



Consumer Satisfaction: In the Relationship of Service Quality to Loyalty

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ABSTRACT

This paper aims to identify factors that influence customers in making decisions to repurchase the required products related to loyalty at the Semar Wonosobo Toserba. The aim is to explore how companies improve customer service and develop effective service methods. The type of research used in this research is quantitative research. The sampling technique in this study uses a non-probability sampling technique, namely a sampling technique that does not provide equal opportunities for each member of the population to be selected as a sample, and by using a sampling method with a purpose. ! the number of samples for the analysis of Structural Equation Modelling (SEM) using the formula number of indicators \times 5 to 10 (Ferdinand, 2005). Empirical test results show that service quality is important to customer loyalty through customer satisfaction. Although limited by a small example in the Toserba in Wonosobo city, it can at least add information about the importance of quality in service.

Keywords: *Customize Service Quality; Consumer Satisfaction; Consumer Loyalty*

1. INTRODUCTION

Developments in global business have an impact on the emergence of increasingly fierce competition. Business competition can also be seen from the opening of market opportunities, the development of the manufacturing business, and the government's efforts to encourage economic growth. The increasing level of community welfare has resulted in increased community needs, thus triggering many trading businesses such as retail. Retail business is a business activity of selling or marketing various kinds of goods or services directly to individuals for their own, family and household needs.

Semar Toserba is a modern retail business which is one of the many retail businesses in Wonosobo. Semar department store is located in a strategic location, namely on Jl. Raya Banjarnegara - Wonosobo No. 32 Campursari, Selomerto District, Wonosobo Regency. Semar's Toserba sells various food, beverage and other necessities of life. department store. Semar strives to provide the best service for consumers. This service is intended to provide satisfaction to consumers to make them more comfortable and always shop at the Semar Department Store. The following is the visitor data for the Semar Department Store during November 2019 – October 2020.

Table 1 Semar Department Store Visitor Data for the Period November 2019 – October 2020

No	Month	Number of Visitors	Monthly Difference	Monthly Difference (%)
1	November	7.129		
2	December	7.682	553	8%
3	January	7.741	59	1%
4	February	7.318	-423	-5%
5	March	8.175	857	12%
6	April	7.511	-664	-8%
7	May	7.424	-87	-1%
8	June	7.180	-244	-3%
9	July	7.748	568	8%
10	Augustus	7.682	-66	-1%
11	September	7.379	-303	-4%
12	October	7.010	-369	-5%

Source: Semar Selomerto Department Store

According to [1] loyalty can be measured by consumers making regular purchases, then consumers are not affected by products or services offered by other parties with the same benefits, and the services received satisfy consumers. Therefore, consumers are one source of the company's sustainability.

Based on the data in table 1, it can be seen that there was instability in the visitors to the Semar Toserba. From February to March, the number of visitors increased by 12%. While in April there was a decrease in visitors to 8%. The occurrence of ups and downs (fluctuating) consumers at the Semar Department Store has various reasons that can cause this to happen, such as unsatisfactory service quality that affects the level of consumer loyalty.

The success of a retail business is determined by the ability of the business to build consumer loyalty. [1] defines consumer loyalty as a customer's commitment to a brand, store, or supplier based on a very positive nature in long-term purchases. Having loyal customers is the ultimate goal in all businesses and can be used as a measure to predict sales growth and consistent buying behaviour.

One of the factors that can affect consumer loyalty is the quality of service. Service is the main factor in developing a business and the service itself becomes a connecting road between the business and consumers [1], [2]. Service quality can determine whether or not a retail business develops.

There are several studies that prove that service quality has a positive and significant effect on consumer loyalty. In research conducted by [2], research conducted by [3], research conducted by [4]. These results indicate that the service quality, the consumers will become more loyal.

To win the business competition, companies must be able to provide satisfaction to consumers. Consumer

satisfaction is the perception of consumers in comparing what is received with expectations [1], [5]. Between consumer satisfaction and customer loyalty is interconnected, which means that if customer satisfaction increases, consumer loyalty will also increase.

This statement is relevant to research conducted by [6] consumer satisfaction has a positive and significant effect on consumer loyalty. In a study conducted by [7] proved that customer satisfaction has a positive and significant effect on customer loyalty.

There is research that proves that service quality has a positive and significant effect on customer satisfaction. In research conducted by [8] and research conducted by [9].

