Influence Service Quality, Brand Image, Location to Customer Satisfaction and Customer Loyalty

(Case Study on Motorcycle Repair Shop Sahabat Motor-Cibinong Customer)

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Abstract—**The purpose of this research was to know whether the quality of service, brand image, location will affect the satisfaction and make customers loyal. Research method used path analysis method with smartPLS application version 3.2.8. The type of data used is primary data. With the spread of quesioner that is immediately done in the Sahabat Moor Cibinong. The results of this research that the quality of service directly affects customer satisfaction but has no direct effect on customer loyalty. Brand images can directly impact customer satisfaction and customer loyalty. Locations can directly impact customer satisfaction but have no direct effect on customer loyalty.**

Keywords: service quality, brand image, location, customer satisfaction, customer loyalty

I. INTRODUCTION

The development of motorcycle users in Indonesia is increasing from year to year. Motorcycle maintenance must also be routinely carried out so that the motorcycle remains in top condition when worn. Competition in the business world today is getting tougher. This can be immediately felt by entrepreneurs who open their businesses in the service sector. Increasing competition makes companies, especially services improve the quality of their services so that consumers who feel the service are satisfied and loyal to the company.

The advantage that must be possessed by companies engaged in services is its ability to maintain the quality of service so that it can provide satisfaction for consumers. This commitment is very important to do to maintain the loyalty of customers so that they do not hesitate to choose the services of the company again.

The rapid development of the automotive industry and the increasing number of motorcycle users have made many workshop businesses appear and become one of the promising businesses to boost the people's economy. With increasingly fierce competition, these workshops are competing to provide satisfactory service quality to find as many consumers as possible so as to get the maximum profit.

Motorcycle repair shop "Sahabat Motor" was established in 2017 and has many customers who do motorcycle repairs there, with a location on Jalan Raya Bogor, kilometer 45, Pakansari village, Cibinong sub-district, Bogor, West Java. The workshop serves both automatic and non-automatic motorbike users. With adequate and complete tools to attract consumers to repair their motorcycles, coupled with good employees and quite capable in handling all the problems that become complaints from motorcycle users. Not only that the workshop also sells a number of motorcycle accessories that are fairly complete. Every day the workshop serves approximately 50-100 motorbikes who want to service there, starting from 8 am to 8 pm.

A successful company is a company capable of maintaining and maintaining customer loyalty to a product or service. In addition to service quality, brand image and location that are easily accessible and strategic can also affect consumer loyalty. Satisfaction arises because there is a comparison of expectations with what has been received by consumers. If what is obtained can exceed expectations or have reached the desired expectations, then the consumer is satisfied. Customer satisfaction is the key to the success of a business in the service sector to win competition in the business world [1].

The results of previous studies on the effect of service quality on customer loyalty (Study at Bandar Lampung Daihatsu Car Workshop), data processing using Partial Least Square shows that service quality has a significant effect on satisfaction and satisfaction has a significant effect on loyalty [2].

Subsequent research aims to obtain empirical evidence regarding the influence of MPV vehicle service quality under 2500cc in Bandung. this study was conducted in an official workshop under 2500cc in the city of Bandung as many as 22 car dealership workshops, using as many as 14,947 respondent populations and selected 375 respondents as samples. The analysis method uses path analysis. The test results did not find a significant relationship between service quality and brand image, besides this study did not find the effect of service quality and brand image on customer satisfaction but found a significant relationship between customer value and customer satisfaction [3].

Other studies to determine the effect of location and service quality on customer loyalty Kendal motorcycle repair shop and customer satisfaction as an intervening variable. A sample of 100 respondents was processed by multiple linear regression analysis with multiple regression techniques. The results of this study found that location and service quality significantly influence customer loyalty [4].

Similar research on improving service quality at the Automotive Workshop in Bangladesh, aims to understand the market potential, existing conditions of the car repair business industry and quality service guidelines that are related to customer satisfaction. Data was carried out by survey and analyzed using the servqual method. The results of this study indicate that companies need control to prioritize service quality to consumers because service quality is very influential on customer satisfaction [5].

