



THE INFLUENCE OF SERVICE QUALITY ON TRUST, IMAGE, SATISFACTION AND THEIR IMPACT ON CUSTOMER LOYALTY (STUDY AT SOME SUPERMARKETS IN DKI JAKARTA)

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ABSTRACT The purpose of this study was to investigate the influence of Service Quality and Customer Trust and Store Image and Customer Satisfaction and their impact on the Customer Loyalty at supermarket in province of DKI Jakarta.

Based on the purpose and conceptual framework, the research hypotheses are: 1) Service Quality impacts on Customer Loyalty, 2) Service Quality impacts on Customer Trust, 3) Service Quality impacts on Store Image, 4) Service Quality impacts on Customer Satisfaction, 5) Customer Trust impact on Customer Loyalty, 6) Store Image impact on Customer Loyalty, 7) Customer Satisfaction impacts on Customer Loyalty.

Research design used in a combination of verificative research and descriptive research, while research method used was survey approach. Research sample was 240 customers from 10 supermarket in Jakarta, 24 respondents taken from each supermarket. Sampling technique is done by mean of simple random sampling (SRS). The method of analysis used descriptive statistics on average, the proportions and Chi – Square as well and Structural Equation Modelling (SEM) method for hypothesis testing using software LISREL 8.8 version.

The research result states that 1) all variables in this study were assessed positively by respondents. However, there are some indicators that are assessed negatively, 2) the conclusion states that the test result proved the hypothesis based on empirical data.

Research results comes from a discussion of the strategic solution from the results of descriptive analysis.

KEYWORDS : Service Quality, Customer Trust, Store Image, Customer Satisfaction and Customer Loyalty.

INTRODUCTION

In the present era, territorial boundaries are almost no longer able to limit a person or business entity to expand business. This situation encourages a higher level of competition among business actors in retail modern (minimarket, supermarket and hypermarket). In order to win the market competition Retail modern must have satisfactory and better service quality than competitors.

In Jakarta, this situation is very unfavorable for supermarkets format in which experienced a decrease of sales, total stores and basket size. For total stores decreased 65% from 2008 – 2016 (source: Aprindo dan Nielsen 2015), basket size decreased by 4% in 2016, while consumer transactions number tended to stagnate, 3,727,427 in 2015 and 3,727,786 in 2016 (source: Sales report of supermarket 2016). From pre observation at supermarket in Jakarta obtained result which states there are five factors influencing decrease of supermarket performance namely service quality, trust, image and consumer loyalty.

Identification of the Problem and Study Framework

Based on the background and pre-observation can be identified research problems are defined: "Does the service quality affect on consumer confidence, store image, consumer satisfaction and consumer loyalty in supermarkets? with the explanation as follow:

- 1) Does the service quality, store image, consumer trust, consumer satisfaction and consumer loyalty of supermarkets meet consumer expectations?
- 2) Does service quality affect on consumer trust in the supermarket?
- 3) Does service quality affect on store image in the supermarket?
- 4) Does service quality affect on customer satisfaction in the supermarket?
- 5) Does service quality affect on customer loyalty in the supermarket?
- 6) Does customer trust effect on consumer loyalty in the supermarket?
- 7) Does store image effect on consumer loyalty in the supermarket?
- 8) Does customer satisfaction effect on consumer loyalty in the supermarket?
- 9) Does service quality effect on consumer loyalty through consumer trust, store image and consumer satisfaction in the supermarket?

Literature

Service Quality

The term quality contains many interpretations, because the quality has several levels, ie universal (the same everywhere), cultural (depending on cultural value system), social (shaped by social class), and personal (depending on individual preferences or tastes). According to Gronroos (2007), Peters (2007), Zeithaml and Bitner (2010), soukatos and Rand (2006). Then Parasuraman, Zeithaml and Berry (1988) states that service quality is as a level of comparison

between the expectations and customer ratings of service performance. In the service delivery gap model, the perception of service satisfaction that is higher or equal to customer expectations signifies satisfactory quality of service; a lower satisfaction perception of customer expectations indicates an unsatisfactory quality of service.

Store Image

Store image is defined by various experts depending on the emphasis. Newsom et al. (2010) states that the image as an impression on people, companies or institutions owned by a person or society at large. An understanding of the broader image of the meaning put forward by Kotler and Keller (2012), which is a set of beliefs, ideas and impressions that a person holds about an object. The image is not only limited to someone's impression of an object, but also includes beliefs and ideas. According to Picton and Broderick (2010), the image of the company is the impression generated by the corporate identity which is the perception of the company owned audiences.

