Research Paper

Analysis of the Effect of Service Quality on Customer Loyalty through Customer Satisfaction in CV. Led Media Promosindo Medan

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ABSTRACT

Companies are required to create customers who have loyalty to the products / services produced by the company. Whatever products / services offered by the company are hunted by customers to buy them, it shows the company's ability to create customer loyalty for the company. Customer loyalty is a function of customer satisfaction, transfer hurdles and customer complaints. Satisfied customers tend to repurchase in the future and tell others what they feel.

The purpose of this study was to find out and analyze service quality measured using Tangible, Reliability, Responsiveness, Assurance and Emphaty dimensions of Customer Satisfaction and Customer Loyalty in Led Media Promosindo Medan CV. Where the samples taken in this study were 115 people. Data was collected using a questionnaire. Data is tested using validity and reliability tests, and data must meet the elements of the classic assumption test conditions. Test data analysis using Path Analysis.

This study concluded that there was a positive and not significant effect directly on Tangible on Customer Satisfaction. There is a positive and significant direct effect of Reliability on Customer Satisfaction. There is a positive and not significant direct effect of Responsiveness on Customer Satisfaction. There is a direct and significant positive effect of Assurance on Customer Satisfaction. There is a positive and significant influence directly on Empathy on Customer Satisfaction. There is a positive and insignificant influence directly on Tangible on Customer Loyalty. There is a positive and insignificant direct effect of Reliability on Customer Loyalty. There is a direct and positive positive effect of Responsiveness on Customer Loyalty. There is a positive and significant direct effect of Assurance on Customer Loyalty. There is a positive and significant influence directly on Empathy on Customer Loyalty. There is a positive and significant direct effect of customer satisfaction on Customer Loyalty. There is an indirect effect of Tangible on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. There is an indirect effect of Reliability Against Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. There is an indirect influence of Responsiveness on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. There is an indirect effect of Assurance on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. There is an indirect effect of Empathy on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant.

Keywords: Tangible, Reliability, Responsiveness, Assurance, Emphaty, Customer Satisfaction, Customer Loyalty

INTRODUCTION

In contemporary times, business competition is very tight and this makes entrepreneurs try to create strategies that can market the products or services they produce in an effort to survive in very difficult competition, even the strategies they make are to be able to survive in the face of competition. Strict business competition is meant not only for certain businesses, but also covers all the business fields that exist today. Including the current advertising business that continues to experience significant growth and increase

along with the community's need for advertising services.

Based on data published by the Central Bureau of Statistics, the growth of micro and small businesses in the third quarter of 2017 for the printing and reproduction of recording media sector increased by 14.48% compared to the same period last year. In addition, the industry's growth in Q3 / 2017 accounted for an increase of 8.12% compared to the previous quarter. This will continue to increase in 2018 and 2019, because the demand for products and the reproduction of recording media is increasing due to nearing the political year (www.industri.bisnis.com).

The growth of the printing business (Advertising), created a very tight competition and became not easy to survive in this business considering the number of sticky companies, especially in the field of advertising. Therefore, to be able to survive in this business the company is required to be able to carry out the right strategy. Of the many existing strategies, one of the strategies that can be implemented is to focus on prospective customers and customers.

Companies are required to create customers who have loyalty to the company's products or services. Whatever product / service offered by the company is hunted by the customer to buy it, it shows the company's ability to create customer loyalty for the company. According to Formel in Kusuma (2015) customer loyalty is a function of customer satisfaction, transfer barriers and customer complaints. Satisfied customers tend to repurchase in the future and tell others what they feel.

To create customer loyalty, the company is required to be able to create a sense of satisfaction in the customer. According to Tjiptono (2008) satisfaction or dissatisfaction of a customer is a response from a customer to the things he feels related to the expectations and reality of the product or service he uses. Budiarto and Dolly (2001) stated that there were 3 (three) levels of self-satisfaction of a customer first, levels of self-satisfaction of a customer first,

that customers were very satisfied, the second was satisfied customers and the third was dissatisfied customers. This opinion is the same as stated by Hallowel in Rekno (2015) which states that customer satisfaction is a prerequisite for creating customer loyalty. Customers who have regular loyalty will have a sufficient tendency to switch brands, no longer prioritize prices, more often buy and sometimes buy more than usual, then consumers tend to become strong word of mouth, and can create business referrals (Rekno, 2015). Therefore, customer satisfaction is the most appropriate strategy to win very tight competition in this advertising business. Of course this is similar to what was conveyed by Panjaitan and Ai (2016) who say that companies will succeed in obtaining customers in large quantities if judged to provide satisfaction for customers.

Consumer satisfaction obtained by consumers will be felt directly by consumers when the services provided by the company have a good level of quality. Good quality services carried out by the company to give to customers will create a sense of satisfaction in their customers. Maximum and prime customer service will encourage satisfaction for consumers. Quality services are reflected in a pleasant feeling accompanied by convenience obtained by consumers in meeting all their needs. Therefore, the quality of services provided to customers can be used by company management to create satisfaction for its customers (Umar, 2008). However, companies are required not to override dissatisfied customers, companies are required to be able to know and understand what is needed and desired by each customer.

