

CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION

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ABSTRACT

This study aims to analyze the effect of service quality on customer satisfaction, the effect of customer value on customer satisfaction, the effect of service quality on customer loyalty, the effect of customer value on customer loyalty, the effect of customer satisfaction on customer loyalty, the effect of service quality and customer value on customer satisfaction, the effect of service quality, customer value and customer satisfaction on customer loyalty.

The population in this study were all customers who had used hotel services in the city of Semarang. The number of samples in this study was 100 respondents. The sampling technique using purposive sampling is a sampling technique with certain considerations. The measurement scale used is the Likert scale, path analysis using the SPSS version 16 program.

The results showed a positive and significant effect of service quality on customer satisfaction, customer value on customer satisfaction, service quality on customer loyalty, customer value on customer loyalty, customer satisfaction on customer loyalty, service quality and customer value on customer satisfaction, customer quality, value customers and customer satisfaction on customer loyalty.

KEYWORDS: *Customer Quality, Customer Value, Customer Satisfaction, Customer Loyalty*

INTRODUCTION

Today's increasingly fierce business competition requires marketers to develop an accurate marketing strategy. Companies that win business competition can strengthen the company's position to be able to survive in the future. The goal of becoming a customer-focused organization is a strategic choice for industry and the business world to be able to survive in the midst of an economic environment that shows a tendency for steep fluctuations, change for change, high competition, and increasingly sophisticated quality of life (Lupiyoadi and Hamdani, 2006). The strategy that can be done by marketers is not only to attract new customers but also to be able to retain existing customers. Kotler (2003) argues that it is important for companies to retain existing customers because the costs of attracting new customers are much greater than the costs of retaining existing customers. One way to retain customers is to create loyalty to these customers.

Dick and Basu stated that loyalty is a commitment from customers to a brand which is reflected in consistent repeat purchases (Umar, 2003). Thus, companies that are able to create loyalty to their customers have the power to compete because the company's sustainability in the future will be more secure because repeat purchases by loyal customers will make a positive contribution to the company's revenue. In addition, according to Rosenberg and Czepiel (1984 in Lupiyoadi and Hamdani, 2006), if the company is able to create customer loyalty, the company can save up to five times the cost of attracting new customers.

Customer loyalty can be achieved by creating customer satisfaction. Tjiptono (2008) considers that loyal customers are not necessarily satisfied, but satisfied customers tend to become loyal customers. According to Engel, et al (1990), customer satisfaction is a post-purchase evaluation in which the chosen alternative is at least equal to or exceeds customer expectations, and dissatisfaction arises if the outcome does not meet expectations. Satisfaction and dissatisfaction are characterized by feelings of pleasure or disappointment from customers that arise after comparing the performance of the product with customer expectations (Kotler, 2000). Zeithaml and Bitner (1996) stated that the main factor determining customer satisfaction is customer perception of service quality. According to Lupiyoadi and Hamdani (2006), in determining the level of satisfaction, Customers often see the added value of a product or service performance received from a product (service) purchase process. Customer value is the difference between total customer value and total customer cost (Kotler, 2000). Customer value is closely related to the comparison between the benefits obtained and the sacrifices incurred by the customer. If the benefits received by the customer are greater than the sacrifices incurred, the customer will benefit and if the benefits are less than the sacrifices incurred by the customer, the customer feels a loss. Customer value is closely related to the comparison between the benefits obtained and the sacrifices incurred by the customer. If the benefits received by the customer are greater than the sacrifices incurred, the customer will benefit and if the benefits are less than the sacrifices incurred by the customer, the customer feels a loss. Customer value is closely related to the comparison between the benefits obtained and the sacrifices incurred by the customer. If the benefits received by the customer are greater than the sacrifices incurred, the customer will benefit and if the benefits are less than the sacrifices incurred by the customer, the customer feels a loss.

