



Effect of service quality and product quality on customer loyalty through customer satisfaction variables on user logistic services pt. balrich logistics

Hidayatullah ^{1*}, Suharto ², Wahyudi ³

¹⁻³ Universitas Krisnadwipayana, Campus Unkris Jatiwaringin Indonesia

* Corresponding Author: **Hidayatullah**

Article Info

ISSN (online): 2582-7138

Volume: 03

Issue: 02

March-April 2022

Received: 29-01-2022

Accepted: 17-02-2022

Page No: 25-29

DOI:

<https://doi.org/10.54660/anfo.2022.3.2.1>

Abstract

This study aims to determine the effect of service quality on customer satisfaction, the effect of product quality on customer satisfaction, the effect of customer satisfaction on customer loyalty, the effect of service quality on customer loyalty, the effect of product quality on customer loyalty, the effect of service quality on customer loyalty through the satisfaction variable. customers, the effect of product quality on customer loyalty through satisfaction variables. This research was conducted at PT. Balrich Logistik Jakarta by involving 98 customers of the company. Data analysis used path analysis with Partial Least Square (PLS) model with t test. Based on the results of data analysis, it is obtained that service quality has no significant effect on customer loyalty, product quality has a significant effect on customer loyalty, customer satisfaction has a significant effect on customer loyalty, service quality significantly affects customer satisfaction, product quality has a significant effect on customer satisfaction, the indirect effect of service quality on customer loyalty through customer satisfaction is greater than the direct effect and the indirect effect of product quality on customer satisfaction through customer satisfaction is greater than the direct effect.

Keywords: Service quality, product quality, customer satisfaction, customer loyalty

Introduction

The growth of logistics transportation services in Indonesia has increased significantly, this is due to the rapid development of online business. The need for logistics transportation in online businesses demands a level of service that is fast, easy, and inexpensive so that customers who buy products online feel satisfied and trust. Customer satisfaction is the level of one's feelings after comparing the performance or results he feels with his expectations. The level of satisfaction is a function of the difference between perceived performance and expectations. If the performance is below expectations, the customer will be very disappointed. If the performance matches expectations, the customer will be satisfied. Meanwhile, if the performance exceeds expectations, the customer will be very satisfied.

Customer expectations can be shaped by past experiences, comments from relatives, and promises and information from various media. Satisfied customers are loyal longer, are less price sensitive and leave favorable comments about the company. Customer satisfaction is also the dynamics of PT. Balrich Logistics Jakarta. PT. Balrich Logistik Jakarta is one of the national-scale logistics transportation companies with branch offices in several regions in Indonesia, and has its own transportation fleet, as well as several warehouses in the industrial areas of Jakarta, Bogor, Tangerang and Bekasi. In an effort to meet customer service PT. Balrich Logistik Jakarta experienced many obstacles, one of the problems faced was related to customer satisfaction of service users of PT. Balrich Logistics Jakarta.

Customer satisfaction PT. Balrich Logistik Jakarta has declined in recent months, so that sales of services have also decreased. One of the factors that causes customer satisfaction to decline is the problem of the services provided. This opinion was also expressed by Panjaitan (2016) ^[1] in his research revealed that service quality affects customer satisfaction. Service quality provides an impetus to customers to forge a strong bond with the company.

In the long term, this kind of bond allows the company to carefully understand customer expectations and customer needs. The company has begun to adopt a communication information system into its services that can make it easier to reach all of its customers in real time, 24 hours a day, and wherever they are, by presenting electronic services on the website. This electronic service aims to provide convenience to consumers to be more effective and efficient.

Noviyanti's research (2017) ^[10] reveals that in addition to service quality, the quality of the products offered also influences customer satisfaction. The quality of the products offered is related to the feasibility of the transportation fleet, then the goods status information system becomes the superior product offered to its customers. In the aspect of the feasibility of the fleet because PT. Balrich Logistik Jakarta has its own trucking fleet, so this is an advantage that can be offered compared to other competing companies. Then the fleet is equipped with a GPS system that can be checked at any time through a software system that is connected to the delivery system. Therefore, the readiness and feasibility of the fleet along with the completeness of the supporting system has a positive influence on customer satisfaction.

This statement is in accordance with the results of Hayati's research (2015) ^[13] which revealed that product quality affects customer satisfaction. Departing from the description of the background of the problems revealed, the authors are interested in analyzing and discussing further the influence of service quality and product quality on customer satisfaction of users of logistics services at PT. Balrich Logistik Jakarta through customer loyalty.

