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Service Quality and Customer Loyalty at Grapari

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Abstract. Services reach almost all aspects of human life, ranging from government services to private services such as trade, transportation services and communication services using mobile phones. The purpose of this study was to analyze the factors that affect customer satisfaction and customer loyalty. The data collection method used was a questionnaire, which was analyzed using SPSS-Amos. The results showed that service productivity affected consumer loyalty either directly or indirectly. Responsiveness only had a direct effect on customer loyalty. Accountability had an indirect effect on customer loyalty through customer satisfaction. Also, service attitude had a positive and significant effect on customer loyalty either directly or through service quality. The novelty of this study lies in the dimensions used in measuring the variables in service providers.

Keywords: provider, service quality, consumer loyalty

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1. Introduction

Organizations that want to progress and develop are required to have quality human resources. Quality human resources are humans whose performance can achieve work goals or work targets that have been designed in the organization (1). It can be said that humans have an important role in organizations, namely as implementers and movers of the organization. Without human resources, the organization is just a name. However, sometimes human resources are also an obstacle for every organization because not all humans can carry out their duties properly. Things like this will certainly have an impact on the performance of the organization in achieving its goals.

Every human being needs service during his life. Getting service is a basic right for the community (2). Therefore, it is important to pay attention to the services provided to the community. When employee performance is optimized, customers are satisfied with the company which ultimately increases their loyalty and strengthens their trust in the products and services offered by the company. On the other hand, when customer expectations are not met, they are disappointed and have a negative impact on the reputation of the organization.

Services reach almost all aspects of human life, starting from government services, private services such as trade, transportation services, including services in terms of communication using mobile phones.

The use of mobile phones is no longer a secondary need for people living in the era of 4.0. But it has become a basic need. It is undeniable that every human activity is often connected to mobile phones from waking up to wanting to sleep again; such as using alarms on mobile phones, ordering food, ordering

transportation, payment transactions, and so on. This has triggered an increase in mobile phone users in Indonesia so that not a few people have more than one cellphone. Usually one is for personal use, one is for work, and some are used for leisure such as playing games, watching videos on various platforms, or listening to music. The increasing number of mobile phone users from day to day triggers the number of provider companies in Indonesia.

Provider companies always provide attractive offers for the community because the competition is so tight. Some companies offer network speed, some offer low prices, some offer lots of bonuses, and some offer door prizes such as cars and houses. This is a consideration for consumers in choosing a provider to facilitate their communication.

One of the most widely used providers in Indonesia is Telkomsel. Telkomsel is a giant provider in Indonesia, not only working with various parties but also the government. This can be seen during the Covid-19 pandemic, the Government of the Republic of Indonesia through the Minister of Education and Culture Nadiem Makariem trusted Telkomsel to be able to facilitate teaching and learning needs between students and teachers, and between students and lecturers. However, along the way, consumers experience several obstacles related to the facilities provided by Telkomsel, such as the network which is sometimes unstable, the active period expires without any prior notification. This requires Telkomsel to be able to overcome the problems that are often experienced by consumers. ,

Many factors effect customer loyalty as stated by (3) and (4) regarding the effect of productivity on customer loyalty. (5), (6), and (7) regarding the impact of responsibility on customer loyalty. Then research (8), (9), and (10) regarding the effect of accountability on consumer loyalty. Further research by (11), (12), and (13) regarding the effect of attitude on consumer loyalty. Furthermore, the results of (14), (15), (16).

Therefore, this study will analyze employee productivity on customer loyalty either directly or through service quality; the effect of responsiveness on customer loyalty either directly or through service quality; the effect of accountability on customer loyalty either directly or through service quality; attitude towards customer loyalty either directly or through service quality; and the direct effect of service quality on customer loyalty.

2. Methods

This study is designed to analyze and develop an empirical research model through causality of variables such as customer loyalty, service quality, productivity, responsiveness, accountability, and employee attitudes. as for the research approach, namely quantitative explanatory. The population in this study were all Grapari customers from January to July 2021. The number of samples selected was 100 people.

The analytical method used in this research is to use path analysis. The main analysis carried out is to test the path construct whether it is empirically tested or not. Further analysis was carried out to find out the direct and indirect effects of a set of independent variables on the dependent variable. In addition, path analysis is a type of multivariate analysis to study the direct and indirect effects of several variables that are hypothesized as causal variables on other variables called effect variables.

Next, calculate the path coefficient. After the path coefficient is calculated, then hypothesis testing is carried out to prove the independent variable being studied has a significant effect on the dependent variable. However, due to the complexity of calculating the path coefficient, the researcher used the help of the AMOS-SPSS 20 (Statistical Package for Social Science) software. After the model is declared feasible, the next step is hypothesis testing which aims to determine whether there is a significant effect between variables.

