



Quality of Service, Company Image and Price Perception of Satisfaction and Its Impact on Customer Loyalty

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Abstract. At this time, the competition for business activities of freight forwarding services is getting tighter. By understanding the needs, wants and demands of customers, it will provide important input for companies to design marketing strategies in order to create customer satisfaction. This customer satisfaction is influenced by the quality of service, price perception and company image. This study aims to determine the role of service quality, price and company image on customer satisfaction and its impact on customer loyalty (studi on JNE delivery service users). The Metode used in sampling is non probability sampling, with a total of 100 respondents. The data analysis method used is multiple linear regression analysis. The test results show that the quality of service has no positive and significant effect on customer satisfaction. The companys image has a positive and significant effect on customer satisfaction. Perce perception a positive and significant effect on customer satisfaction. Customer satisfaction has a positive and significant effect on customer loyalty.

Keywords: service quality · brand image · price perception satisfaction · loyalty

1 Introduction

Background

It has become commonplace if marketing is always connected with the task of selling or finding new buyers As time goes by from time to time all business activities of freight forwarding services are currently getting stricter. By understanding the needs, wants and demands of customers, it will provide important input for companies to design marketing strategies in order to create satisfaction for consumers. So it affects the quality of service, price and company image so that it will be related to satisfaction factors and achieve customer loyalty.

Thus the occurrence of a customer loyalty is largely determined by customer satisfaction. Satisfied customers, loyal customers. Many studies have strengthened that relationship, for example Tanford, Montgomery & Nelson (2012), Bayuningrat (2013), Kambiz and Naimi (2015), Dwi et al. (2015), Wahyu (2015), Neupane (2015), Chia & Thai

(2016), Asma *et.al* (2018), Nafisah & Djamaludin (2020) and Haeruddin & Haeruddin (2020). Although many support the significant effect of satisfaction on customer loyalty, there are also those who show otherwise. Kurnia's research (2017), for example, resulted in an insignificant influence of satisfaction with loyalty. Of course, this raises the author's question, is it true that satisfaction has no effect on loyalty?

Apart from the second relationship problem that is, the author wants to highlight the problem of factors that give rise to satisfaction itself. Customers who feel satisfied can be caused by good service quality, prices that consumers think are appropriate, both related to processes and results, a good company image, both related to products and services and so on. Research from Suwarsito (2020) resulted in a significant influence of service quality on satisfaction. Similarly, research from Edwin (2019), Pontoh, et al. (2014) and Purwanti (2015). However, research conducted by Hasanuddin (2016) yielded the opposite.

Research from Sulistiyanto and Soliha (2015); Handayani and Soliha (2015) and Purwanti (2015) show that there is an influence of the company's image on satisfaction. Handayani and Soliha (2015) also show the influence of price perception on satisfaction. In contrast, research from Pontoh, et al. (2014) states that the company's image does not affect satisfaction. Similarly, the research of Sulistiyanto and Soliha (2015) also showed that there is no influence of price perception on satisfaction.

Some deviations from the results of research on the relationship of satisfaction with loyalty and the relationship between service quality, company image and price perception of satisfaction that gave rise to a strong desire of the authors to conduct research with the same variables. Although in the studies carried out the authors tend to suspect a significant influence.

2 Bibliography Review

Definition of Loyalty

Loyalty in general is the quality of a person's loyalty or obedience to another person or something (eg an organization) which is shown through the attitude and actions of that person. Loyalty is the quality of one's loyalty to another party which is shown by providing firm and constant support and obedience to someone or something. According to Kotler and Armstrong (2015) keeping customers loyal makes economic sense. Loyal customers use the company's products more and for a longer time. Ishaq et al. (2014) said loyalty is a process, at the end of the process, satisfaction has an effect on perceived quality, which can give an impression of loyalty and intentions for certain behaviors from a customer. Meanwhile, according to Jeremiah (2019) said loyalty is a process, at the end of the process, satisfaction has an effect on perceived quality, which can imprint loyalty and intentions for certain behaviors from a customer.