Other research on service quality in the motor vehicle maintenance and repair industry at Cape Coast Metropolis, Ghana. The multistage sampling technique was used to select 160 respondents from 40 workshops and garages. While simple random sampling is used to select shops, a purposive technique is used to select respondents. The questionnaire was used to collect data using 10 Likert scales. The results showed that communication, cost and service quality significantly influence customer satisfaction which has the potential to make consumers act loyal [6].

Similar research on the effect of customer service and product quality on customer satisfaction and loyalty in the context of the Indian automotive industry. Data were analyzed using regression and ANOVA. The results showed that there was a high positive correlation between customer service construction and product quality with customer satisfaction and loyalty [7].

II. METHODS

Methods this study used a survey method with quantitative approach while the strategy used is associative. In this study, researchers will use non-probability sampling techniques with a purposive sampling approach. The population of this study were all visitors of the Sahabat Motor workshop and the samples were those who visited more than twice to service the workshop. Respondents used were 384 respondents.

In this study used path analysis which is processed using SmartPLS 3.2.8 software. Evaluation is carried out in two stages, namely the evaluation of the outer model (measurement model) and the evaluation of the inner model (structural model). Evaluation on the outer model consists of two, namely the validity test (both in the form of convergent validity and discriminant validity) and reliability test. While the evaluation in the structural model is seen from the value of R^2 (to assess the effect of exogenous latent variables on endogenous variables) and Q^2 values (to measure both the observational value generated by the model and the estimated parameters). Presentation of data used in this study in the form of diagrams and tables in order to facilitate the explanation of the results of data analysis.

III. RESULTS AND DISCUSSION

This study uses 5 variables with 27 indicators, consisting of 7 indicators for service quality (X1), 5 brand image indicators (X2), 5 location indicators (X3), 6 indicators of customer satisfaction (Z) and 4 indicators of customer loyalty (Y). Analysis of the outer model can be seen in Table 1 below.

TABLE I.   AVE (AVERAGE VARIANCE EXTRACTED)

Construct	Average Varian Extracted (AVE)
Service quality	0,938
Brand Image	0,501
Location	0,834
Customer satisfaction	0,653
Customer loyalty	0,714

- The construct or service quality variable is measured by indicators X1.1-X1.7 all indicators have a factor loading above 0.7 and AVE (Average Variance Extracted) 0.938.

- The construct or brand image variable is measured by Indicators X2.1-X2.5. not all indicators have a loading factor above 0.7. There are 3 indicators which are under the loading factor, namely indicators X2.2-X2.4, each of them is 0.511 for indicator X2.2, 0.637 for indicator X2.3 and 0.638 for indicator X2.4 even though the AVE value for this construct is valued 0.501.

- Location variables or constructs are measured by indicators X3.1-X3.5. This construct has 1 indicator which is below the value of loading factor 0.7 with a value of 0.595 in the indicator X3.5. But the overall AVE (Average Variance Extracted) value for this location variable is 0.834.

- Construct or Customer Satisfaction variable as an intervening variable with indicators Z1.1-Z1.6. This variable has 1 indicator below the factor loading value with a value of 0.523 which indicates Z1.2. Although like that overall the other indicator values have met the loading factor of 0.7 and 0.653 AVE.

- Construct or Customer Loyalty variable or as the dependent variable measured by indicators Y1.1-Y1.4. All of these indicators have a loading factor above 0.7 and the value of AVE (Average Variance Extracted) 0.741.

In conclusion, the AVE value of each variable is more than 0.5 while the outer loading of each indicator has a value of more than 0.7, which means that the overall convergent validity has been fulfilled.

Table 2 shows that the AVE squared value of each construct is greater than the correlation value between the construct and other constructs in the model, so it is said to have discriminant validity.

The reliability test in SmartPLS 3.2.8 can use 2 methods, namely Croncbach alpha and composite reliability with criteria greater than 0.7 [8].

TABLE II.   DISCRIMINANT VALIDITY

	X1	X2	X3	Z	Y
X1	0,969*				
X2	0,220	0,708*			
X3	0,096	0,352	0,913*		
Z	0,047	0,256	0,262	0,808*	
Y	0,186	0,262	0,316	0,323	0,845*

The reliability test in this study shows that in general the measurement variables used in this study can be stated to be reliable, because they show Croncbach alpha and composite reliability ≥ 0.8, except for the brand image variable which shows a value of 0.736 that is still acceptable.