Literature Review

1. Quality of Service

Marketing according to Kotler and Keller (2012: 5) ^[7] is defined as: "Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others". From the above statement it can be interpreted that marketing is a societal process by which individuals and groups obtain what customers need and want to create by creating, offering, and freely exchanging products and services of value with others. There are five dimensions of service quality, as follows:

- a) Tangible, namely the ability of a company to show its existence to external parties.
- b) The ability of the company's physical facilities and infrastructure that can be relied on by the surrounding environment is tangible evidence of the services provided by service providers. This includes physical facilities (eg buildings, warehouses, etc.), equipment and equipment used (technology) and the appearance of employees.
- c) Reliability, namely the company's ability to provide services as promised accurately and reliably. Performance must be in accordance with customer expectations which means timeliness, the same service for all customers without errors, a sympathetic attitude and with high accuracy.
- d) Responsiveness, which is a policy to assist and provide prompt and appropriate service to customers by delivering clear information. Leaving consumers waiting for negative perceptions of service quality.
- e) Assurance and assurance, namely the knowledge,

courtesy and ability of company employees to foster customer trust in the company. This includes several components including communication, credibility, security, competence and courtesy.

- f) Empathy, namely giving sincere and individual or personal attention given to customers by trying to understand consumer desires. Where a company is expected to have understanding and knowledge of customers, understand specific customer needs, and have a comfortable operating time for customers.

2. Product Quality

Product quality is the physical condition, function and nature of a product, whether goods or services, based on the expected level of quality such as durability, reliability, accuracy, ease of operation, product repair and other product attributes with the aim of meeting and satisfying consumer or customer needs.

According to Kotler and Armstrong (2012) ^[11], product quality is the ability of a product to perform its functions, this includes overall durability, reliability, accuracy, ease of operation, and product repair, as well as other product attributes. According to Kotler & Keller (2011: 9) ^[9], physical products vary in customer potential to be differentiated, while product differentiation is as follows:

- a) Shape. Many forms can be differentiated based on shape-size, model, or the physical structure of the product itself such as color, outer layer, function mass.
- b) Features. Additional features, namely aspects of performance that add basic functions, are related to options and their development.
- c) Performance Quality. Is the degree to which the basic characteristics of the product apply, relate to the functional aspects of the product, and are the main characteristics that customers consider when buying an item.
- d) Quality of Conformity. Is the level of conformity and fulfillment of all units produced against the promised target specifications, it can also be said that the quality of this conformity is related to the level of conformity to predetermined specifications based on the degree to which product design characteristics from operating characteristics meet predetermined standards.
- e) Durability. Is a measure of the expected life of the product in normal conditions or a measure of the service life of an item. This characteristic relates to the durability of the item. Durability is also a valuable attribute for certain products.
- f) Reliability. Relating to the probability or probability of an item performing its function successfully in a certain period of time under certain conditions. Thus, reliability is a characteristic that reflects the probability or probability of success in the use of goods. It can be said that reliability is a measure of the probability that a particular product will not fail or fail within a certain period of time.
- g) Easy to Fix. A measure of the ease with which a product can be repaired when it is damaged or fails. The ideal reparability is if the user can repair the product himself with relatively little cost or time.
- h) Style. Describes the appearance and feeling the product evokes for the buyer. Is a characteristic related to reputation (brand, name, image).

3. Customer Satisfaction

Overall consumer satisfaction indicates an attitude towards a service provider, or an emotional reaction to the discrepancy between what customers expect and what they receive. Satisfaction is a function of perceived performance and expectations. If performance is below expectations, customers will be dissatisfied. If performance exceeds expectations, the customer will feel very satisfied or happy. The following is the definition and understanding of customer satisfaction or customer satisfaction from several book sources:

According to Tjiptono (2012) ^[12], consumer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the perception of the performance (result) of a product with his expectations. According to, consumer satisfaction is an emotional assessment of consumers after consumers use products where the expectations and needs of consumers who use them are met.

Meanwhile, according to Tjiptono (2012) ^[12], the aspects used as indicators or measurements of consumer satisfaction are as follows:

- Overall consumer satisfaction:** The simplest way to measure customer satisfaction is to directly ask customers how satisfied they are with the specific product or service offered. Usually, there are two parts to the measurement process, namely measuring the level of consumer satisfaction with the product in question, assessing and comparing it with the overall level of consumer satisfaction with competitors' products and or services.
- Confirmation of expectations:** Conformity or discrepancy between consumer expectations with the actual performance of the company's products. In this case, more emphasis will be placed on service quality which has components in the form of consumer expectations for the services provided (such as: atmosphere of the place, speed of service, friendliness/politeness of managers and employees, and the nature of friendship of employees).
- Repurchase intention:** Consumer satisfaction is measured behaviorally by asking whether consumers will shop using the company's services again. Quality service can create customer satisfaction where the quality of service will enter the minds of consumers so that it is perceived as good.
- Willingness to recommend Willingness to recommend products to friends or family becomes an important

measure to be analyzed and followed up. If the service received or perceived is as expected, then the quality of service is perceived as good and satisfactory, so that through satisfaction the consumer will make a purchase of the service or decide to use the service and will ultimately recommend it to others.