So it can be concluded that customer loyalty is an attitude of commitment or a tendency of customers to buy a product or use services provided by a company with a high level of consistency and the product has met consumer needs. Customer loyalty will be the key to success not only in the short term but sustainable competitive advantage.

Loyalty Indicators

According to Fardani (2015) it is as follows:

1. Repeat Purchase, which is loyalty to the purchase of the product.
2. Retention, that is, resistance to negative influences regarding the company.
3. Referalls, i.e. referencing in total the company's essence.

Definition of Satisfaction

According to Richard Oliver (2018) customer satisfaction is the fulfillment response of customers to a product or service itself that has met customer needs and expectations.

Satisfaction Indicators

According to Hawkins and Lonney cited in Tjiptono (2014: 101) the indicators that shape consumer satisfaction consist of:

1. Conformity of expectations
2. Revisiting interest
3. Willingness to recommend

Definition of Service Quality

Lewis and Booms in Tjiptono (2011: 180) define service quality as a measure of how well the level of service provided is able to match consumer expectations.

Service Quality Indicators

For the measurement of service quality variables this will use indicators from Zeithaml, et al. (1990), namely:

1. Physical evidence (*tangibles*)
 - a. Up-to-date/up-to-date equipment.
 - b. Attractive physical facilities.
 - c. Well-groomed employees.
 - d. Physical facilities in accordance with the type of services offered.
2. Reliability
 - a. If it promises to do something at a predetermined time, it will definitely be realized.
 - b. Be sympathetic and able to calm customers whenever there is a problem.
 - c. Services are delivered correctly from the first time.
 - d. Services are delivered in accordance with the promised time.
 - e. Accurate and error-free recording system.
3. Responsiveness
 - a. Certainty of service delivery time is clearly informed to customers.

- b. Prompt/prompt service from company employees.
- c. Employees who are always willing to help customers.
- d. Employees who are not too busy, so they are able to respond to customer requests quickly.

4. Assurance

- a. Trusted employees.
- b. Feeling of security when making transactions with service provider employees.
- c. Employees who are always polite to customers.
- d. Employees who are knowledgeable so that they can answer customer questions.

5. Empathy

- a. Individual attention of the company.
- b. Suitable/convenient operating time for customers.
- c. Employees who provide personal attention.
- d. A company that takes seriously the interests of each customer.
- e. Employees who understand the specific needs of customers

Understanding Corporate Image

According to Peppers and Rogers (2011), a company's image is an impression generated by corporate identity which is a perception of a company owned by an audience.

Corporate Image Indicators

According to Kanaidi (2014: 33) indicators of company image formation include, among others:

1. A set of *impressions*
2. *Beliefs*
3. *Attitudes*

Understanding Price Perception

According to Lee and Lawson Body (2011: 532) suggests that the perception of price is a consumer judgment and an associated emotional form of whether the price offered by the seller and the price compared to the other party are acceptable.

Price Perception Indicators

1. Affordability
2. Price Competitiveness
3. Discounts/discounts
4. Payment methods

3 Research Methods

Test Instruments

a. Validity

Validity test is used to measure the legitimacy or validity of a questionnaire (Ghozali, 2012: 52). A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. So, validity is measuring whether the questions in the questionnaire that have been made can actually measure what is to be measured using the sample confidence level or the Kaiser-Mayer-Olkin value (KMO), the desired value is >0.5 . The loading factor value is indicated to reach 0.4 if the loading factor value is >0.4 then the variable is not of the same dimension as the other variables to explain a latent variable.

b. Reliability

Reliability test is used to measure the reliability of the questionnaire. The questionnaire is declared reliable if the respondent's answers are consistent from time to time when asked the same question. In this study the reliability test was carried out by the one-step method is to use Cronbach's alpha. Cronbach's alpha value of a variable that is greater than 0.70 indicates that the questionnaire used by that variable is declared reliable. Variable test results can be seen in Table 1.