Kotler and Keller (2016) suggest that "many companies systematically measure how well brands treat their customers, recognize the factors that shape customer satisfaction". There are many ways that can be used to maintain customer satisfaction, one of which is to provide good

service to each customer. If customer satisfaction cannot be maintained, then the possibility of customers to compete with their products is very high (Jose et al., 2017).

Measuring a level of service quality using the dimensions of service quality itself. Parasuraman, et al (1988) in their research developed service quality in the form of 5 (five) dimensions, including Reliability, Responsiveness, Assurance, Empathy and Tangible. The term used for these five dimensions is Service Quality (Servqual). Based on Service Quality, this study uses the same thing. By some researchers this dimension of service quality is used to see the effect on customer satisfaction in increasing customer loyalty, including done by Ayu, et al (2013), Bindi (2013), Tri (2014), Ahmad (2014), Gusti, et al (2014) , Eko (2015), Panjaitan and Ai (2016), Jose and Arlin (2017).

Empirically, it is proven that service quality is measured by using the dimensions of Reliability, Responsiveness, Assurance, Empathy and Tangible. not fully state a significant effect on customer satisfaction to shape customer loyalty. This means that empirical evidence shows that the results of one study with the results of other studies do not have in common. There is a research gap between the researchers themselves.

Research gaps that can be shown include research conducted by Ayu, et al (2013), Ainul and Aniek (2014), Tri and Tri (2014), Ahmad Bari (2014) which prove that service quality has a significant effect on customer satisfaction. However, Nurul's (2012) study states that service quality does not affect customer satisfaction. Furthermore, Ayu's results, et al. (2013) show that customer satisfaction has a significant effect on Customer Loyalty, but different results are shown in research conducted by Ainul and Aniek (2014), Nurul (2012) which states that customer satisfaction has no effect on Customer Loyalty.

Viewed from the other side, the research conducted by Felita and Hartono (2013), Eswika and Istiatin (2015), Dwi and Sunarti (2017) shows that Reliability has a significant effect on Consumer Satisfaction, but different research results are indicated by the research conducted by Kusuma (2015), Eko (2015), Panjaitan and Ai (2017), Jose and Arlin (2017) stated that Reliability does not affect Consumer Satisfaction.

The research conducted by Felita and Hartono (2013), Bindi (2013) Eswika and Istiatin (2015), Dwi and Sunarti (2017), Kusuma (2015) states that Responsiveness has a positive and significant effect on customer satisfaction, but different research results are shown in Eko's (2015) research, Panjaitan and Ai (2017) showed that Responsiveness had no significant effect on customer satisfaction.

The research conducted by Felita and Hartono (2013), Bindi (2013) Eswika and Istiatin (2015), Dwi and Sunarti (2017), shows that Assurance has a significant effect on customer satisfaction, but the results of different studies are shown in the results of research conducted by Bindi (2013) and Eko (2015) which provide conclusions that assurance has a significant positive effect on customer satisfaction.

Furthermore, related to Empathy, the research conducted by Felita and Hartono (2013), Eswika and Istiatin (2015), Eko (2015), Dwi and Sunarti (2017), Panjaitan and Ai (2017) shows that Empathy has a significant effect on customer satisfaction. However, the different results are shown in the results of research conducted by Bindi (2013), Kusuma (2015), Jose and Arlin (2017) who concluded the research that Empathy had no effect on customer satisfaction.

Furthermore, the research conducted by Felita and Hartono (2013), Eswika and Istiatin (2015), Kusuma (2015), Eko (2015), Dwi and Sunarti (2017) showed that Tangibel had a positive and significant effect on customer satisfaction, but the results of the research different also shown in the research conducted by Jose and Arlin (2017), Panjaitan and Ai (2017), partially

did not significantly influence customer satisfaction.

Related to the influence of customer satisfaction forming customer loyalty is indicated by the results of research conducted by Dwi and Febrina (2010) which states that customer satisfaction has a positive and significant influence on consumer loyalty. The results of this study are supported by research conducted by Fransisca (2015) and research conducted by Hilman (2017) which states that customer satisfaction has a positive and significant influence on consumer loyalty.

The results of the research that show different from the results of the study are the research conducted by Nurul (2012) which states that service quality has a positive and insignificant effect on service satisfaction and customer loyalty. The research results are supported by the results of research conducted by Ainul and Aniek (2014) which prove that the effect of service quality on customer satisfaction and the effect of customer satisfaction on customer loyalty does not have a positive and significant effect. Piyakanit's research (2014) shows that service quality has no significant effect on customer satisfaction and customer satisfaction has no significant effect on Consumer Loyalty. Another study conducted by I Gede and Sik Sumaedi (2012) states that service quality has no significant effect on customer loyalty.

In line with the results of these studies, another phenomenon in this study is

the company's ability to achieve the target it hopes for each year which tends to decrease. The following is a data comparison between turnover and target.

