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Quality of Services on Satisfaction and Costumer Loyalty

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Abstract: *The purpose of this study was to describe the effect quality of services on satisfaction and loyalty, this type of research is a literature review. This research is to analyze the influence of enjoying products based on the quality of service to satisfaction and loyalty. The results of the hypothesis research proved to be influential and significant, namely the quality of service has a significant effect on customer satisfaction and customer satisfaction has a significant effect on customer loyalty, while on customer satisfaction has a significant effect on customer loyalty. Service quality affects satisfaction with loyalty. Facts on the ground that most people like good service from employees. not fulfilled, Quality of service is approved on loyalty to loyalty. Quality of service is a service provided by a company in the process of selling products that creates loyalty, regulates loyalty and satisfaction in determining loyalty, proven to prove proven by the use of products. Because of that, loyal has a big influence on the product.*

Keywords: *Service quality, customer satisfaction & customer loyalty.*

1. Introduction

The application of marketing strategies in a company always changes in line with the development of service companies. These changes force companies engaged in services need to adjust to developments in the surrounding environment. Today's service companies place more emphasis on marketing concepts that make a direct approach to consumers, noting that the importance of service quality in achieving customer satisfaction and loyalty for the company for products for services created.

The increasingly tight conditions of competition in service companies, one of which is in the banking sector, needs stimulants to encourage banks to move quickly. The situation was marked by the increasingly widespread expansion of foreign and national banks trying to enter the banking market in Indonesia. The banking industry is currently competing to improve services to customers, by providing facilities that facilitate these customers in conducting financial transactions. One example in banking services is the e-Banking service, or the ease of conducting transactions by not directly coming to the

bank, for example through SMS banking, namely through transactions through Short Message Service (SMS) facilities or also conducting financial transactions via the internet.

Banking marketing cannot be separated from the supply trend in the field. In addition, the bank must also pay attention to the wants and needs of its customers so that they can maintain and increase the number of existing loan customers. The marketing concept confirms that the key to achieving company goals must be more effective than competitors in creating, submitting and communicating consumer values to selected target markets (Kotler & Keller 2009: 19).

The source of the problem in this study also comes from the limitations and gaps of previous research. Various studies that have been carried out indicate that there is an impact that agrees that the success of a bank or company is determined by the bank's ability to build customer satisfaction and loyalty, that loyalty will be one of the goals of a bank in terms of retaining its customers from competing banks. Lyon and Powers (2004), states that service quality is one of the keys that is considered by customer satisfaction, then consumers who are satisfied will use the service again or repetition later the customer will be willing to recommend to others. Research from Bowen and Chen (2001) found that a small increase in customer satisfaction led to a dramatic change in customer loyalty, a positive correlation between satisfaction and loyalty would lead to the customer's desire to recommend the bank to others. But a number of studies such as Bloemer et al., (1998); Mittal et al., (2008); Bontis and Booker (2007); Gounaris et al., (2003) explained that many studies discussed satisfaction and service quality, but it turned out that only a few studies that discussed the relationship between satisfaction, service quality and loyalty were seen from several ethnic or ethnic groups found in the objects or regions examined in banking industry context.

2. Literature Review & Conceptual Framework

2.1 Service quality

According to Gee et al (2008) in an attempt to understand the factors that induce customer satisfaction, the concept of service quality is increasingly common in the literature. Studies show that service quality has a positive effect on satisfaction that consumer satisfaction has a significant effect on customer loyalty, and then the profitability of firms. According to the works of Hanley (2008), the quality of services could be implemented by a few methods such as: a) Meeting customer expectation of good service level and having many varieties of products. b) Provide good quality products with reasonable price. c) To handle the customer complains about the products and services tactfully. So, is far different from the expectations and realities of the customers for the services they receive. Service quality can be received by comparing customer perceptions of the services they actually receive with the services they expect

2.2 Service customer satisfaction

Customer satisfaction has widely been addressed in literature; defined satisfaction as a post choice evaluative judgment concerning a specific purchase decision (Oliver, 1980). In the marketing literature, customer Satisfaction is one of the very important outcomes. It serves to link processes culminating purchase and consumption with post purchase phenomena such as repeat purchase, brand loyalty and attitude change (Surprenant and Churchill, 1982). This definition is supported by and Mishra (2009). Most of the researchers agree that satisfaction is an evaluation or attitude that is formed by the comparison made by customer for their prepurchase expectations of what they would receive from the product to their subjective perception of the performance they actually did receive (Oliver, 1980).