3.1 Multiple Regression Analysis

1. Model Test

a. Test – F

Table 1. Hasil Uji Reliabilitas

Variable	<i>Cronbach's Alpha</i>	Keterangan
Kualitas Layanan	0,959	Reliabel
Citra Perusahaan	0,751	Reliabel
Persei Harga	0,796	Reliabel
Kepuasan Pelanggan	0,816	Reliabel
Loyalitas Pelanggan	0,756	Reliabel

Sumber: Data Primer Diolah, 2022

Test – F is used to test regression models whether the model used is good (fit) with $\alpha = 0.05$ (Ghozali, 2016: 96).

b. Coefficient of Determination Test

This test demonstrates the ability to describe independent variables against dependent variables.

2. Hypothesis Testing (Test – t)

Test -Ttis used to find out how far the influence of one explanatory variable (independent or free) explains the variation of the dependent/bond variable (Ghozali, 2016:97).

Criteria:

The hypothesis is accepted if the significance is <0.05

The hypothesis is rejected if the significance is >0.05

4 Results and Discussion

Multiple Regression Analysis

Based on the multiple linear regression analysis test in this study, it can be seen in Table 2 and Table 3.

Table 2. Model 1 Regression Table

NO	PERSAMAAN	ADJUSTED R SQUARE	UJI F		UJI t		KET.
			F	SIG	β	SIG	
	Pengaruh kualitas layanan citra perusahaan dan persepsi harga terhadap kepuasan pelanggan	0.722	86.516	0.000			
1	Kualitas layanan terhadap kepuasan pelanggan				0.018	0.735	Hipotesis ditolak
2	Citra perusahaan terhadap kepuasan pelanggan				0.558	000	Hipotesis diterima
3	Persepsi harga terhadap kepuasan pelanggan				0.324	000	Hipotesis diterima

Source: Primary Data Processed, 2022

Table 3. Model 2 Regression

NO	PERSAMAAN	ADJUSTED R SQUARE	UJI F		UJI t		KET.
			F	SIG	B	SIG	
1	Kepuasan pelanggan terhadap loyalitas pelanggan	0.656	190.172	0.000	0.012	0.000	Hipotesis diterima

Source: Primary Data Processed, 2022

5 Discussion

This study aims to reveal the effect of service quality, price and company image on customer satisfaction and its impact on customer loyalty. Based on the analysis with the SPSS program, the following results were obtained:

Service Quality Affects Customer Satisfaction

Based on the test between service quality and customer satisfaction, hypothesis 1 is obtained with a significance value of $0.735 > 0.05$, which means that service quality has no effect on customer satisfaction.

According to Swithi (in Sujayreliabilia, 2017) Service quality is the quality of service provided to customers, both internal customers and external customers based on standard service procedures. According to Parasuraman, et al. (in Michael Fu, 2018) Reliability service quality indicators consist of If you promise to do something at a predetermined time, it will definitely be realized, Be sympathetic and be able to calm customers whenever there is a problem, Services are delivered correctly from the first times, services are delivered according to the promised time, an accurate and free recording system. Second, Assurance consists of employees who are trusted, feel safe when making transactions with service provider employees, employees who are always polite to customers, employees who are knowledgeable so they can answer customer questions. The third is the latest/up-to-date Tangibles Equipment, attractive physical facilities, employees who look neat, physical facilities in accordance with the type of services offered. The fourth Empathy consists of individual attention from the company, operating hours that are suitable/convenient for customers, employees who give personal attention, companies who really pay attention to the interests of each customer, employees who understand the specific needs of customers. Fifth, Responsiveness consists of time certainty to encourage services to be clearly informed to customers, prompt/fast service from company employees, employees who are always willing to help customers, employees who are not too busy, so they are able to respond to customer requests.