- Consumer dissatisfaction:** Consumer dissatisfaction is examining the aspects used to determine customer dissatisfaction, including: complaints, product returns (returns), warranty costs, recall, negative word of mouth, and defections.

4. Customer Loyalty

Customer loyalty is a reliable measure to predict sales growth and consistent buying behavior (Griffin, 2005) ^[4]. Following are the characteristics of consumer loyalty:

- Make regular purchases or repeat purchases. customers who have purchased a product or service twice or more.
- Buying outside of product or service lines (buying between product lines). Buy all the goods or services offered and they need. They buy regularly, relationships with these types of customers are strong and long-lasting and leave them unaffected by competitors' products.
- Recommend products or services to others. Buy goods or services offered and they need, and make purchases on a regular basis. In addition, they encourage others to buy the company's goods or services. Indirectly, they have done marketing for the company and brought consumers to the company.
- Demonstrate immunity from the attraction of similar products or services, or in other words not easily influenced by the attraction of competitors.

Research Methods

Research Time and Location

The research will be conducted in January-March 2021 by taking the location at PT. Balrich Logistics Jakarta.

Research Design

This study uses an explanatory analysis approach. This means that each variable presented in the hypothesis will be observed through testing the causal relationship of the independent variable to the dependent variable. The relationship between variables can be described in the form of a path analysis diagram as follows: The research concept framework can be explained as follows

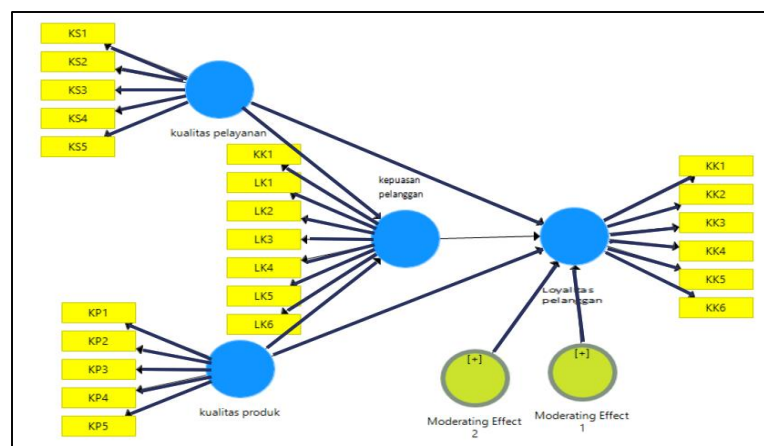


Fig 1: Research Design

Population And Sample

The population in this study customers at PT. Balrich Logistics Jakarta. While the sample used includes 98 corporate consumers. This sampling used accidental sampling method (accidental sampling). This sampling is based on consumers who come to the company to take advantage of the company's services.

Research Instruments

The research instrument uses a questionnaire which will be compiled based on predetermined dimensions.

Data Source

To obtain a concrete and objective data, a research must be conducted on the problem under study, while the steps that

researchers take in data collection are:

Primary data is data obtained directly from the object of research. In this case, primary data is obtained from field research, namely the method of collecting data that is carried out by direct research on the object of research in question.

Secondary data is data obtained indirectly from the object of research. In this case, secondary data is obtained from library research, namely the method of collecting data by studying and understanding literary books produced by authors that can be accounted for on the basis of the theory.

Research Results and Discussion

Analysis Model

The overall path analysis model can be seen in the following figure.

