

Effect of Service Quality and Company Image on Customer Loyalty through Customer Satisfaction at PT. Pos Indonesia (Persero) Yogyakarta

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Keywords: Quality Services, Company Image, Customer Loyalty, Customer Satisfaction.

ABSTRACT: This study aims to analyze the effect of Service Quality and Company Image on Customer Loyalty through Customer Satisfaction at PT. Pos Indonesia (Persero) Yogyakarta "The research method using the survey method is used to obtain primary data through questionnaires. The sampling technique in this study uses a purposive sampling method, the object of this study is the customer at PT POS Indonesia (Persero) Yogyakarta, located on Jalan P Senopati no 2, Gondomanan, Yogyakarta. The results showed that service quality, company image has a positive and significant effect on customer satisfaction, service quality, company image has a positive and significant effect on customer loyalty, customer satisfaction has a significant influence in mediating service quality on customer loyalty, while customer satisfaction has an influence significant in mediating the company's image of customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

1 INTRODUCTION

PT. Pos Indonesia (Persero) Yogyakarta is not the only company engaged in the delivery of letters, documents, and freight forwarding. The enactment of the Law prohibits monopolistic practices and unfair competition; this is written in Law No.5 of 1999. Law No.5 of 1999 causes increasingly intense competition, which cannot be avoided by every company. According to Kotler (2018), loyalty is a commitment that is held deeply to buy or support a product or service that is preferred in the future even though the influence of the situation and marketing efforts have the potential to cause customers to switch (Fatmawati, 2004).

Satisfaction and loyalty are closely related and inseparable. However, the relationship between the two is asymmetrical, considering that most loyal customers are satisfied customers, but not all customer satisfaction means loyalty (Oliver, 1999). Good service quality is also an essential key in building customer loyalty. According to Lovelock (Dewi, 2012) stated that the quality of service is a level of good and bad conditions provided by the service company to satisfy consumers by providing or

delivering services that exceed consumer expectations.

Kanaidi's research (2010) states that "corporate image, both simultaneously and partially, has a positive effect on loyalty" (Andreassen et al., 1998). Many obstacles have complained, now many consumers are complaining about improper delivery on time, after that the next complaint is the service provided is not in accordance with the promise given by PT. Pos Indonesia (Persero) Yogyakarta. Other complaints from customers are challenging to reach existing services such as services that are difficult to access; then, some employees are less skilled and responsive to consumer complaints. This shows the need for improvement in the shipping service that PT. Pos Indonesia (Persero) Yogyakarta is doing it to be able to satisfy its customers. Certainly what customers complain about is part of the quality dimension that the company needs to pay attention to, improper delivery and improper delivery is one of the dimensions of service quality, namely reliability. If the reliability of the company is not good, how can customers feel satisfied after using these services? In this study, the author tries to take the title: "The Effect of Service Quality and Company Image on Customer

Loyalty Through Customer Satisfaction at PT. Pos Indonesia (Persero) Yogyakarta ".

2 LITERATURE REVIEW

2.1 Effect of Service Quality with Customer Satisfaction

Service quality is important and is expected by consumers. Syamsiah (2011) states that the relationship between service quality and perceived value is that quality service will increase value for customers so that it can create satisfaction that can ultimately increase customer loyalty. Other studies, such as those conducted by Wu (2011) state that high service quality correlates with high customer satisfaction.

H1: Service quality has an influence on customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.

2.2 Influence of Company Image with Customer Satisfaction

Kotler (2018) defines that customer satisfaction is a feeling of pleasure or disappointment from the results comparing the performance of the product received about his estimates. Almost all beauty clinics around the world expect satisfaction from customers. It is not uncommon that customer satisfaction is used as the slogan of beauty clinics. Andreassen and Lindestad (1998) state that images influence customer satisfaction through the selection effect. Meanwhile, Da Silva et al. (2003) states that the image is correlated with customer satisfaction. Based on the experience that has been owned by the customer, they will provide an assessment and evaluation of all PT service performance. Pos Indonesia (Persero) Yogyakarta.

