dependent variable. d) T-test, was conducted to test the significance of each independent variable partially. In this study the regression model used is:

\[ Y = a + b_1X_1 + b_2X_2 + e \]

where:
- \( Y \) = Dependent variable (customer loyalty)
- \( X_1 \) = free variable (service quality)
- \( X_2 \) = Independent variable (Satisfaction)
- \( a \) = constant
- \( b_1, b_2 \) = regression coefficient

IV. RESULTS AND DISCUSSION

RESULTS

The linearity test is performed to determine the techniques in regression analysis whether the independent variables \( X_1 \) and \( X_2 \) and the dependent variable \( Y \) are linear (see Table 1). Based on the calculation results obtained by the calculation of Deviation from Linearity with \( F_a = 0.90 \) and Sig. = .572 > 0.05. This has the understanding that the variable service quality with customer loyalty has a linear relationship. Linearity Regression of the influence of variable \( X_2 \) towards \( Y \) has a results shows the regression linearity test between Satisfaction and Customer Loyalty (see Table 2). Based on the calculation results obtained Deviation from Linearity results with \( F = 0.311 \) and Sig. = 0.998 > 0.05. This has the understanding that the variable satisfaction with customer loyalty has a linear relationship.

HYPOTHESIS RESULT

The effect of service quality \( (X_1) \) and satisfaction \( (X_2) \) simultaneously toward customer loyalty \( Y \), where:
- \( H_0 \); there is no influence of service quality and satisfaction simultaneously on customer loyalty.
- \( H_1 \); there is an influence of service quality and satisfaction simultaneously on customer loyalty.

Based on the result (see Tabel 3) there is a significant influence on service quality and satisfaction together on customer loyalty. This is evidenced by the acquisition of values of \( F = 26.255 \) and Sig. 0.000 < 0.05

Meanwhile, the Multiple Linear Regression equation can be expressed with:

\[ Y = 61.059 + 0.116 X_1 + 0.150 X_2 \]

This means that an increase in one score of service quality and satisfaction variables contributes 0.116 by \( X_1 \) and 0.150 by \( X_2 \) to the customer loyalty variable.

From the Tabel 3 below also can be explained there is an effect simultaneously between the service quality and satisfaction variables which is contributed by \( (R^2) \) 51.7% towards the customer loyalty variable.

The effect of service quality \( (X_1) \) towards customer loyalty \( (Y) \), where:
- \( H_0 \); there is no effect between service quality partially toward customer loyalty.
- \( H_1 \); there is an influence between service qualities partially toward customer loyalty. Based on the result (see Tabel 5), it can be stated that there is a significant effect on service quality toward customer loyalty.

\[ DC = 0.636 x 0.382 x 100\% = 42.9\% \]

From the results of the above calculation it can be stated that the contribution of service quality would be increase the customer loyalty by 24.29%.

The effect of Satisfaction \( (X_2) \) partially towards customer loyalty \( (Y) \), which stated:
- \( H_0 \); there is no effect between service quality partially toward customer loyalty.
- \( H_1 \); there is an influence between service quality partially toward customer loyalty. Tabel 5 shows the calculation which can be stated that there is a significant effect of satisfaction on customer loyalty. This is evidenced by the acquisition of value and Sig. 0.001 < 0.05. The satisfaction variable contribution to customer loyalty. Can be stated with the formula:

\[ BC = 0.652 x 0.421 x 100\% = 29.23\% \]

From the results of the above calculation it can be stated that the contribution of service quality in increasing customer loyalty by 29.23%.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Service quality has a significant effect on customer loyalty. Satisfaction has a significant effect on customer loyalty. Service quality and satisfaction simultaneously have a significant effect on customer loyalty.

RESEARCHER NOTE

Providers need to further improve the quality of service so that they can further increase customer loyalty, for example by performing routine network maintenance or by responding quickly to customer complaints. Maintaining or increasing data transfer speeds so that customer satisfaction is maintained and does not increase package prices without an increase in service. For further researchers, it is expected to conduct research development by using other independent variables so that it can provide a better influence on customer loyalty.
Table 1
Test Results of Variable Y Regression Linearity over X₁

<table>
<thead>
<tr>
<th>Variable</th>
<th>Degree of Freedom</th>
<th>Linear</th>
<th>Exponential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>1</td>
<td>0.001</td>
<td>0.001</td>
</tr>
<tr>
<td>Product</td>
<td>1</td>
<td>0.001</td>
<td>0.001</td>
</tr>
<tr>
<td>Total</td>
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<td>0.001</td>
<td>0.001</td>
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Table 2
Test Results of Variable Y Regression Linearity over X₂

<table>
<thead>
<tr>
<th>Variable</th>
<th>Degree of Freedom</th>
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<tr>
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<td>0.001</td>
</tr>
<tr>
<td>Total</td>
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<td>0.001</td>
<td>0.001</td>
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Table 3
The Calculation of Testing for Multiple Correlation Coefficient Variables X₁ and X₂ towards Y

<table>
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<th>Model</th>
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<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std Error of Estimate</th>
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<tbody>
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<td>0.70</td>
<td>0.50</td>
<td>0.49</td>
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Table 5
The Results of Single Linear Regression Equations (T-test) for Variables X₁ and X₂ towards Y

REFERENCES