Table 1 Comparison of Turnover and Target CV Led Media Promosindo Medan

Year	Omzet	Target	% Achievements
2015	910.319.080	1.100.900.000	82,69
2016	1.100.000.700	1.390.500.000	79,11
2017	1.178.090.000	1.567.234.000	75,17

Source: CV Led Media Promosindo, 2019

Table 1 shows that in 2015 the target achievement level of the company was 82.69% which was considered reasonable, but decreased in 2016 to 79.11% and decreased again in 2017 to 75.17%. This illustrates that the level of customer satisfaction to establish customer loyalty to repeat purchases of products and services produced by CV Led Media Promosindo Medan is still low.

Based on the explanation of the background, the authors are very interested in conducting a study based on an assumption that the cause of the low level of customer satisfaction which ultimately forms a low level of customer loyalty is caused by the low quality of company management services to customers. This research was arranged in the form of a thesis with the title " Analysis Of The Effect Of Service Quality On Customer Loyalty Through Customer Satisfaction In CV. Led Media Promosindo Medan. Conceptually based on the foundation described, the conceptual framework:
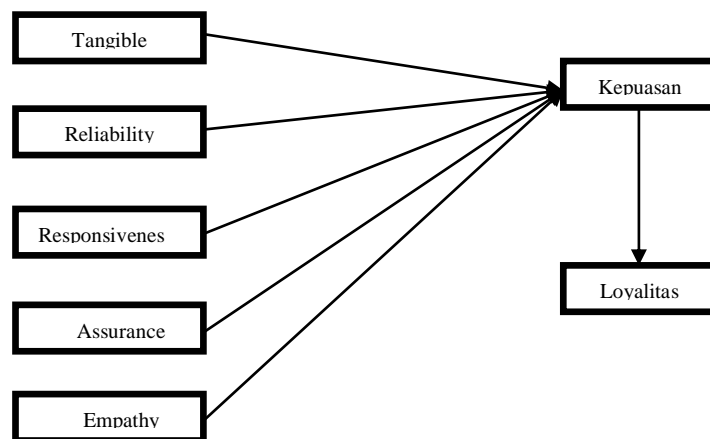

Figure 1: Conceptual Framework

Hypothesis

Based on the explanation on the conceptual framework of this research, the formulation of the hypothesis of this study can be arranged as follows:

1. There is a direct and significant positive effect on Tangible on Customer Satisfaction in CV Led Media Promosindo Medan.
2. There is a positive and significant direct effect of Reliability on Customer Satisfaction in CV Led Media Promosindo Medan.
3. There is a positive and significant direct effect of Responsiveness on Customer Satisfaction in CV Led Media Promosindo Medan.
4. There is a direct and significant positive effect of Assurance on Customer Satisfaction in CV Led Media Promosindo Medan.
5. There is a positive and significant influence directly on Empathy on Customer Satisfaction in CV Led Media Promosindo Medan.
6. There is a positive and significant direct effect of customer satisfaction on Customer Loyalty in CV Led Media Promosindo Medan.
7. There is an indirect effect of Tangible on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan.
8. There is an indirect effect of Reliability Against Customer Loyalty through customer satisfaction at CV Led Media Promosindo Medan.
9. There is an indirect effect of Responsiveness on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan.
10. There is an indirect effect of Assurance on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan.
11. There is an indirect effect of Empathy on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan.

MATERIAL AND METHODS

The current research is a type of quantitative descriptive research. According to Nawawi (2003) "descriptive method is a method - research methods that focus attention on problems - problems or phenomena that are actual at the time the research was conducted, then describe the factors about the problem being investigated as it is accompanied by rational and accurate interpretations". Quantitative research is an approach to empirical studies to collect, analyze, and display data in numerical form rather than narrative. This research was carried out with a surviving approach. According to Nazir (2009) "a survey is a research activity that examines the status of a human group, an object, a set of conditions, a system of thought or a class of events in the present that aims to make a description, description or painting systematically, factually and accurately regarding factors, characteristics and relationships between the phenomena studied. The study was conducted on CV. Led Media Promosindo Medan, having its address at Jalan Asia No 328 B Medan.

The population in this study are all customers who have been at least 3 times shopping at CV. Led Media Promosindo Medan. The average number of customers who shop at CV. Led Media Promosindo Medan every month is 115 customers.

Determination of the number of samples in this study using saturated samples, assuming that the population is homogeneous and normally distributed. Saturated samples are samples that are used based on the total population. Thus, the sample in this study amounted to 115 respondents.

Data collection techniques are done by distributing questionnaires to respondents. The type of questions listed in the questionnaire are structured (closed) questions. There are 2 methods of data collection in this study, namely by distributing questionnaires and documentation studies.

RESULTS AND DISCUSSION

Path Analysis of Substructure Model I

The following will be explained in connection with the results of research relating to Substructure I, namely the influence of Tangible, Reliability, Responsiveness, Assurance and Emphaty on Customer Satisfaction in CV Led Media Promosindo Medan.