Apart from customer satisfaction, loyalty is also directly influenced by service quality and customer value. John Sviokla (2019) states that the quality of the products (services) provided by the company can create a positive perception of the customer towards the company and result in customer satisfaction and loyalty. While the concept of customer value can affect loyalty put forward by Goostain which states that customer value is an emotional bond that can create an added value so that it will affect customer loyalty to the brand used (in Maharani, 2012).

LITERARY REVIEW

Service Quality

One approach to service quality that is often used in marketing research is the SERVQUAL (Service Quality) model developed by Parasuraman, Zeithaml, and Berry (1988). SERVQUAL is built on a comparison of two main factors, namely the customer's perception of the service they actually receive (perceived service) with the service that is actually expected (expected service). If the reality is more than expected then the service can be said to be of quality, and vice versa. In short, service quality can be defined as how far the difference between reality and customer expectations for the service they receive.

Goetsch & Davis (1994 in Tjiptono and Gregory 2011) defines quality as a dynamic condition associated with products, services, human resources, processes, and the environment that meet or exceed expectations. Thus, quality is not only about the results but also about the processes and human resources who work on them. In addition, the environment in which the service is consumed also affects its quality. Based on this definition, quality is the company's ability to fulfill customer desires. If the company is able to fulfill customer desires, it can be said that the company has quality services.

Based on this description, the hypotheses that can be proposed in this study are

- H1: Service quality affects customer satisfaction
- H2: Service quality affects customer loyalty

Customer Value

Value to customers is the difference between total customer value and total customer cost. Total customer value is the set of benefits that customers expect from a particular product or service. Meanwhile, total customer costs are a set of costs that are expected by consumers to be incurred in evaluating, obtaining, using, and disposing of products or services (Kotler, 2000). Kotler describes that total customer value includes product value, service value, employee value and image value. While the total customer costs include monetary costs, time costs, energy costs and mental costs.

Zeithaml (1987 in Diab, 2009) states that customer value is the overall customer assessment of the usefulness of a product based on perceptions of what is received and what is given. Buyer's perception of value describes a comparison between the quality or benefits they feel in the product with the sacrifices they feel when paying the price of the product.

Based on this description, the hypothesis proposed from this study is

- H3: Customer value affects customer satisfaction
- H4: Customer value affects customer loyalty

Customer Satisfaction

Schnaars (1991) stated that basically the purpose of a business is to create satisfied customers. According to Tjiptono, 2008, the creation of customer satisfaction can provide several benefits, including a harmonious relationship between the company and its customers, providing a good basis for repeat purchases and creating customer loyalty, and forming a word-of-mouth recommendation. Profitable for the company. Based on this statement, it can be seen that customer satisfaction has an important role in the company's sustainability in the future.

Kotler (2000) defines customer satisfaction as a person's feelings of pleasure or disappointment that arise after comparing their perceptions or impressions of the performance or results of a product and their expectations. In line with Kotler's definition, Cadotte, Woodruff, and Jenkins (1987 in Tjiptono and Gregory, 2011) conceptualize satisfaction as a feeling that arises after evaluating the experience of using a product. Meanwhile, Engel, et al (1990) stated that customer satisfaction is an after-purchase evaluation in which the chosen alternative is at least equal to or exceeds customer expectations, and dissatisfaction arises if the outcome does not meet expectations.

Based on this description, the hypothesis proposed from this study is

- H5: Customer satisfaction affects customer loyalty

Customer Loyalty

Dick and Basu (in Umar, 2003) define customer loyalty as a customer's commitment to a brand and supplier, based on a very positive attitude and is reflected in consistent repeat purchases. Meanwhile, according to Evan and Laskin (1994 in Diab, 2009), what is meant by a loyal or loyal customer is someone who makes repeat purchases from the same company,

informs other potential consumers by word of mouth and becomes an antidote to attacks from competitors.