H2: The company's image has an influence on customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.

2.3 Influence of Service Quality with Customer Loyalty

Customer loyalty illustrates the commitment given by customers to reuse services provided in the future. High loyalty from the community will save some costs for the company. Boulding et al. (1993) and Wu (2011) revealed in their research that when a product or service exceeds customer expectations, their

repurchase intentions will increase (Boulding et al., 1993). Improved service quality in the company contributes to customer retention and loyalty. Therefore, the quality of service felt by patients will affect customer loyalty. So, customer loyalty cannot be ruled out by PT. Pos Indonesia (Persero) Yogyakarta because this will affect the profitability of the company. The intention of a customer's return visit certainly is not necessarily done by the customer without reason.

H3: Service quality has an influence on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

2.4 Influence of Company Images with Customer Loyalty

Javalgi et al. (1992) revealed that corporate image has a strategic function. Imagery is seen as a filter used to evaluate the overall quality (Gronroos, 2000: 210). Thus, a favorable corporate image helps strengthen the customer's intention to choose the company. Community assessment is crucial because it will affect the information circulating about the performance and services provided by the company. Marilees and Fry (2002) found that imagery has a direct effect on loyalty. However, the company's image can be seen clearly as a predictor of customer loyalty. A good image will form the mindset of the community that if people have problems using shipping services, people do not need to think twice about where they will get the services of PT. Pos Indonesia (Persero) Yogyakarta, because based on the experience they experienced themselves or based on the information they obtained.

H4: The company's image has an influence on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

2.5 Effect of Customer Satisfaction with Customer Loyalty

Syamsiah (2011) revealed that service managers need to build roles, a perceived value in determining customer satisfaction. Customers give positive emotions after using the services of PT. Pos Indonesia (Persero) Yogyakarta will show their satisfaction with the company's services. Selnes research (1993) states that customer satisfaction affects the behaviour of buyers were satisfied customers tend to be loyal. Consumer satisfaction will produce a positive impact on the company. If consumers are satisfied with the company's services, it will create an assessment of PT. Pos Indonesia (Persero) Yogyakarta has been able to provide maximum service to the community.

In a review of previous studies, loyalty can be the result of customer satisfaction (Lai et al., 2009). If consumers are satisfied with the company's services, it will increase their trust and confidence that the company will still provide optimal services to customers, so that customers will remain loyal to use the services of PT. Pos Indonesia (Persero) Yogyakarta when customers need more shipping services.

H5: Customer satisfaction has an influence on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

2.6 Service Quality Has an Indirect Effect on Customer Loyalty through Customer Satisfaction

Lovelock (1991) in Tjiptono (2004) states that marketing an excellent and effective service quality will increase customer satisfaction and foster customer loyalty. The results of research by Karsono (2005) and Agnovera (2008) show that service quality has an indirect, positive, and significant effect on customer loyalty through customer satisfaction as a mediating variable. Consistent with the results of previous research conducted by Karsono (2005) and Agnovera (2008), which proves that customer satisfaction acts as a mediating variable in the effect of service quality on customer loyalty.

H6: Service quality has an indirect effect on customer loyalty through customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.

2.7 Company Image Has an Indirect Influence on Customer Loyalty through Customer Satisfaction

Nguyen (2001) proves in his research that the corporate image positively influences customer loyalty in three sectors (telecommunications, retail, and education). In this case, the company's image is correlated with customer satisfaction and has an impact on customer loyalty. If consumers feel that the company's image is useful both for customers' minds, then it will provide its satisfaction for these customers, so that customers will remain loyal to use the services again. The same thing was also expressed by Anddreasen and Lindestand (1998), who emphasized that the company's image affects customer satisfaction and customer loyalty.

H7: Company image has an indirect effect on customer loyalty through customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.