1. Equation Model Substructure I

The substructure model I equation based on the test results can be explained as follows:

Table 2: Equation Model Substructure I

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.206	2.180		4.223	.000
	Tangible	.003	.069	.004	.042	.966
	Reliability	.132	.061	.200	2.159	.033
	Responsiveness	.063	.112	.054	.563	.575
	Assurance	.232	.105	.209	2.222	.028
	Emphaty	.299	.114	.261	2.620	.010
a. Dependent Variable: Kepuasan_Pelanggan						

Based on Table 2 above, the equation of the Substructure I path analysis model can be arranged as follows:

$Y = 0.004X1 + 0.200X2 + 0.054X3 + 0.209X4 + 0.261X5$

Based on the model equation, the path analysis images can be arranged for the Substructure I Model as follows:

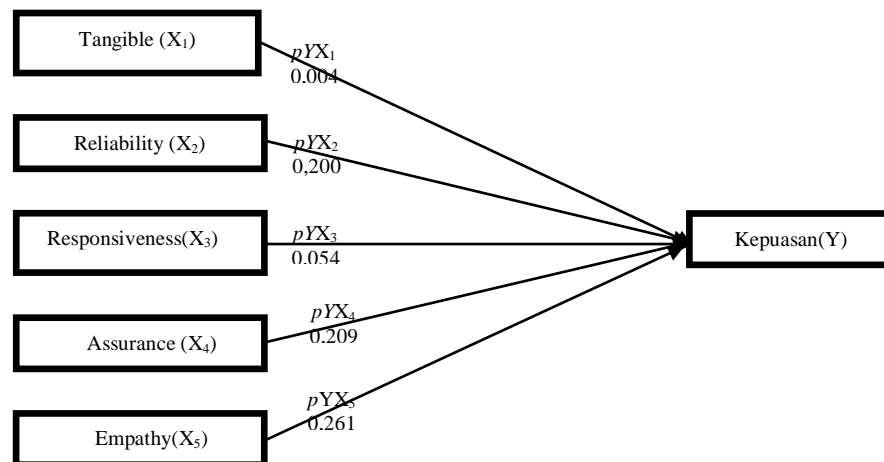**Figure 2: Substructure Analysis Model I**

2. Coefficient of Determination

The first thing to know is about the coefficient of determination (KD). The Determination Coefficient is used to see how big the variables Tangible, Reliability, Responsiveness, Assurance and Emphaty explain Customer Satisfaction in Medan Led Media Promosindo CV. To determine the value of Tangible, Reliability, Responsiveness, Assurance and Emphaty's ability to explain Customer Satisfaction in Led Media Promosindo Medan CV and the magnitude of the error value in this substructure I, it can be seen as follows:

Table 3

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.540[a]	.292	.259	1.96311
a. Predictors: (Constant), Emphaty, Tangible, Reliability, Assurance, Responsiveness				
b. Dependent Variable: Kepuasan_Pelanggan				

The amount of the Rsquare in the table above is 0.292. This number means that the ability of Tangible, Reliability, Responsiveness, Assurance and Emphaty explains that Customer Satisfaction in Led Media Promosindo Medan CV is 0.292 or equal to 29.2%. Furthermore, to find out the magnitude of the error value in testing this Substructure I can be seen as in the following calculation:

e = 1 - RSquare
e = 1 - 0.292
e = 0.708 or 70.8%

The meaning of 78.8% is the percentage level of other variables which are not included in this research model, or in other words an error from this substructure I model.

3. Feasibility Testing Model Substructure I

To find out whether the model in Substructure I is correct or not to be tested on the Substructure I model by looking at the following table:

Table 4: Feasibility Testing Model Substructure I

ANOVA[b]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	173.117	5	34.623	8.984	.000[a]
	Residual	420.066	109	3.854		
	Total	593.183	114			
a. Predictors: (Constant), Emphaty, Tangible, Reliability, Assurance, Responsiveness						
b. Dependent Variable: Kepuasan_Pelanggan						

It is known that in table 4 the significance value in the Substructure I model is 0.000. These results indicate that the Model Substructure I in this study has been fit or correct.

4. Classical Assumptions

The purpose of classical assumption testing is done so that the equation of the regression model used to predict variables forms the results of the Best Linear Unbiased Estimation and the results of the regression model variance are minimum. The results of classical assumption testing in this study can be described as follows:

a. Normality test

The results of testing the normality of the data in this study using the Kolmogorov Smirnov Test technique can be seen in the following table:

Table 5: Normality Test for Substructure I

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		115
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	1.91958056
Most Extreme Differences	Absolute	.077
	Positive	.036
	Negative	-.077
Kolmogorov-Smirnov Z		.823
Asymp. Sig. (2-tailed)		.508
a. Test distribution is Normal.		