Consumer Trust

According to Mollering (2006) states that trust is a psychological state consisting of a desire to accept an unpleasant situation based on positive expectation of the wishes or behaviors of others. Robbins and Judge (2009) argue that trust is a historical-dependency process based on relevant but limited sample experiences. Hope it takes time to shape it, it needs to be built little by little and accumulates.

Meanwhile, according to Colquitt, LePine and Wesson (2009) trust is a desire to rely on an authority based on positive expectations of action and attention of authority. According to McShane and Glinow (2008), trust refers to a person's positive expectations of others in a situation involving risk. Trust also means surrendering fate to another person or group.

Consumer Satisfaction

Satisfaction differs from one person to another depending on people's perceptions of a product in the past (based on experience). According to Best (2002), Kotler and Keller (2012), and Parasuraman (1997), consumer satisfaction is a response to the evaluation of the perceived differences between multiple comparisons (expectations) Perceived on a product. Definitions based on the seller's perspective as expressed by Andreason and Kotler (2008), Best (2002), Oliver (1997), and Bateson and Hoffman (2008) essentially explain that consumer satisfaction is an evaluative judgment after consuming on a particular purchase event. Definition based on consumer perspective, can be seen from the definition of Arkon (2006), Gronroos (2007), Fornell (1992), Johnson (2007) by directing the definition on an overall evaluation based on overall purchasing and consumption experience with a product over time

Consumer Loyalty

Consumer loyalty has an important role in a company, retaining existing customer means improving financial performance and maintaining the viability of the company, this is the main reason for the company to attract and retain its customers. According to Griffin (2002) "Loyalty is defined as non-random purchase expressed over time by some decision making unit". Peter and Olson (2002) argue loyalty is the most important factor in determining the success of a business and the sustainability of a business, and without any loyalty in the business, the competitive advantage that it possesses like never existed and the company will not succeed. A loyal customer is an important asset for the company, this can be seen from the characteristics that are owned such as: make regular repeat purchases, buy outside the product or service line, recommend other products (Refers other), shows immunity from the attraction of similar products from competitors (demonstrates an immunity to the full of the competition), and is willing to pay more (pay more for the product).

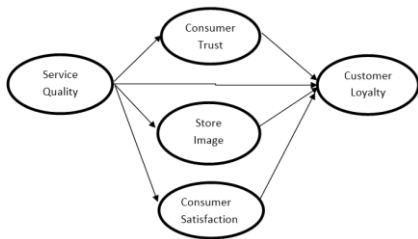
Research Hypothesis

Based on the problem identification and literature study which the concepts used are interrelated between the concept of service quality, consumer trust, store image, consumer satisfaction and customer loyalty in the supermarket in Jakarta, therefore, the hypothesis of this research is summarized as follows:

- H1: Service quality has a significant affect on consumer loyalty.
- H2: Customer trust has a significant effect on consumer loyalty.
- H3: Store image has a significant effect on consumer loyalty.
- H4: Customer Satisfaction has a significant effect on consumer loyalty.
- H5: Service quality significantly affects consumer trust.
- H6: Service quality has a significant effect on store image.
- H7: Service quality has a significant affects on customer satisfaction.

Study Concept

Based on theories, concepts, links between research variables that are Service Quality, Customer Satisfaction, Customer Trust, Store Image and Customer Loyalty, data and facts of problems that have been collected, the research framework as on Figure 1:



Figures 1. Conceptual Model of Research

Research Methodology

This research uses a combination of research design those are quantitative and descriptive research. The population of this study is the consumers who finished shopping at supermarkets are included in this study selected by systematic random sampling. The sample of research is 240 respondents, determined proportionally. The research was done in January 2016.

Questionnaires were prepared using Likert scale. The data collected through the questionnaire was analyzed descriptively by using SPSS software version 19.0 and inferens analysis by using Lisrel software version 8.8. All of questionnaire items has passed the validity and reliability test.

The design of analysis used are first descriptive statistical analysis, statistic used in this research is proportion and second is verificative analysis. To test the research model, SEM analysis (Structural Equation Modeling) was used.

Study Result

Descriptive Analysis

The average result describes that respondents consider the service quality, store image, and customer loyalty evaluated are good while the respondent evaluation on loyalty variable is still need to be improved.

Inter-Variable Influence Analysis

1) Imperical model (fit) is fitted with the theoretical model (Hair, 2010),

the test result of accuracy model shows that from 12 indexes, there are 9 indexes that has good fit category (Root Mean Square Error of Approximation (RMSEA), Goodness of Fit Index (GFI), Normed Fit Index (NFI), Relative Fit Index (RFI), Expected Cross-Validation Index (ECVI), Akaike Information Criterion (AIC), Consistent Akaike Information Criterion (CAIC), Parsimonious Goodness of Fit Index (PGFI), Root Mean Residual (RMR) and 3 indexes is not fit (Chi-Square, Adjusted Goodness of Fit Index (AGFI), Incremental Fit Index (IFI).