The measurement model results (inner model) is known that the R^2 value of the customer satisfaction variable is 0.142 while for the customer loyalty variable is 0.210. The calculation results show the predictive relevance Q^2 value of 0.32 or the relevant predictive value of the model is 32%. The predictive relevance value of 32% is a predictive value in the medium category because the Q^2 index value is considered small if the value of 0.2 is considered moderate if the value exceeds 0.15 and the value of 0.35 is already considered large [8]. The average GoF calculation value of 0.84 results indicates that the GoF value of this study is in the large category.

After ensuring that the model used in both the outer model and the inner model is then continued by testing the hypothesis. In this research, hypothesis testing is done by processing data through the bootstrapping method on the SmartPls 3.2.8 application. This test is carried out to minimize the abnormal distribution of research data.

The direct effect calculation results show that the original sample of service quality variable is 0.129 and this indicates a positive influence. Then the T-statistic value of service quality variable is 2,111, this value is greater than t table, that is 1.96 and P value of 0.035 is less than 0.05. Then the quality of service has a significant positive effect on customer satisfaction.

The original sample value of the brand image variable is 0.111 and this indicates a positive influence. Then the T-statistic of the brand image variable of 2,424 is greater than the t table of 1.96 and the P value of 0.016 is less than 0.05. Then the brand image has a significant positive effect on customer satisfaction.

The original sample value of the location variable is 0.081 and this indicates a positive influence. Then the location variable T statistic of 3.862 is greater than t table, that is 1.96 and the P value of 0.000 is less than 0.05. Then the location has a significant positive effect on customer satisfaction.

The original sample value of the service quality variable is 0.068 and this indicates a negative influence. Then the T service quality variable of 1.393 is not greater than the t table of 1.96 and the P value of 0.164 is more than 0.05. Then the service quality does not significantly influence customer loyalty.

The original sample value of the brand image variable is 0.111 and this indicates a positive influence. Then T statistic brand image variable of 1,977 this value is greater than t table that is 1.96 and P value of 0.049 this value exceeds 0.05. Then the brand image has a significant positive effect on customer loyalty.

The original sample value of location variables is 0.081 and this indicates a positive influence. Then the T variable location variable is 1.463, this value is not greater than t table, that is 1.96 and the P value of 0.144 is more than 0.05. Then the location does not have a significant positive effect on customer loyalty.

The original sample value of the variable customer satisfaction is 0.147 and this indicates a positive influence. Then the T statistic customer satisfaction variable of 2.292 this value is greater than t table that is 1.96 and P value of 0.022 this value exceeds 0.05. Then customer satisfaction has a positive and significant effect on customer loyalty.

The original sample value of the customer satisfaction variable was 0.006 and this showed a positive influence. Then T statistic variable of 0.091 this value is not greater than t table that is 1.96 and P value of 0.928 this value exceeds 0.05. So customer quality does not have a significant positive effect on customer satisfaction and customer loyalty.

The original sample value of the customer satisfaction variable was -0,021 and this indicates a negative influence. Then the T statistic variable of 2.753 this value is greater than t table that is 1.96 and the P value of 0.006 this value does not exceed 0.05. Then the brand image has a significant negative effect on customer satisfaction and customer loyalty.

The original sample value of the customer satisfaction variable is 0.027 and this indicates a negative influence. Then the T statistic variable of 2.753 is greater than the t table of 1.96 and the P value of 0.728 is more than 0.05. Then the location does not have a significant negative effect on customer satisfaction and customer loyalty.

IV. CONCLUSION

Based on the results of this study it can be concluded that service quality, brand image and location have a significant effect on customer satisfaction at the Sahabat Motor workshop. Service quality and location have no significant effect on customer loyalty, but brand image and customer satisfaction have a significant effect on customer loyalty at the workshop.

Service quality and location do not directly influence service loyalty through customer satisfaction. This means that loyal customers are not based on satisfied customers even though the quality of service is considered good and even though consumers are satisfied with the location of a company but it does not make consumers become loyal. But brand image has an indirect effect on customer loyalty through customer satisfaction. This means that if the company has a good brand image, it will create confidence and trust from its customers so that consumers feel satisfied and have an impact on customer loyalty itself. The better the popularity of the

brand image, it will cause satisfaction that has an impact on customer loyalty.

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