This is in accordance with the results of research which states that service quality has no effect on student satisfaction. This shows that what is received by students has not exceeded the expectations of students. Empirically, the findings of this researcher do not support the opinion put forward by the results of research by several researchers such as Bloomer, et al. (1998) which state that the better the quality of the services provided, the greater the customer satisfaction. Banwet and Datta (2000) and Salazar,

et.al. (2004) found that companies must always improve customer satisfaction, one of which is to improve service quality. Satisfied customers will recommend the institution to other customers.

Corporate Image Influences Customer Satisfaction

Based on testing the role of company image on customer satisfaction, hypothesis 3 is obtained with a significance value of $0.000 < 0.05$, then H_0 is rejected and H_a is accepted, which means that corporate image has an effect on customer satisfaction.

Kotler and Keller (2012) Corporate Image Image as a set of beliefs, ideas, and impressions that a person holds about an object. According to Sari (2012), the indicators that form the basis for the formation of corporate image are personality, reputation, corporate identity values.

This is in accordance with the results of research by Sulistiyanto and Soliha (2015); Handayani and Soliha (2015) and Purwanti (2015) show that there is an influence from corporate image on satisfaction.

Price Perception Affects Customer Satisfaction

Based on the test between price and customer satisfaction, hypothesis 2 is obtained with a significance value of $0.000 < 0.05$, then H_0 is rejected and H_a is accepted, it can be said that price perceptions affect customer satisfaction.

According to Xia et al. (in Nutrition, 2020) Perceived Price is a consumer's judgment and the associated emotional form regarding whether the price offered by the seller and prices compared to other parties is reasonable and acceptable. The price perception indicators proposed by Kotler and Armstrong (in Yuwan, 2019) are price affordability, price compatibility with product quality, price competitiveness, price compatibility with benefits.

This is in accordance with the results of research by Handayani and Soliha (2015) which also show that there is an effect of perceived price on satisfaction.

Customer Satisfaction Affects Customer Loyalty

Based on the t-test results of the Customer Satisfaction Variable, a significance value of $0.000 < 0.05$ is obtained, then H_0 is rejected and H_a is accepted. can mean that customer satisfaction affects customer loyalty.

According to Tjiptono (in Hidayatullah, 2013) consumer loyalty is a customer's commitment to a brand, store or supplier based on very positive traits in long-term purchases. The indicators of customer loyalty explained according to Kotler & Keller (in Priskila, 2016: 34), are as follows Repeat Purchase, Retention, Referalls.

This is in accordance with the research results of Tanford, Montgomery & Nelson (2012), Bayuningrat (2013), Kambiz and Naimi (2015), Dwi et al. (2015), Wahyu (2015), Neupane (2015), Chia & Thai (2016), Asma et.al (2018), Nafisah & Djamaludin (2020) and Haeruddin & Haeruddin (2020) that customer satisfaction affects customer loyalty.

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Conclusion

From the discussion that has been described, the following conclusions can be drawn:

1. Service quality has no effect on customer satisfaction.
2. Corporate image has a positive and significant effect on customer satisfaction. This shows that the better the corporate image, the higher the customer satisfaction.
3. Price perception has a positive and significant effect on customer satisfaction. This shows that the more appropriate the perception of the price given to customers, the higher customer satisfaction.
4. Customer satisfaction has a positive and significant effect on customer loyalty. This shows that the higher customer satisfaction will increase customer loyalty in using the service.

Suggestion

The results of this study indicate that service quality, price and corporate image have an effect on customer satisfaction and their impact on customer loyalty. These results provide several managerial implicits, namely as follows:

1. Based on the research description regarding the quality of service that the lowest factor from the respondents is the prompt/fast service indicator from the company's employees. So the company must provide services immediately/quickly to customers to increase customer satisfaction and customer loyalty.
2. Based on the research description regarding the price that the lowest factor of the respondents is the price compatibility indicator with benefits. If the company can adjust the price offer by improving the quality of its services, the customer will feel satisfied and loyal.
3. Based on the research description regarding corporate image that the lowest factor of the respondents is the Price Competitiveness indicator. Companies must adjust prices to the market to maintain an image in order to meet customer satisfaction and customer loyalty.

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