Table 5 displays the normality testing of data using the Kolmogorov Smirnov Test technique. This test is done by comparing the value of Asymp. Sig with a research alpha value of 0.05. The test results show that the value of Asymp. Sig of 0.508 is greater than 0.05, (0.508> 0.05). It can be concluded that the data in substructure I has been normally distributed.

b. Multicollinearity Test

Multicollinearity testing is done to measure and ensure that all independent variables in this study have no relationship. Variables stated to have a known relationship by comparing the value of VIF with alpha research that is 5%, the testing criteria is if the VIF value is smaller than 5, then it is concluded that the independent variable is not correlated and vice versa. The results of this test can be seen in the following table:

Table 6: Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Tangible	.705	1.418
	Reliability	.760	1.316
	Responsiveness	.718	1.393
	Assurance	.732	1.365
	Emphaty	.655	1.527

Table 6 shows that the VIF value of each independent variable is smaller than 5, so it is concluded that all independent variables are not interconnected between one variable and another variable.

c. Heteroscedasticity testing

Heteroscedasticity testing is done to find out and ensure that in the regression model variable inequalities from residuals occur one observation to another observation. In this test the Scatter plot method is used which can be seen in the following picture:
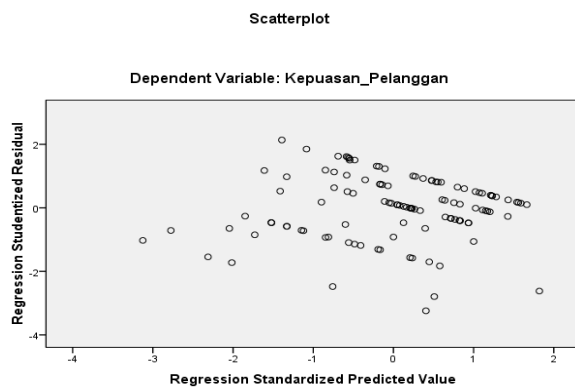

Figure 3: Substructure Heteroscedasticity Testing I

This test will be declared free from heteroscedasticity if the points contained in the image are spread evenly. The prevalence of these points is known that the points are scattered between points 0. Seeing in figure 3, it is known that the points spread evenly follow between points 0. This can be said that the data has been free from the problem of heteroscedasticity.

Path Analysis of Substructure Model II

The following will be explained in connection with the results of research relating to Substructure II, namely the effect of Customer Satisfaction on Customer Loyalty in the CV. Led Media Promosindo Medan

1. Equation Model Substructure II

The substructure II model equation based on the test results can be explained as follows:

Table 7: Equation Model Substructure II

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.783	2.109		6.536	.000
	Kepuasan_Pelanggan	.525	.092	.472	5.690	.000
a. Dependent Variable: Loyalitas_Pelanggan						

Based on Table 7 above, the equation of the Substructure I path analysis model can be arranged as follows:

$Z = 0.472Y$

Based on the model equation, the path analysis images for the Substructure II Model can be arranged as follows:
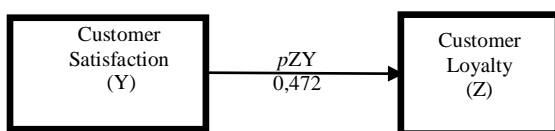

Figure 4: Substructure Path Analysis Model II

2. Coefficient of Determination

The first thing to know is about the coefficient of determination (KD). The Determination Coefficient is used to see how much the Customer Satisfaction variable explains Customer Loyalty in the Led Media Promosindo Medan CV. To find out the value of the Customer Satisfaction ability explain Customer Loyalty in the Led Media Promosindo Medan CV and the magnitude of the error value in this substructure II, it can be seen as follows:

Table 8

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472[a]	.223	.216	2.24559
a. Predictors: (Constant), Kepuasan_Pelanggan				
b. Dependent Variable: Loyalitas_Pelanggan				

The amount of Rsquare in the table above is 0.223. This number means that the amount of Customer Satisfaction ability explains Customer Loyalty in Led Media Promosindo Medan CV is 0.223 or equal to 22.3%. Next to find out the magnitude of the error value in testing this Substructure II can be seen as in the following calculation:

e = 1 - RSquare

e = 1 - 0.223

e = 0.777 or 77.7%

The meaning of 77.7% is the percentage level of other variables that are not included in this research model, or in other words an error from this substructure II model.

3. Feasibility Testing Substructure II Model
To find out whether the model in Substructure II is correct or not to be tested on the Substructure II model by looking at the following table:

Table 9: Feasibility Testing Model Substructure II

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	163.273	1	163.273	32.378	.000[a]
	Residual	569.822	113	5.043		
	Total	733.096	114			
a. Predictors: (Constant), Kepuasan_Pelanggan						
b. Dependent Variable: Loyalitas_Pelanggan						

It is known that in Table 9 the significance value in the Substructure II model is 0,000. These results indicate that the Model Substructure II in this study has been fit or correct.

4. Classical Assumptions
The purpose of classical assumption testing is done so that the equation of the regression model used to predict variables forms the results of the Best Linear Unbiased Estimation and the results of the regression model variance are minimum. The results of classical assumption testing in this study can be described as follows:

a. Normality Test
The results of testing the normality of the data in this study using the Kolmogorov Smirnov Test technique can be seen in the following table:

Table 10: Substructure Normality Test II

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		115
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	2.23571960
Most Extreme Differences	Absolute	.115
	Positive	.064
	Negative	-.115
Kolmogorov-Smirnov Z		1.232
Asymp. Sig. (2-tailed)		.096
a. Test distribution is Normal.		