In addition, there are also studies that prove that customer satisfaction mediates service quality on consumer loyalty. In research conducted by [10] and research conducted by [11].

Based on the background described above, it can be seen that the problem faced is the decreasing number of consumers at the Semar Toserba, causing a decrease in consumer loyalty. Of course, every company hopes to be able to continue to increase the number of consumers, then strive to maintain it. It is the same with the Semar Department Store which continues to strive to maintain customer satisfaction by improving quality services to meet consumer expectations.

2. METHOD

The type of research used in this research is quantitative research. The sampling technique in this study uses a non-probability sampling technique, namely a sampling technique that does not provide equal opportunities for each member of the population to be selected as a sample, and by using a purposive sampling method. Determination of the number of samples for the

analysis of Structural Equation Modelling (SEM) using the formula number of indicators \times 5 to 10 [12].

The data collection method used a questionnaire using a Likert scale as a measurement scale of 1-5. In addition, it also uses documents or data published by the company and literature studies obtained from books, journals, references related to the study material.

The five indicators of service quality variables according to [13] include: Tangibles/ physical evidence, reliability, responsiveness, assurance, and empathy. While the satisfaction variable has 4 indicators according to [14], namely feeling satisfied, always buying the product, will recommend to others, and fulfilling customer expectations after buying the product. Furthermore, the consumer loyalty variable has 4 indicators according to [15] including: re-purchase, creating word of mouth, creating brands, and creating purchasing decisions at the same company.

The data analysis method used Structural Equation Modelling (SEM) using AMOS 25 software.

3. RESULT AND DISCUSSION

3.1. Descriptive statistics

There are four characteristics of respondents in this study, namely age, gender, occupation, and purchase intensity. Based on age characteristics, it shows that respondents aged less than 20 years were 22 respondents or 21.2%, aged between 21-25 years were 44 respondents or 42.3%, and aged over 25 years were 38 respondents or 36.5%. Thus, the majority of respondents are aged 21-25 years. Based on gender characteristics, it shows that the respondents are male as many as 40 people or 38.5%, while the respondents are female as many as 64 people or 104%. Thus, most of the respondents in this study were female. Based on the characteristics of the work, it shows that the respondents who are still students/students are 50 people or 48.1%, respondents who work as civil servants are 14 people or 13.5%, respondents who work as BUMN/Private Employees are 9 people or 8.7%, respondents who work as self-employed as many as 11 people or 10.6%, respondents who have other jobs as many as 20 people or 19.2%. Thus, the largest number of respondents are respondents who are still students. Meanwhile, based on the characteristics of purchasing intensity, it shows that respondents who made purchases

2 times were 35 people or 33.7%, respondents who made purchases 3-5 times were 32 people or 30.8%, while respondents who made purchases more than 5 times were 37. people or 35.6%. Thus, the number of respondents who made the most purchases were respondents who made purchases more than 5 times.

3.2. Data Quality Test

3.2.1. Validity test

The validity test was tested using the AMOS 24 program by looking at the output estimate by comparing the Critical Ratio (CR) and the Probability (P) value. The results meet the criteria if the CR value $>$ 1.96 with Probability $<$ 0.05, the *** sign is significant $<$ 0.01. This study shows that all indicators of the validity test can be declared valid. This is because the results meet the criteria for CR value $>$ 1.96 with Probability $<$ 0.05.

3.2.2. Reliability Test

The CR value of the service quality variable is 0.877, the CR value of the consumer loyalty variable is 0.755, while the CR value of the customer satisfaction variable is 0.879. So, it can be concluded that the variables of service quality, customer loyalty, and customer satisfaction have a Cronbach Alpha value above 0.6, which means that the data can be said to be reliable.

3.2.3. Structural Equation Modelling Analysis

The feasibility test for the full SEM model was tested using Chi-Square, Probability, RMSEA, GFI, CMIN/DF, TLI, and CFI which were within the expected range of values, even though there were marginally acceptable feasibility tests as shown in the table 2.

Based on the Goodness of Fit Confirmatory Factor Analysis table 2, it can be seen the values of Chi-Square, probability, CMIN/DF, GFI, TLI, CFI, and RMSEA. Chi-Square has a value of 64.110 and this value is smaller than 81.381. Then, Figure 1, the model from the sample theory is said to be suitable and does not need to be modified. The probability value is 0.402 and df is positive at 1.034, it can be said that the hypothesized model matches the observation data. However, the AGFI value shows that 0.875 is at the marginal value. The marginal value is the condition of the suitability of the measurement model under the good fit criteria, but it can still be continued in further analysis because it is close to the good fit criteria, the model is still acceptable.