3 RESEARCH DESIGN

The framework of thought proposed for this study is based on the independent and dependent variables described. To further facilitate understanding of the framework of this research, it can be seen as follows:

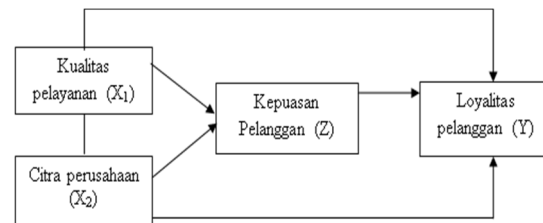


Figure 1: Model

4 RESEARCH METHOD

This research study uses quantitative research, and the data source used in this study is the source of primary data obtained from questionnaires. The sampling technique used is non-probability sampling. The sample in this study are consumers who are customers of PT. Pos Indonesia (Persero) Yogyakarta with the criteria of respondents who received service at least 2 (two) times within the last three months at PT. Pos Indonesia (Persero) Yogyakarta.

5 RESULTS AND DISCUSSION

5.1 Partial Least Square (PLS) Analysis

Hypothesis testing using Partial Least Square (PLS) will show three hypotheses. This test is carried out using a t-test on each path of influence between variables. In PLS statistical testing, every hypothesized relationship is done using simulation. In this case, the bootstrap method is applied to the sample. Bootstrapping testing is also intended to minimize the problem of research data abnormalities. Bootstrapping test results from PLS analysis can be seen in Table 1:

Table 1: Hypothesis Testing Results with Partial Least Square

Variables	Original Sample (O)	T Statistics (O / STDEV)	P Values
Quality of service -> Customer satisfaction	0.559	2,361	0.013
Company Image -> Customer satisfaction	0.453	2,770	0.009
Service quality -> Customer loyalty	0.476	2,947	0.006
Company Image -> Customer loyalty	0.480	2,069	0.021
Customer Satisfaction -> Customer loyalty	0.539	2,999	0.004

Source: Data processing with PLS, 2018

5.2 Hypothesis Testing Results 1

Results of first hypothesis testing show that the quality of service has a positive and significant effect on customer satisfaction. It is proven that the original sample estimate is 0.559 (positive), with a P-value of 0.013 (sig <0.05). The results of this study are in line with research conducted by Nurullah, Andi, and Imam (2013); (2011 and Wu (2011). Customer satisfaction serves as a medium between service quality and behavioral intentions. Service quality is not only related to how the services of employees provide services to customers but also how customers feel comfortable with the conditions and situations that PT Pos Indonesia (Persero) Yogyakarta created

5.3 Hypothesis Testing Results 2

The results of the first hypothesis testing showed that the company's image had a positive and significant influence on customer satisfaction. It was proven that the original sample estimate was 0.453 (positive) and p-value 0.009 (sig <0.05) The results of this study are in line with research conducted by Nurullah, Andi, and Imam (2013); Kotler (2009); Kotler (2009); Andreassen and Lindestad (1998); Da Silva et al. (2003) which states that the image is correlated with customer satisfaction, based on the experience the customer has had, they will provide an assessment and evaluation of all services nan PT. Pos Indonesia (Persero) Yogyakarta.

5.4 Hypothesis Testing Results 3

The results of the first hypothesis test show that service quality has a positive and significant influence on customer loyalty. Proven with the original sample estimate value is 0.476 (positive) and P-value 0.006 (sig <0.05). The results of this study are not in line with research conducted by Nurullah, Andi, and Imam (2013); Boulding et al. (1993) and Wu (2011). The results showed that service quality does not influence customer loyalty. However, in this study, the H3 hypothesis in this study was accepted. The intention of a customer's return visit certainly is not necessarily done by the customer without reason. Based on the quality above their expectations or expectations, it will commit the community to visit or use the same delivery service.

5.5 Hypothesis Testing Results 4

The results of the first hypothesis testing show that the company's image has a positive and significant influence on customer loyalty. Proven with the original sample estimate value is 0.480 (positive) and P-value 0.021 (sig <0.05). The results of this study are not in line with research conducted by Nurullah et al., (2013); Javalgi et al. (1992); (Gronroos, 2000) and Marilees and Fry (2002). The results showed that the company's image did not influence customer loyalty. Thus, the H4 hypothesis in this study was accepted.