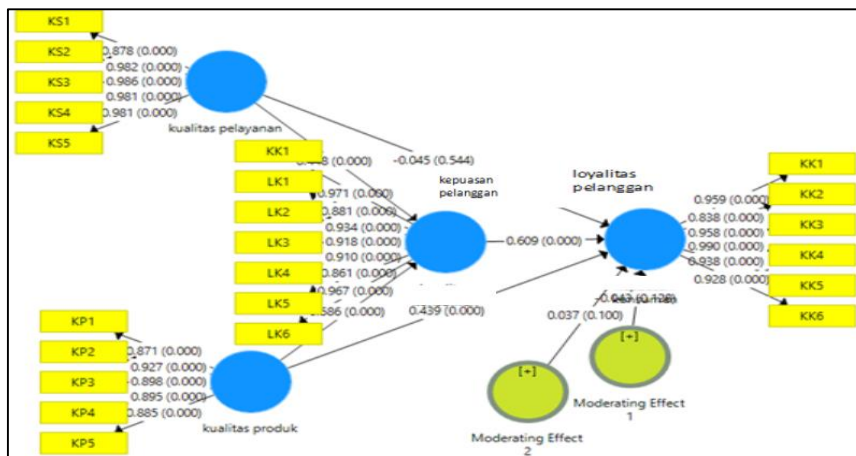


Fig 2: PLS Analisis Analysis Results

The image above shows the overall path analysis. The images can be described sequentially as follows.

Table 1: Loading Factor Value and Significance of Each Path

No	Path	Loading Factor	T Amount	p-value	Significant
1	X1→Y	-0,045	0,645	0,519	Not Significant
2	X2→Y	0,439	6,826	0,000	Significant
3	X3→Y	0,609	5,893	0,000	Significant
4	X1→X3	0,448	7,506	0,000	Significant
5	X2→X3	0,586	10,501	0,000	Significant
6	X1→X3→Y	-0,043	1,457	0,146	Not Significant
7	X2→X3→Y	0,037	1,551	0,122	Not Significant

Pathway One Analysis

Analysis on this path is the effect of service quality (X1) on customer loyalty (Y). The loading factor value is -0.045. This value has a t value equal to 0.645 with a significance of 0.519 or greater than 0.05 so that it can be said that service quality has no significant effect on customer loyalty.

Second Path Analysis

Analysis on this path is the effect of product quality (X2) on customer loyalty (Y). The loading factor value is 0.439. This value has a t value equal to 6.826 with a significance of 0.00 or less than 0.05 so that it can be said that product quality has a significant effect on customer loyalty.

Third Path Analysis

Analysis on this path is the effect of customer satisfaction (X3) on customer loyalty (Y). The loading factor value is

0.609. This value has a t value equal to 5.893 with a significance of 0.00 or less than 0.05 so that it can be said that customer satisfaction has a significant effect on customer loyalty.

Fourth Path Analysis

Analysis on this path is the influence of service quality on customer satisfaction (X3). The loading factor value is 0.448. This value has a t value equal to 7.506 with a significance of 0.00 or less than 0.05 so it can be said that service quality has a significant effect on customer satisfaction.

Fifth Path Analysis

Analysis on this path is the influence of product quality on customer satisfaction (X3). The loading factor value is 0.586. This value has a t value equal to 10.501 with a significance of 0.00 or less than 0.05 so it can be said that product quality has a significant effect on customer satisfaction.

Sixth Path Analysis

Analysis on this path is the influence of service quality on customer loyalty (Y) through customer satisfaction (X3). The value of the loading factor moderating effect is -0.043. The calculated t-value is 1.457 and the p-value is 0.101. This value is greater than 0.05. Based on this, it can be concluded that the customer satisfaction variable is not a moderating variable.

Seventh Path Analysis

Analysis on this path is the influence of product quality on

customer satisfaction (Y) through customer satisfaction (X3). The loading factor value is 0.037. The value of t count is 1.551. The p-value is 0.122. This value is greater than 0.05. Based on this, it can be concluded that the customer satisfaction variable is not a moderator variable.

Discussion

In the results of this study, service quality does not significantly affect customer satisfaction. The results of this study are not in line with the results of previous studies such as Noviyanti (2017)^[10], Panjaitan (2016)^[11] and Susanto, Hongdiyanto, Minantyo (2012).

In the results of research product quality has a significant effect on customer satisfaction. The results of this study are in line with previous research, namely Noviyanti (2018), Panjaitan (2016)^[11] and Susanto, Hongdiyanto, Minantyo (2012).

The results of research on consumer loyalty affect customer satisfaction. The results of this study are in line with Horsu, Yeboah (2015). Customer satisfaction which is the independent variable is influenced by the customer loyalty variable.

Conclusions and Recommendations

Conclusion

Analysis on path one is the effect of service quality (X1) on customer loyalty (Y). The loading factor value is -0.045. This value has a t value equal to 0.645 with a significance of 0.519 or greater than 0.05 so that it can be said that service quality has no significant effect on customer loyalty.