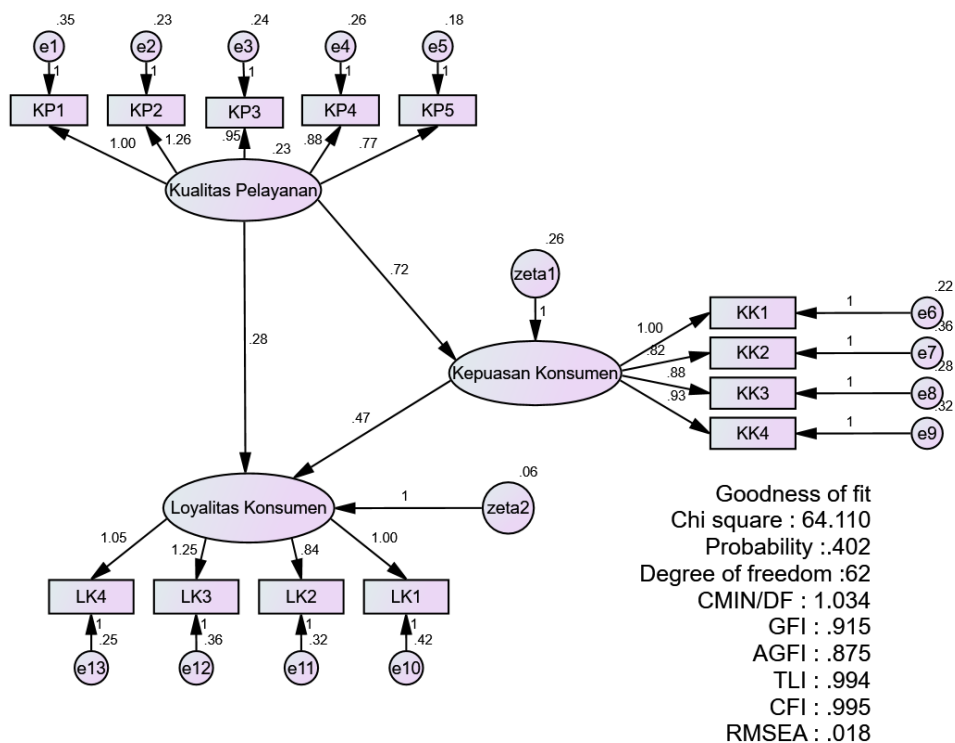


Figure 1 Structural Equation Modelling (SEM) Test Results (processed by the author)

Table 2 Goodness of Fit Confirmatory Factor Analysis

Goodness of Fit Index	Cut-off Value	Analysis Result	Model Evaluation
Chi-Square	≤ 81,381	64,110	Good Fit
Probability	≥ 0,05	0,402	Good Fit
RMSEA	< 0,08	0,018	Good Fit
GFI	≥ 0,90	0,915	Good Fit
AGFI	≥ 0,90	0,875	Marginal
CMIN/DF	< 2,00	1,034	Good Fit
TLI	≥ 0,95	0,994	Good Fit
CFI	≥ 0,95	0,995	Good Fit

Source: processed primary data, 2021.

3.3. SEM Assumption Test

3.3.1. Data Normality

The results of the normality test show that the value of c.r for multivariate is 2.139 which is ± 2.58 so it can be concluded that the data are normally distributed in multivariate manner.

3.3.2. Outlier Test

a. Univariate Outlier

This study shows that none of the dimensions has outliers. So, it can be concluded that there are no extreme data.

b. Multivariate Outlier

This study shows that all observations have a d-squared mahalanobis value below 27.688, which means that the research data used has met the requirements that there are no multivariate outliers.

c. Evaluation of Multicollinearity

The very small value of the determinant of the covariance matrix gives an indication of a multicollinearity or singularity problem. From the results of data processing the determinants of the sample covariance matrix are as follows:

Table 3 Multicollinearity

	KP	KK	LK
KP	1.000		
KK	.561	1.000	
LK	.651	.800	1.000

Source: processed primary data, 2021.