5.6 Hypothesis Testing Results 5

According to Ghazali (2005) that a variable is called an intervening variable if the variable affects the relationship between the predictor (independent) and the criterion variable (dependent). Testing is done by a procedure developed by Sobel (1982).

Table 2: Results of Path Coefficients Method PLS

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STEER)
Quality of service -> Customer satisfaction	0559	0533	0089	0089
Corporate Image -> Customer satisfaction	0453	0424	0063	0063
Quality of care -> Customer loyalty	0.476	0.443	0.053	0.053
Company Image -> Customer loyalty	0.480	0.475	0.107	0.107
Customer Satisfaction -> Customer loyalty	0.539	0.587	0.045	0.045

Source: Data processing by PLS, 2018.

5.7 Hypothesis Testing Results 6

Testing of the influence of intervening/mediating variables with The dependent variable is done by calculating the Sobel formula, the results of the two tests are summarised as follows. The value of the direct effect of service quality variables on customer loyalty is 0.476 (shown in Table 4.17).

Thus the t-test can be obtained as follows

$$t = \frac{p12}{Se12} = \frac{0.301}{0.054} = 5.5741$$

t value of 5.5741, the value is greater than 1.96, which means that the mediation parameters are significant. Then the customer satisfaction model mediates the effect of service quality on customer loyalty can be accepted. The implications of this study for PT Pos Indonesia to be able to increase customer loyalty must pay attention to service quality and customer satisfaction because the higher customer satisfaction can increase customer loyalty in the company

5.8 Hypothesis Testing Results 7

Testing of the influence of intervening/mediating variables with the dependent variable is done by calculation Sobel's formula results from the two tests are summarized as follows. The value of the direct influence of the company's image variable on customer loyalty is 0.480. Thus the t-test can be obtained as follows

$$Ztest = \frac{a1b2}{\sqrt{b^2SEa^2+a^2SEb^2}}$$

information:

$$a = b1$$

$$b = b2$$

Sea = standard error b1

SEb = standart error b2

$$Z test = 3.6970$$

The Value of t Or Z test is 3.6970 that value is more significant than 1.96, which means that the mediation parameters are significant. Then the customer satisfaction model mediates the influence of the company's image on customer loyalty can be accepted. The implication of this research is PT. POS Indonesia must pay attention to efforts to strengthen the company's image, because the better the company's image, in addition to increasing customer satisfaction, also increases customer loyalty to the company.

6 CONCLUSIONS

Based on the results of the study as described in the previous chapter, it can be drawn some conclusions as follows:

- 1) Service Quality has a positive and significant impact on customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.
- 2) The company's image has a positive and significant impact on customer satisfaction at PT. Pos Indonesia (Persero) Yogyakarta.
- 3) Service Quality has a positive and significant impact on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

- 4) The company's image has a positive and significant impact on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.
- 5) Customer Satisfaction has a positive and significant impact on Pelanggan Loyalty.
- 6) Customer satisfaction has a significant influence in mediating service quality on customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.
- 7) Customer satisfaction has a significant influence in mediating the company's image of customer loyalty at PT. Pos Indonesia (Persero) Yogyakarta.

7 SUGGESTIONS

Suggestions from this study based on the results of testing the research hypothesis are as follows:

- 1) According to the results of the study, it is recommended that PT. Pos Indonesia (Persero) Yogyakarta to pay attention to variables on tangibles, reliability, responsiveness, assurance and empathy dimensions so that customer satisfaction can be maintained and can provide services to customers in a better way, so that each customer can feel satisfied with the service they receive, and can also increase the desire to continue to use the services of PT. Pos Indonesia so that customers become loyal customers of PT. Pos Indonesia (Persero) Yogyakarta. Excellent service quality can provide satisfaction to customers so that it will cause loyal behavior to regular customers to continue to use shipping services. Efforts to increase customer loyalty can be made by maintaining customer satisfaction by striving to meet customer needs, providing services that are felt to be of direct benefit.
- 2) For further research, it is recommended to use different analysis variables to enrich the results of the analysis of what factors influence customer loyalty.

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