Analysis on path two is the effect of product quality (X2) on customer loyalty (Y). The loading factor value is 0.439. This value has a t value equal to 6.826 with a significance of 0.00 or less than 0.05 so that it can be said that product quality has a significant effect on customer loyalty.

Analysis on path three is the effect of customer satisfaction (X3) on customer loyalty (Y). The loading factor value is 0.609. This value has a t value equal to 5.893 with a significance of 0.00 or less than 0.05 so that it can be said that customer satisfaction has a significant effect on customer loyalty.

Analysis on path four is the influence of service quality on customer satisfaction (X3). The loading factor value is 0.448. This value has a t value equal to 7.506 with a significance of 0.00 or less than 0.05 so it can be said that service quality has a significant effect on customer satisfaction.

Analysis on path five is the effect of product quality on customer satisfaction (X3). The loading factor value is 0.586. This value has a t value equal to 10.501 with a significance of 0.00 or less than 0.05 so it can be said that product quality has a significant effect on customer satisfaction.

Analysis on path six is the effect of service quality on customer loyalty (Y) through customer satisfaction (X3). The value of the loading factor moderating effect is -0.043. The calculated t-value is 1.457 and the p-value is 0.101. This value is greater than 0.05. Based on this, it can be concluded that the customer satisfaction variable is not a moderating variable.

Analysis on path seven is the effect of product quality on customer satisfaction (Y) through customer satisfaction (X3). The loading factor value is 0.037. The value of t count is 1.551. The p-value is 0.122. This value is greater than 0.05. Based on this, it can be concluded that the customer satisfaction variable is not a moderator variable.

Suggestion

To increase customer satisfaction, companies need to make efforts to improve service quality, product quality and consumer loyalty. The quality of service needs to be improved by paying attention to evidence of products that are directly felt by consumers, product reliability, responsiveness, assurance and empathy. Improving the quality of service is done by relying on excellent service to consumers, giving a smile when serving and guaranteeing that the products to be consumed are very good.

Product quality improvement also needs to be done by improving product performance, increasing product reliability, increasing additional features, conforming to specifications and increasing conformity with product expectations. This is done by improving the quality of the product from the process of producing the product.

Customer loyalty also needs to be improved by increasing consumer satisfaction consuming the product, increasing emotional bonding through organizations containing consumers who consume the same product, trust, convenience, experience with the company and a proactive and positive attitude towards the product.

References

1. Armstrong G, Kotler P. Marketing Fundamentals. Volume I. Translated by Alexander Sindoro and Benjamin Molan. Jakarta: Prenhalindo; c2012.
2. Tjiptono F. Marketing Strategy. 3rd ed. Yogyakarta: Andi; c2012.
3. Tjiptono F. Service Management Realizing Excellent Service. 2nd ed. Yogyakarta: Andi; c2011.
4. Tjiptono F, Chandra G. Service, Quality & Satisfaction. Yogyakarta: Andi; c2011.
5. Griffin. Customer Loyalty. Jakarta: Erlangga; c2005.
6. Horsu J. Influence of Service Quality on Customer Satisfaction (a study of minicab taxi service in Cape Coast, Ghana); c2015.
7. Kotler P, Keller K. Marketing Management. 14th ed. Global ed. USA: Pearson Prentice Hall; c2010.
8. Saladin D, Buchory HA. Marketing Management. Bandung: Linda Karya; c2010. Accessed 2012-2015. Available from: <http://library.binus.ac.id>
9. Kotler P, Keller K. Marketing Management. Jakarta: Erlangga; c2012.
10. Kotler P. Marketing Management in Indonesia. 1st ed. Jakarta: Salemba Empat; c2011.
11. Kotler P. Marketing Management. Millennium ed. Jakarta: Prenhallindo; c2000.
12. Noviyanti KA. Strategi Branding Melalui Penggunaan Brand Ambassador di PT Kereta Api Indonesia (PERSERO) Kantor Pusat Bandung. Jurnal Manajemen. 2017;4(3):3368-3374.
13. Panjaitan EJ, Yuliaty LA. The Effect of Service Quality on Customer Satisfaction at JNE Bandung Branch. Thesis of the Faculty of Economics and Business, Pelita Harapan University; c2016.
14. Tjiptono F. Marketing Strategy. Yogyakarta: Andi; c2012.
15. Hayati YH, Sekartaji G. Pengaruh Kualitas Produk Terhadap Kepuasan Konsumen di restoran Bebek dan Ayam Goreng Pak Ndut Solo. Jurnal Ilmiah Manajemen Fakultas Ekonomi (JIMFE). 2015;1(1):49-56. ISSN 2502-1400.