An employee that confirms the employee's organization behavior is therefore likely to strengthen the connection between the consumer and the firm. A reverse pattern of effects is to be expected when the employee disconfirms the organization personality through its' employees' behavior. In these cases, a consumer may think that the organization actually does not deliver the symbolic benefits that s/he had expected for and may evaluate the organization in a more negative choice as a result. In sum, under circumstances such as the ones described an employee will probably exert a strong impact on organization reputation and attitudes (Coulter, 2002). According to the works of Hanley (2008) and Coulter (2002), the behavior of the employees could be

implemented by a few methods such as: a) Increase the speed of employees' response to the customer. b) Ensure employees are friendly and respectful to customer. c) Employees to show care and concern to the customers. So, is a level where the needs, desires and expectations of customers can be fulfilled which will result in a repeat purchase or continued loyalty.

2.3 Customer loyalty

Service quality is also linked with customer loyalty. While some researchers are in the view that customer, satisfaction rather than service quality exerts stronger influences on buying intentions of the customers (Cronin and Taylor, 1992). Some other researchers also provided the strong empirical evidences supporting the fact that service quality increases the customer intentions to remain with any company. For example, Buzzell and Gale (1987) found out that service quality results in increased market share and repeated sales that ultimately leads to customer loyalty. Zeithaml et al. (1996) also concluded in their research that when organizations improve the quality of their services, customers unfavorable intentions are decreased while favorable behavioral intentions are increased. So, consumer loyalty presented in purchases that are consistently consistent with the product or service at all times and there is a good attitude to recommend other people to buy products.

2.4 Conceptual Framework

The purpose of this study was to the analysis of effect quality of services on satisfaction and loyalty. Based on the literature review, This conceptual framework shows the direct effects and indirect effects of service quality (X^1) customer satisfaction (X^2), and customer loyalty (Y). Service quality is an important factor that can affect customer satisfaction. The service quality that is commonly known is Reliability, responsiveness, assurance, empathy and tangibility. Get (reliability), which is the ability to provide promised services quickly, accurately and satisfactorily. With satisfying service, it needs to be balanced with good responsiveness. Responsiveness, namely the desire of staff to help customers and provide assistance quickly and guarantees (guarantees) that include knowledge, ability, politeness, and reliable capabilities that demand staff, free from danger, hope, or hesitation - doubt. Then it needs to be balanced with direct evidence (real) equipped with physical facilities, completeness and complete goods. The relationship that occurs between the quality of service is very much related to customer satisfaction.

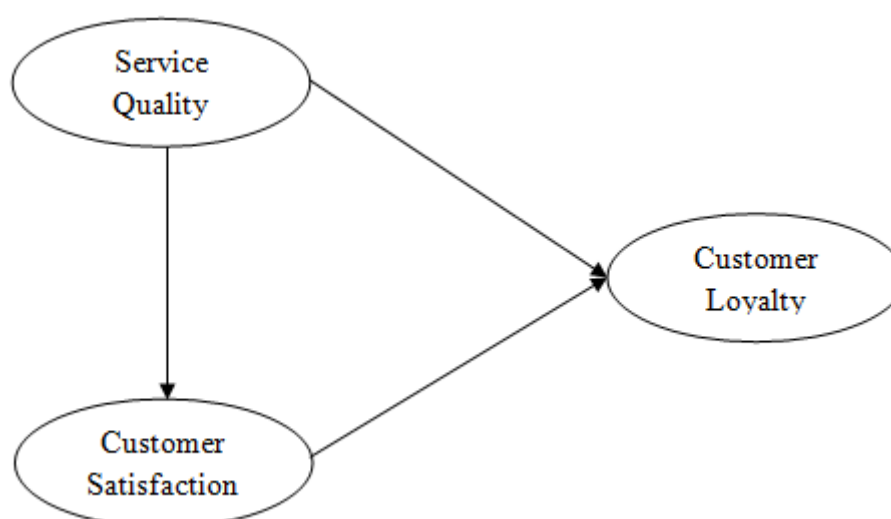


Fig 1. Conceptual Framework of Literature Review

3. Discussion

The results show that service quality as measured by six indicators of reliability, empathy, efficiency, procedure, assurance, responsiveness can be accepted by having a positive but not effect on satisfaction, so the hypothesis that service quality has a effect on satisfaction not accepted. This means

that the quality of services provided is not enough to be a reason to make satisfied in the product service process.