3.4. Hypothesis test

The hypothesis testing service quality on consumer loyalty with customer satisfaction as an intervening variable can be seen in the following table:

Table 4 Standardized Direct Effect

	Service Quality	Consumer Satisfaction	Consumer Loyalty
Consumer Satisfaction	.000	.000	.000
Consumer Loyalty	.356	.000	.000

Source: processed primary data, 2021.

Table 5 Standardized Indirect Effect

	Service Quality	Consumer Satisfaction	Consumer Loyalty
Consumer Satisfaction	.561	.000	.000
Consumer Loyalty	.651	.634	.000

Source: processed primary data, 2021.

The table above is used to see whether the variable customer satisfaction can mediate the service quality variable on consumer loyalty by comparing the values of the standardized direct effect and the standardized indirect effect. According to [16], if the standardized direct effect < standardized indirect effect, it can be said that mediation is proven to have an indirect influence on the relationship between the two variables (independent

and dependent). In [17], it is stated that the effect of the mediation effect can be known by comparing the value of the standardized direct effect and the standardized indirect effect, where if the direct effect is greater than the indirect effect, it is said that there is no mediation role.

Table 6 Squared Multiple Correlation

	Estimate
Consumer Satisfaction	.315
Consumer Loyalty	.699

Source: processed primary data, 2021.

3.5. Coefficient of Determination Test

3.6. Discussion

3.6.1. The influence of service quality on customer satisfaction

Based on the results of the Structural Equation Model (SEM) on the inner model test, it was found that service quality has a positive effect on customer satisfaction. Based on these results indicate that the higher the quality of service provided, the satisfaction felt by consumers will also increase. This means that the first hypothesis in this study is accepted.

This is in line with previous research conducted by [8] which proved that service quality has a positive and significant effect on customer satisfaction. This is

reinforced by research conducted by [9] which states that service quality has a positive and significant effect on consumer satisfaction.

3.6.2. Service quality has a positive influence on consumer loyalty

Based on the results of the Structural Equation Model (SEM) on the inner model test, it was found that service quality has a positive effect on consumer loyalty. Based on these results indicate that the higher the quality of service provided, the more loyal consumers will be. This means that the first hypothesis in this study is accepted.

This is in line with previous research conducted by [2] proving that service quality has a positive and

significant effect on consumer loyalty. This is also reinforced by research conducted by [3] which proves that service quality has a positive and significant effect on consumer loyalty. As well as research conducted by [4] proves that service quality has a positive and significant effect on consumer loyalty.

3.6.3. Consumer satisfaction has a positive influence on consumer loyalty

Based on the results of the Structural Equation Model (SEM) on the inner model test, it was found that customer satisfaction had a positive effect on consumer loyalty. Based on these results, it shows that the more often consumers feel satisfaction, the more loyal consumers become. This means that the third hypothesis in this study is accepted.

This is in line with previous research conducted by [6] proving that consumer satisfaction has a positive and significant effect on consumer loyalty. This is reinforced by research conducted by [7] which proves that consumer satisfaction has a positive and significant effect on consumer loyalty.

3.6.4. Service quality has a positive influence on consumer loyalty through customer satisfaction

Based on the results of the Structural Equation Model (SEM) on the inner model test, it was found that service quality has a positive effect on consumer loyalty through customer satisfaction. Based on these results indicate that the higher the quality of service provided, the satisfaction felt by consumers will increase so that consumers become more loyal. This means that the fourth hypothesis in this study is accepted.

This is in line with previous research conducted by [10] proving that consumer satisfaction mediates service quality on consumer loyalty. This is reinforced by research conducted by [11] which proves that consumer satisfaction mediates service quality on consumer loyalty.

4. CONCLUSION

The empirical test results show that service quality has a positive effect on customer satisfaction. This means that the higher the quality of service provided, the satisfaction felt by consumers will also increase. The empirical test results show that service quality has a positive effect on consumer loyalty. This means that the higher the quality of service provided, the more loyal consumers become.

The empirical test results show that consumer satisfaction has a positive effect on consumer loyalty. This means that the more often consumers feel satisfaction, the more loyal consumers become. The empirical test results show that service quality has a

positive effect on consumer loyalty through customer satisfaction. This means that although customer satisfaction mediates service quality with consumer loyalty, the increase in consumer loyalty is not dominated by customer satisfaction because service quality still shows a positive and significant influence on consumer loyalty.

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