Table 10 displays the normality testing of data using the Kolmogorov Smirnov Test technique. This test is done by comparing the value of Asymp. Sig with a research alpha value of 0.05. The test results show that the value of Asymp. Sig of 0.096 is greater than 0.05, (0.096> 0.05). It can be concluded that the data in substructure II has been normally distributed.

b. Heteroscedasticity Testing
Heteroscedasticity testing is done to find out and ensure that in the regression model variable inequalities from residuals occur one observation to another observation. In this test the Scatter plot method is used which can be seen in the following picture:
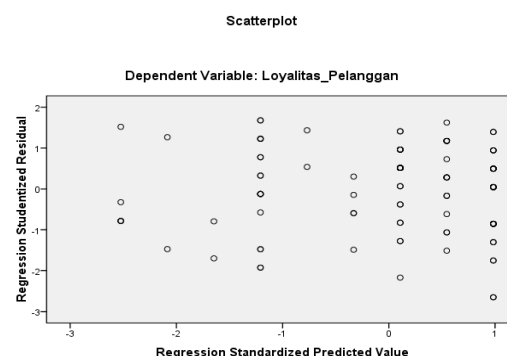

Figure 5: Substructure Heteroscedasticity Testing II

This test will be declared free from heteroscedasticity if the points contained in the image are spread evenly. The prevalence of these points is known that the points scattered between point 0. Seeing in Figure 5 it is known that the points spread evenly follow between points 0. This can be said

that the data has been free from the problem of heteroscedasticity.