So, in the field of service, it must always be remembered that the company's mission is to provide the best service to achieve customer satisfaction. Customer satisfaction can be seen from the number of goods or services desired by the company in a certain period. Customer satisfaction can be seen if the quality of service provided can meet customer needs. There are several things which shows the influence between service quality and customer satisfaction including the following. Better service quality enables companies to increase satisfaction and reduce customer dissatisfaction. The better quality of service will reduce re-work and in the end the number of customer dissatisfaction can be reduced. When service quality shows high satisfaction, there will be emphasis on costs at the lowest point and will make customers reduce the costs incurred. Low factors make one of the determinants of customer satisfaction. To create customer satisfaction is to create a high quality of service and efforts to improve the quality of service must continue to be carried out towards a higher level. The focus of retail services is the provision of good service by paying attention to what the customer wants. If the services provided are high, the number of customers will increase.

Based on research in the field, it is known that the services received by respondents or of some respondents enjoy products to meet the lack of business capital and investment in business activities of the respondents. This study disagrees with the research conducted by Olorunniwo and Hsu (2006), a little not the same as the findings of this study, where the study presents 2 indicators of service quality, but there are differences in findings where the research conducted by Olorunniwo and Hsu (2006) states service quality creates satisfaction, and in research conducted by quality service researchers influence satisfaction, which for example is a Javanese tribe that has no effect.

The results of the research show that service quality received by the has a effect on loyalty in other words a is accepted. The which states that service quality has a effect on loyalty is proven to be accepted. From the results of the research in the field of loyalty to the product due to professional status, number of usage, and income from not being made things that can affect the service, all are provided equally, in order to avoid social jealousy among, but the service on loans and deposits is different deposit products there are a number of treatments that are privileged for priority. It can be interpreted as the acceptance of the quality of service provided by employees is good and in accordance with the SOP set by management, the respondent will be loyal to the product that currently has many competitors from inside and from other.

So, compiling customers receives better quality services than the money they spend, they believe they receive good value, which will increase their loyalty to service providers. Services are based on their assessment of the place or location, people, equipment, communication tools and the prices they see before they decide to repurchase in the future. Customers who decide to be loyal to a product or service are often caused because they feel the service provided by the company is not only in accordance with their needs, but also satisfying and pleasant. This type of service in the marketing world is often called excellent service that is always expected by customers. Satisfied customers tend to have high potential to be loyal to a product or service where satisfaction like that is impossible without beginning with excellent service.

Based on the tests carried out the satisfaction variable has a effect on loyalty for the product. Thus it can be concluded that the hypothesis reveals that satisfaction has a effect on loyalty. It can be concluded that the variable satisfaction with indicators meeting needs, paying attention to and responding to needs, and services in accordance with expectations have a large influence on loyalty, especially in enjoying products. This conclusion is in accordance with the research conducted by Maria Magdalea (2014), stating that if the factors that affect the satisfaction variable are carried out in accordance with the procedure, loyalty will be formed, there are several similarities in this study, namely indicators when handling the emotional.

So, customer satisfaction is the main factor or has the strongest customer towards customer loyalty. Avoid loyal customers. the relationship between customer satisfaction and loyalty can be concluded that loyal customers are satisfied customers, but satisfied customers will not necessarily be loyal, depending on how much customer satisfaction has the weight in influencing customers to be generous.

4. Conclusion

This chapter will be a conclusion about the results obtained from what has been done. In the first sub-section, conclusions Based on the results of the analysis and discussion in the previous chapter, some conclusions can be made as follows. Service quality affects satisfaction with loyalty. Facts on the ground that most people like good service from employees. not fulfilled, Quality of service is approved on loyalty to loyalty. Quality of service is a service provided by a company in the process of selling products that creates loyalty, regulates loyalty and satisfaction in determining loyalty, proven to prove proven by the use of products. Because of that, loyal has a big influence on the product.

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