According to Oh (1995 in Lupiyoadi and Hamdani, 2006), customer loyalty studies so far can be divided into three categories: behavioral approach, attitude approach, and integrated approach. The behavioral approach focuses on post-purchase customer behavior and measures loyalty based on the level of purchase (frequency and likelihood of buying again). The attitude approach concludes customer loyalty from aspects of psychological involvement, favoritism, and a sense of goodwill in certain services. Meanwhile, the integrated approach combines two variables to create their own concept of customer loyalty. By trying to adopt this approach in constructing the model, so that the concept of customer loyalty is understood as a combination of happy customer attitudes and repeat purchase behavior.

Based on this description, the hypotheses proposed from this study are:

- H6: Service quality and customer value affect customer satisfaction
- H7: Service quality, customer value and customer satisfaction affect customer loyalty

RESEARCH METHOD

This study uses the type of explanatory research (Explanatory Research). The population in this study are all customers who have used hotel services in the city of Semarang. This population cannot be identified with certainty.

According to Cooper (1996 in Rosi, 2012), the basic formula in determining the sample size for a population that is not identified with certainty is that the number is determined directly at 100. The number of samples of 100 has met the representative requirements. Therefore, the number of samples in this study was 100 respondents. The sample in question is the one that meets the criteria because the researcher uses a purposive sampling method, namely the technique of determining the sample with certain considerations (Sugiyono, 2007).

The measurement scale used is a Likert scale with data collection techniques using a questionnaire. The data analysis technique used validity test, reliability test and path analysis with the help of SPSS version 16 program.

Robert D. Rutherford (1993 in Sarwono, 2007) states that path analysis is a technique for analyzing causal relationships that occur in multiple regression if the independent variable affects the dependent variable not only directly, but also indirectly.

RESULT

The results of this study can be seen in the hypothesis test table and the path analysis model image below:

Table 1: Hypothesis Test

No.	Uji Hipotesis	t hitung	Standardized Coefficient (Beta)	Hasil			Keterangan Hipotesis
				R Square (r ²)	Korelasi	Signifikansi	
1.	Pengaruh Kualitas Pelayanan (X ₁) terhadap Kepuasan Pelanggan (Y ₁)	11,648	0,762	-	0,762	0,000	Ha diterima
2.	Pengaruh Nilai Pelanggan (X ₂) terhadap Kepuasan Pelanggan (Y ₁)	5,982	0,517	-	0,517	0,000	Ha diterima
3.	Pengaruh Kualitas Pelayanan (X ₁) terhadap Loyalitas Pelanggan (Y ₂)	7,660	0,612	-	0,612	0,000	Ha diterima
4.	Pengaruh Nilai Pelanggan (X ₂) terhadap Loyalitas Pelanggan (Y ₂)	7,862	0,622	-	0,622	0,000	Ha diterima
5.	Pengaruh Kepuasan Pelanggan (Y ₁) terhadap Loyalitas Pelanggan (Y ₂)	8,908	0,669	-	0,669	0,000	Ha diterima
6.	Pengaruh Kualitas Pelayanan (X ₁) dan Nilai Pelanggan (X ₂) terhadap Kepuasan Pelanggan (Y ₁)	-	-	0,593	-	0,000	Ha diterima
7.	Pengaruh Kualitas Pelayanan (X ₁), Nilai Pelanggan (X ₂) dan Kepuasan Pelanggan (Y ₁) terhadap Loyalitas Pelanggan (Y ₂)	-	-	0,556	-	0,000	Ha diterima