Path Analysis Model
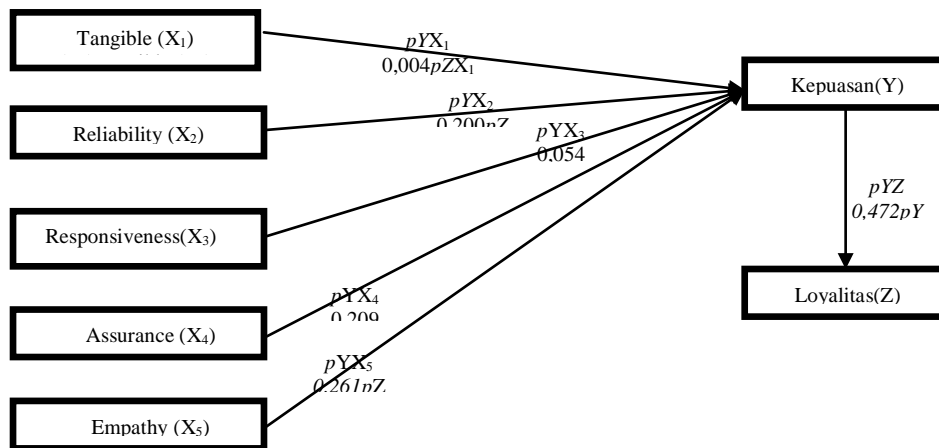
Based on the results of the discussion that shows the analysis of the Substructure Model I and the analysis of the Substructure Model II, it can be arranged the path analysis images in this study are as follows:


```
Tangible (X₁) ──── pYX₁ 0,004pZX₁ ────┐
                                        │
Reliability (X₂) ──── pYX₂ 0,200pZ ────┤
                                        ├──→ Kepuasan(Y) ──── pYZ 0,472pY ──→ Loyalitas(Z)
Responsiveness(X₃) ──── pYX₃ 0.054 ────┤
                                        │
Assurance (X₄) ──── pYX₄ 0.209 ────────┤
                                        │
Empathy (X₅) ──── pYX₅ 0.261pZ ────────┘
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DISCUSSION

Tangible Influence on Customer Satisfaction

The results of this study indicate that Tangible has no significant effect on Customer Satisfaction. It is known based on the significant value of 0.966 greater than the Alpha value of the study (0.966> 0.05). The amount of Tangible value affects Customer Satisfaction is 0.4%. The results of this study reflect that basically from the Tangible Dimension side it does not have a large impact on Customer Satisfaction.

As one of the Dimensions of Service Quality, basically Tangible is a variable or dimension that generally does not have a problem in this study. The magnitude of the Tangible effect of 0.4% means that the quality of service in terms of physical form is good and not a problem for customers, in other words that the products produced by the company have given satisfaction to customers because they are valued in accordance with the company's expectations.

Customer satisfaction is indicated because the ability to provide maximum service is carried out by the company. As customers feel that the services provided by management are quite good, by making it easy for customers not directly to the company to receive products / services provided by the company. Acceptance of products / services can be through sending using e-mail media or other online media facilities. In addition, the delivery of goods - physical properties can use media - good shipping media that is provided directly by company management or by other shipping services that are very fast to the customer's destination. Then the installation of billboards, billboards and so on is done as well as possible by the company. Of course this is an indicator that can satisfy customers.

With these results, the managerial implications for management of CV Led Media Promosindo Medan are company management wherever possible to maintain service quality in the form of products that are produced, both in terms of billboards, posters, and so forth. The next implication is the Management of Led Media Promosindo Medan CV must be able to control and maintain the quality of service work that has been running at this time, if necessary, the Standard Operating Procedure is required to produce quality products with minimum standards - certain standards that can satisfy customers.

The Effect of Reliability on Customer Satisfaction

The results of this study indicate that Reliability has a significant effect on Customer Satisfaction. It is known based on a significant value of 0.033 smaller than the Alpha value of the study (0.033 <0.05). The amount of Reliability affects Customer Satisfaction is 20%. The results of this study reflect that basically from the Reliability Dimension side it has a considerable impact on Customer Satisfaction.

As one dimension of service quality, Reliability is a reflection of the Led Media Promosindo Medan CV's ability to provide meticulous and accurate and reliable services. With the results of this study indicate that basically in terms of accuracy and accuracy of the services provided still do not provide satisfaction to customers. The impact of 20% reflects that Led Media Promosindo Medan's management is still not fully timely and accurate in providing services as expected by customers.

With the results of this study, the managerial implications have become an obligation for Led Media Promosindo Medan management to improve the dimensions of its service quality in terms of Reliability by providing accurate explanations and promises of timely completion of work. Led Media Promosindo Medan Management must be brave to state its inability to complete the work as requested by the customer for rational reasons and standard operating procedures that have been owned by the company's management. Jobs that are completed on time with correct, accurate and accurate information will be able to increase customer satisfaction higher.

Effect of Responsiveness on Customer Satisfaction

The results of this study indicate that Responsiveness has no significant effect on Customer Satisfaction. It is known based on a significant value of 0.575 greater than the Alpha value of the study (0.575> 0.05). The size of the Responsiveness value affects Customer Satisfaction is 5.40%. The results of this study reflect that basically the Responsiveness Dimension has a small impact on Customer Satisfaction.

As one of the Dimensions of Service Quality, Responsiveness is basically a variable or dimension that generally does not have a problem in this study. The magnitude of the impact of Responsiveness of 5.40% gives the meaning that the quality of service in terms of responsiveness or responding to customers is fast and not a problem for customers. . Employees get a positive perception from customers. In this dimension customers feel satisfied with the services provided by the company.

Based on the results of this study, the managerial implications of Led Media Promosindo Medan CV are by maintaining the quality of existing services. Management of the company must provide motivation for employees to continue to be able to respond or be responsive in every need desired by the customer. Company management ensures that every employee does not ignore what is needed by the customer, including providing very simple information.

Effect of Assurance on Customer Satisfaction

The results of this study indicate that Assurance has a significant effect on Customer Satisfaction. It is known based on the significant value of 0.028 smaller than the Alpha value of the study (0.028 <0.05). The value of Assurance affects Customer Satisfaction is 20.90%. The results of this study reflect that basically the Assurance Dimension has a large impact on Customer Satisfaction.

As one of the Dimensions of Service Quality, basically Assurance is a variable or dimension that is generally one of the variables that causes customer satisfaction to be low. Customers have a perception that company employees are not able to provide assurance and certainty and make customers fully believe in what is conveyed by company employees. It is all related to employee knowledge, communication patterns possessed by employees when

interacting with customers, and employee manners when communicating and interacting with customers make customers less satisfied. These indicators do not make customers feel confident about what is conveyed by employees. Customer reaction to employee knowledge of information desired by customers is perceived as not providing a good perception for customers, supported by conditions of courtesy and courtesy and communication initiated by employees also felt to make customers less comfortable.

Based on the results of these studies, the managerial implications of the company are an obligation for management to correct all these deficiencies. Things that can be done by company management by providing special training related to improving the skills and knowledge of employees, especially by providing excellent service. Employees must be able to look pleasant and friendly and have knowledge and intelligence so that all customers have a perception that the company guarantees all the things that customers want and expect.

Emphaty Influence on Customer Satisfaction

The results of this study indicate that Emphaty has a significant effect on Customer Satisfaction. It is known based on a significant value of 0.010 smaller than the Alpha value of the study (0.010 <0.05). The value of Emphaty affects Customer Satisfaction is 26.10%. The results of this study reflect that basically in terms of Emphaty Dimensions have a large impact on Customer Satisfaction.