3. Results and Discussion

Before analyzing the relationship between variables, it is important to know the feasibility test of the model. The results of the model feasibility test are presented in Figure 1.
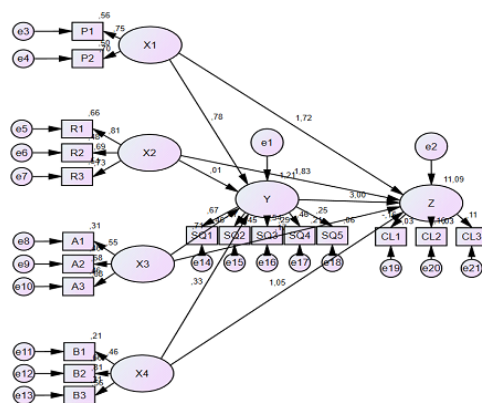

Figure 1: SPSS-Amos Output.

3.1. The Effect of Service Productivity on Customer Loyalty Either Directly or Indirectly Customer Satisfaction

The direct effect of productivity on costomer loyality shows a positive and significant effect (t value of 1.854 and coefficient value of 0.285). This means that every 1 percent increase in service productivity will increase customer loyalty by 0.285 percent. These results are by the initial hypothesis which states that service productivity has a positive and significant effect on customer loyalty.

The indirect effect of service productivity on customer loyalty through customer satisfaction shows a positive and significant effect. The positive and significant effect comes from a positive and significant effect (t value of 4.846 and coefficient value of 0.702) customer productivity on customer satisfaction and then continues with a positive and significant effect (t value of 1.742 and coefficient value of 0.550) customer satisfaction on loyalty customer.

This means that every one percent increase in service productivity will increase 0.702 percent of customer satisfaction. Increased customer satisfaction will then increase customer loyalty by 0.386 (0.702 x 0.550). These results are by the initial hypothesis which states that service productivity has a positive and significant effect on customer loyalty through customer satisfaction.

By comparing the direct and indirect effect of service productivity on customer loyalty, it can be seen that the existence of customer satisfaction variables strengthens the effect of service productivity on customer loyalty. This indicates the need to increase service productivity so that consumers are satisfied with the services provided, to increase customer loyalty.

3.2. The Effect of Service Responsiveness on Customer Loyalty Directly or Indirectly Customer Satisfaction

The direct effect of responsibility on customer loyalty shows a positive and significant effect (t value of 3.515 and coefficient value of 0.256). This means that every 1 percent increase in service responsibility will increase customer loyalty by 0.256 percent. These results are by the initial hypothesis which states that service responsibility has a positive and significant effect on customer loyalty.

There is no indirect effect of service responsibility on customer loyalty through customer satisfaction. This means that every one percent increase in responsiveness and service quality will not affect consumer loyalty.

3.3. The Effect of Service Accountability on Customer Loyalty Either Directly or Indirectly Customer Satisfaction

The direct effect of service accountability on customer satisfaction shows no effect between variables. This means that any increase in service accountability will not affect customer loyalty. This result is not by the initial hypothesis which states that service accountability has a positive and significant effect on customer loyalty.

The indirect effect of service accountability on customer loyalty through customer satisfaction shows a significant positive effect. The positive and significant effect comes from a positive and significant effect (t value of 4.703 and coefficient value of 0.361) customer productivity on customer satisfaction and then continues with a positive and significant effect (t value of 1.742 and coefficient value of 0.550) customer satisfaction on loyalty customer.

This means that every one percent increase in service accountability will increase 0.702 percent of customer satisfaction. Increased customer satisfaction will then increase customer loyalty by 0.199 (0.361 x 0.550). These results are by the initial hypothesis which states that service accountability has a positive and significant effect on customer loyalty through customer satisfaction.

By comparing the direct and indirect effects of service accountability on customer loyalty, it can be seen that the existence of customer satisfaction variables strengthens the effect of service accountability on customer loyalty. This indicates the need to improve service accountability so that consumers are satisfied with the services provided, to increase customer loyalty.

3.4. The Effect of Service Attitude on Customer Loyalty, Either Directly or Indirectly Customer Satisfaction

The direct effect of service attitude on customer satisfaction shows a positive and significant effect (t value of 2.064 and coefficient value of 0.166). This means that every 1 percent increase in service attitude will increase customer loyalty by 0.166 percent. These results are by the initial hypothesis which states that service attitude has a positive and significant effect on customer loyalty.

The indirect effect of service attitude on customer loyalty through customer satisfaction shows a significant positive effect. The positive and significant effect comes from a positive and significant effect (t value of 3.118 and coefficient value of 0.281) on customer attitudes towards customer satisfaction and then continues with a positive and significant effect (t value of 1.742 and coefficient value of 0.550) customer satisfaction on loyalty customer.

This means that every one percent increase in service attitude will increase 0.281 percent of customer satisfaction. Increased customer satisfaction will then increase customer loyalty by 0.155 (0.281 x 0.550). These results are by the initial hypothesis which states that service attitudes have a positive and significant effect on customer loyalty through customer satisfaction.

By comparing the direct and indirect effects of service attitudes on customer loyalty, it can be seen that the existence of customer satisfaction variables strengthens the effect of service accountability on customer loyalty. This indicates the need to improve service account so that consumers are satisfied with the services provided, to increase customer loyalty.

4. Conclusion

Based on the results of data processing, it can be seen that service productivity affects consumer loyalty either directly or indirectly. Responsiveness only has a direct effect on customer loyalty. Accountability only has an indirect effect on customer loyalty through customer satisfaction. Service attitude has a positive and significant effect on customer loyalty either directly or through service quality.

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