2) The output of the computer on test hypotheses related to the effect of Service Quality, Satisfaction, Trust, Image and Loyalty can be seen in Figure 2 and Figure 3.

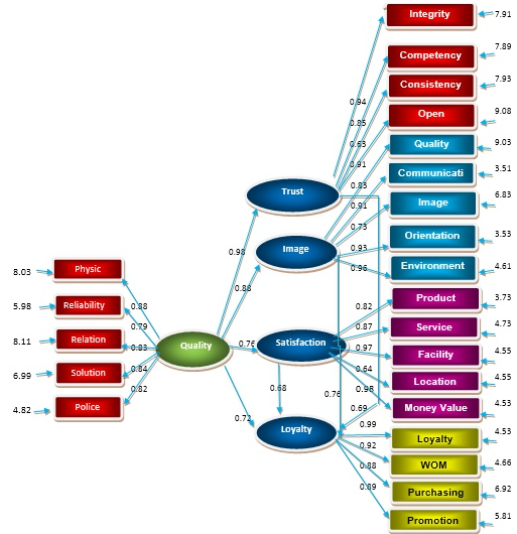
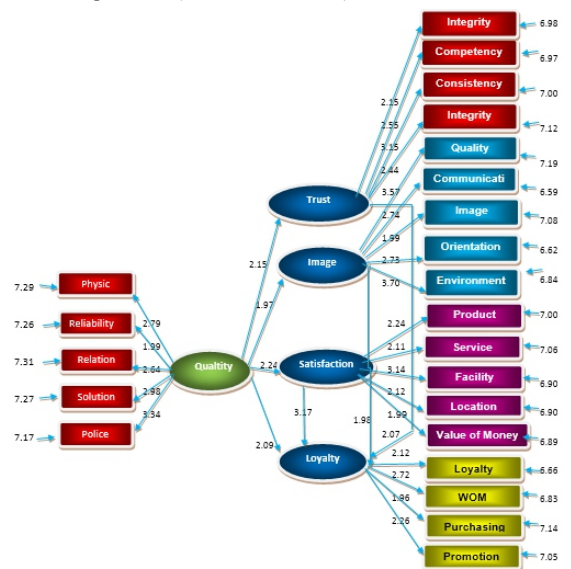


Figure 2. Total Effect Among Variables

Chi-Square=14.76, df=223, P-value=1.00000, RMSEA=0.000
Source: Output lisrel (modified reseacher)



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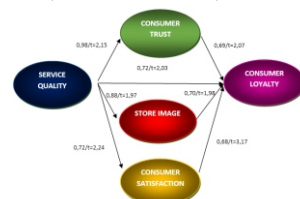


Figure 4. Basic Model of Research Result

Source: *Output Lisrel* (modified reacher)

Research Result

Descriptive research result

Based in this analysis shows repondents' evaluation is negative toward the items of research variables and this needs to be corrected, namely are:

- 1) Service Quality of supermarket service is considered good although there are still some aspects of service quality that is still not good such as discounted prices for certain goods at certain times either in the context of promotion or other reasons.
- 2) Consumer Trust in the existence of supermarkets is relatively high as the retail provider of household goods, although there are still some aspects of trust that are still considered low, such as the consistency of employee service, employee information about the availability of inventory and the willingness of employees to provide goods information.
- 3) The image of the company represented by the image of the supermarket has been strongly rated by consumers as a provider of strong goods and services.
- 4) Regarding consumer satisfaction after shopping at supermarkets has been considered relatively high both related to the marketing mix and service received, although there is still a part of the marketing mix that still needs to be improved.
- 5) Consumer loyalty have not been at the expected loyal level in a particular supermarket. Consumers still move from one supermarket to another supermarket related to the supermarket as a shopping and recreation place, still looking for products with the cheapest price, not doing WOM to other consumers because the information is considered to know.

b. Inferences analysis results

Based on the results of the analysis - influence between variables, the results of this study indicate that the quality of service has the greatest influence on consumer loyalty. Meanwhile, the hypothesized effects in this study were positive and significant.

Conclusion

The conclusion of this study is hypotheses test based on the empirical data is proven to be significant, namely Service Quality has an affects on Customer Satisfaction, Consumer Trust, Store Image, and Consumer Loyalty. The direct impact of Service Quality on Loyalty is greater than through the variables of Satisfaction, Trust and image.

Then, the performance of service quality, consumer trust, consumer satisfaction and store image has been assessed well by consumers, while consumer loyalty still not according to expectations of supermarket consumers.

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