Source: Processed Primary Data, 2021

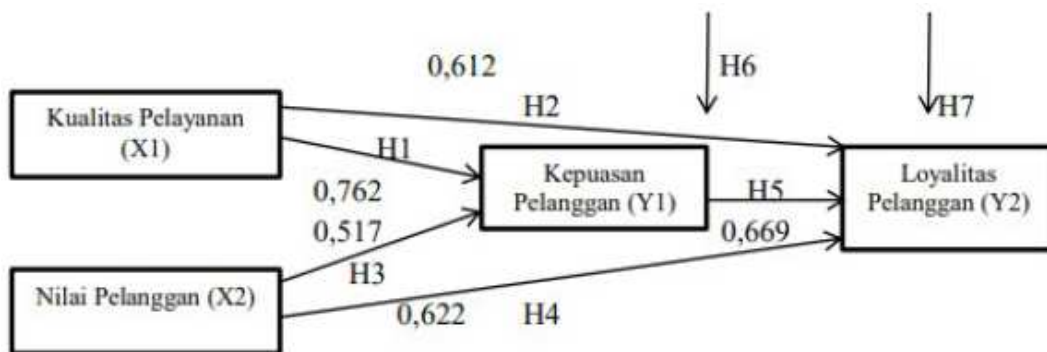


Figure 1: Path Analysis Model

DISCUSSION

Based on the results of the data analysis described above, it is analyzed that the creation of customer loyalty is directly influenced by service quality and customer value. The magnitude of the influence of service quality and customer value on customer loyalty shows a number that is not much different. John Sviokla (2019) states that the quality of the products (services) provided by the company can create a positive perception of the customer towards the company and result in customer satisfaction and loyalty. While the concept of customer value can affect loyalty put forward by Goostain which states that customer value is an emotional bond that can create an added value so that it will affect customer loyalty to the brand used (in Maharani, 2012).

Customer loyalty is also directly influenced by customer satisfaction. Compared to the other two variables that also directly affect customer loyalty. The results of data analysis show that customer satisfaction has a greater influence on the creation of customer loyalty. Based on these results, it can be concluded that the hypothesis which states that there is an influence between customer satisfaction and customer loyalty is proven or accepted. The results of the data analysis that have been presented also show that the quality of service has a high enough influence on the creation of customer satisfaction. Zeithaml and Bitner (1996) stated that the main factor determining customer satisfaction is customer perception of service quality.

Customer loyalty is not only influenced directly but also indirectly. Customer loyalty is indirectly influenced by service quality and customer value through customer satisfaction. The results of data analysis show that the influence of service quality on customer loyalty through customer satisfaction is greater in value than the influence of customer value indirectly through customer satisfaction.

The data analysis that has been carried out and described above shows that the creation of customer loyalty has the greatest influence on direct customer satisfaction. This is in line with what was stated by Tjiptono (2008) that loyal customers are not necessarily satisfied, but satisfied customers tend to become loyal customers. Customer satisfaction is influenced by service quality and customer value. The results of data analysis show that service quality has a greater influence on the creation of customer satisfaction compared to customer value.

Service quality, customer value, and customer satisfaction each have an influence on customer loyalty. Direct customer satisfaction has the greatest influence on customer loyalty that is equal to 66.9%. While indirectly service quality has the greatest influence on customer loyalty through customer satisfaction variable that is equal to 51.0%.

K Service quality and customer value combined have an effect on customer satisfaction of 59.3%. This shows that customer satisfaction which can be explained by using service quality and customer value is 59.3%, while the effect of 40.7% is caused by other variables outside this model. While service quality, customer value, and customer satisfaction combined have an influence on customer loyalty by 55.6%, while the remaining 44.4% is influenced by other variables outside this model, for example, customer knowledge and information, customer expectations, and customer needs.

CONCLUSIONS

The conclusions resulting from this research are:

The results showed a positive and significant effect of service quality on customer satisfaction, customer value on customer satisfaction, service quality on customer loyalty, customer value on customer loyalty, customer satisfaction on customer loyalty, service quality and customer value on customer satisfaction, customer quality, value customers and customer satisfaction on customer loyalty.

Future research agenda, more in-depth research can be done by increasing the number of respondents in order to add other factors that can influence such as: employee attitudes and behavior, employee job satisfaction, employee motivation, work systems and procedures in the company, employee ability to provide service to customers so that it is more perfect and develops this research further.

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