Emphaty is basically a sincere nature of employees providing service to customers. This sincere feeling comes from the desire of employees to provide excellent service to customers. The results of this study turned out to show that a sense of sincerity of employees based on customer perceptions is less owned by employees. This is in line with Assurance which shows that there are perceptions that are less satisfied from customers for the services provided by employees.

Based on the results of these studies, the managerial implications are already an obligation for company management to correct all these deficiencies. Employees are required to be able to provide a sense of sincerity and fun for customers. Employees must be able to give pleasure to the customer. The thing that can be done by company management is to provide education and training to improve the skills and knowledge of employees, especially by providing excellent service.

Effect of Customer Satisfaction on Customer Loyalty

The results of this study indicate that Customer Satisfaction has a significant effect on Customer Loyalty. It is known based on a significant value of 0.033 smaller than the Alpha value of the study (0.033 <0.05). The value of Customer Satisfaction affects Customer Loyalty amounting to 47.20%. The results of this study reflect that basically from the side of Customer Satisfaction a large impact on Customer Loyalty.

The results of this study illustrate that there is a problem with Customer Satisfaction. The perception that is in the customer's self is a lack of satisfaction with the services provided by the company employees. From several dimensions of service quality, there are several dimensions that have a negative impact on customer satisfaction perceptions. Therefore, company management must observe and take important actions to make customers satisfied.

Based on the results of these studies, the managerial implication is that management needs to take action to increase customer satisfaction so as to increase customer loyalty is to improve the quality of service to customers. Every action taken by employees must be able to increase satisfaction for customers, thereby increasing customer loyalty. Actions that can be done by improving services by meeting all dimensions of service quality referred to in this study.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of the research described previously, it can be concluded that the results of this study are as follows:

1. There is a positive and not significant direct effect on Tangible on Customer Satisfaction in the CV. Led Media Promosindo Medan This is based on a significance value of 0.966> 0.05. The amount of Tangible's influence on Customer Satisfaction is 0.4%.

2. There is a positive and significant direct effect of Reliability on Customer Satisfaction in CV. Led Media Promosindo Medan This is based on a significance value of 0.033 <0.05. The amount of influence of Reliability on Customer Satisfaction is 20%.

3. There is a positive and not significant direct effect of Responsiveness on Customer Satisfaction in the CV. Led Media Promosindo Medan This is based on a significance value of 0.575> 0.05. The size of the Responsiveness effect on Customer Satisfaction is 5.4%.

4. There is a direct and significant positive effect of Assurance on Customer Satisfaction in the CV. Led Media Promosindo Medan This is based on a significance value of 0.028 <0.05. The magnitude of the effect of Assurance on Customer Satisfaction is 20.90%.

5. There is a positive and significant influence directly on Empathy on Customer Satisfaction in CV. Led Media Promosindo Medan This is based on a significance value of 0.010 <0.05. The magnitude of the influence of Empathy on Customer Satisfaction is 26.10%.

6. There is a positive and significant direct effect of customer satisfaction on Customer Loyalty in the CV. Led Media Promosindo Medan This is based on a significance value of 0.033 <0.05. The amount of influence of Customer Satisfaction on Customer Loyalty is 47.20%.

7. There is an indirect effect of Tangible on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. This is based on the significance value of the Sobel Test of 0.965> 0.05. The effect of Customer Satisfaction on Customer Loyalty is 0.002%.

8. There is an indirect effect of Reliability Against Customer Loyalty through customer satisfaction at CV Led Media Promosindo Medan that is significant. This is based on the significance value of the Sobel Test of 0.043 <0.05. The magnitude of the influence of Customer Satisfaction on Customer Loyalty is 9.40%.

9. There is an indirect effect of Responsiveness on Customer Loyalty through customer satisfaction in CV Led Media Promosindo Medan which is not significant. This is based on the significance value of the Sobel Test of 0.576> 0.05. The magnitude of the influence of Customer Satisfaction on Customer Loyalty is 2.50%.

10. There is an indirect effect of Assurance on Customer Loyalty through customer satisfaction at CV Led Media Promosindo Medan that is significant. This is based on the significance value of the Sobel Test of 0.039 <0.05. The magnitude of the influence of Customer Satisfaction on Customer Loyalty is 9.90%.

11. There is an indirect effect of Empathy on Customer Loyalty through customer satisfaction in the significant CV Led Media Promosindo Medan. This is based on the significance value of the Sobel Test of 0.017 <0.05. The magnitude of the influence of Customer Satisfaction on Customer Loyalty is 12.30%.

Recommendations

Based on the conclusions of this study, suggestions can be given as follows:

1. Basically Tangible owned by the company to provide services to

customers is good. Therefore the management of the company is as much as possible to be maintained on existing facilities.

2. Basically Reliability that is owned by the company to provide services to customers is good. Therefore company management is as much as possible to be maintained on the accuracy and accuracy of services provided to customers so that customer loyalty is higher.

3. Some things that can be done by company management to overcome the responsiveness problem is to provide knowledge to employees to be able to respond or respond quickly to customers in every need desired by customers. Company management must ensure that every employee does not ignore what is needed by the customer, including providing very simple information.

4. It is advisable for company management to provide education and training in relation to the skills and knowledge of employees related to all matters of the service production process and knowledge of excellent service. Employees must be able to look pleasant and friendly and have knowledge and intelligence so that all customers have a perception that the company guarantees all the things that customers want and expect.

5. It is better for the company's management to correct all these deficiencies. Employees are required to be able to provide a sense of sincerity and fun for customers. Employees must be able to give pleasure to the customer. The thing that can be done by company management is to provide education and training to improve the skills and knowledge of employees, especially by providing excellent service.

6. Management should be able to explain things that basically companies cannot afford to be controlled by company management such as regulations from local governments related to locations that can be installed billboards, banners, billboards and others. Management must be able to convince customers that certain places desired by customers are contrary to the regulations set by the local government.

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How to cite this article: Junaidi, Rini ES, Silalahi AS. Analysis of the effect of service quality on customer loyalty through customer satisfaction in CV. led media Promosindo Medan. International Journal of Research and Review. 2019; 6(6):97-112.

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