

Understanding the Effect of Quality of Service to Customer Satisfaction and Customer Loyalty in Tax in the Field Of Conveyor Procurement

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Abstract: *Competition In The Manufacturing Support Industry Today Is Very Tight, Many Similar Competitors Offer Similar Services And Products. Competition Is Not Only In Product Sales But Also In Terms Of Service Quality. Currently Pt X Is Facing A Significant Problem That Is The Decline In Sales Turnover From Year To Year. Declining Sales Turnover Indicates That There Are Things That Need To Be Improved And Improved In Internal Pt X Itself Where This Problem From Year To Year Cannot Be Overcome.*

The Research Focused On The Aspect Of Service Quality, Customer Satisfaction, And Customer Loyalty Where Based On Experience During This Aspect Which Often Got Many Complaints From Customers. The Research Was Conducted By Distributing Questionnaires Via Post To 63 Companies That Are Still Active To Become Pt X Customers Until Now. Data Analysis Using Partial Least Square Method With The Help Of Smartpls 2.0 Program. The Results Showed That The Quality Of Service Significantly Influence Customer Satisfaction, And Customer Satisfaction Has A Significant Effect On Customer Loyalty. Quality Of Service Has No Direct Effect On Customer Loyalty, Such Influence Through Customer Satisfaction.

Keywords - *Quality Of Service, Customer Satisfaction, Customer Loyalty.*

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I. Introduction

Changes In Customer Behavior Patterns And The Growing Industry That Applies The Automation Of Conveyor Suppliers To Strategy And Improve Services. With The Growing Demand For Highly Developed Systems, It Makes For A Tough Competition In Winning And Maintaining Market Loyalty To Our Products. This Competition Makes More And More Customers Have The Choice Of Conveyor Provider With A Cheap Price. This Is A Big Challenge For Suppliers To Survive And Grow. Competition Not Only From Good Price To Customer Becomes The Most Important. Suppliers Are Required To Continue To Provide The Best Service To Satisfy Customers Both Before And After The Goods Received. Service In Service, Delivery Time And Quick Response From Sales In Question.

In This Thesis Will Discuss About Customer Satisfaction, After Sales Service And Quality Of Service To Customer Loyalty At Pt. X As A Main Supplier In The Field Of Conveyor And System Automation Located In Downtown Surabaya. Pt. X Is A Company Engaged In The Procurement Of Conveyors Both Belt Pvc, Pu, Fan Belt, Belt, Round Belt, Chain, Modular And System Automation Required Today That Are Required To Save Costs & Energy.

The Tight Competition In The Manufacture And Transfer Of Parts Of The Conveyor Makes Pt. X Should Be Able To Compete In Terms Of Price, Quality Of Service And After Sales. In Case The Price Is Willing To Provide A Competitive Price With Competitors In The Environment And Can Provide Discounts To Customers. Giving Discounts And Bonuses Can Be Given As Special Events Organized By Pt. X Example, Do Long Cooperation (Blanked Po), Look For Big Projects And Buy Goods In Large Quantities. Of These Things Will Greatly Affect The Customer In Buying The Product, Because Customers Will Feel Disappointed And Not Infrequently From Them Will Find Other Suppliers Who Are Able To Provide Discounts For The Company.

Based On The Above, Greatly Affect Customer Loyalty To A Supplier Where Able To Provide Comfort And Provide The Best Price For The Consumer Company. Usually The Price Will Be Considered The Second Number When Consumers Have Felt The Comfort And Reliability Of The Service And Product. If The Price Is Cheap But To Get The Product Is Difficult And No Stock, Consumers Will Feel Anxious And Will Look For Stocks Of Other Similar Products. Examples Of Other Problems Are Expensive Price And Ready

Stock Goods But Service Is Not Maximal Or It Can Be Said Sales Less Approach With Consumers, Then Consumers Will Feel As If Buying Their Own Goods Without Any Direction And Solution From People Who Are Considered More Understand The Characteristics Of A Product. During The Year 2017, A Lot Of Complaints That Entered By Phone To Admin Pt. X Concerning Customer Complaints Ranging From An Inhospitable Manner Of Stewardship Or Lack Of Flexibility To Customers When Answering Questions About Products And Administrative Processes. Even The Frequent Occurrence Of Customers Who Do Not Make A Purchase Transaction Due To The Attitude Of The Waiter. Duration Of Service Time Is Too Long On The Delivery Of Goods Causing The Customer Stop Production Due To Delays Of Incoming Goods. Technicians Are Less Able To Adapt To The Factory Environment So That The Workmanship Is More Than The Standard Time Given. Each With A Frequency Of Complaints 16 Times, 6 Times And 4 Times. This Is Proportional To The Turnover Data In The Last 3 Years Sequentially In 2015 Got A Turnover Of 15.21 Billion, The Year 2016 Gets A Turnover Of 14.3 Billion And In 2017 Got A Turnover Of 10 Billion.

With The Many Complaints Received By The Management Of Pt. X, Then Affects The Amount Of Customer Loyalty In Continuing The Transaction Or Decide To Move The Supplier. This Causes A Decrease In Sales Turnover Of Pt. X Every Year. To Increase The Return Of Pt. X, Then Management Demands To Take Another Market Share And Be Able To Ensure Old And New Customers Can Be Loyal To Pt. X Both In Providing Products And Services Provided. Minimum Existing Customers No Longer Run From Pt. X To Other Pt.

Researchers Are Interested To Conduct Research In Place Of Work Today That Is Pt. X To Know The Quality Of Service Pt. X So Far In The Eyes Of Customers And How The Level Of Satisfaction And Loyalty Of Customers Over The Years Against Pt. X So That This Can Impact On The Company's Performance In The Long Run. Based On The Description Of The Background Then The Authors Will Conduct Research With The Title "Understanding The Effect Of Quality Of Service To Customer Satisfaction And Customer Loyalty In Pt.X In The Field Of Conveyor Procurement".

II. Literature Review

2.1 Quality Of Service

According To (Kotler, 2002) Service Quality Is The Customer's Assessment Of The Superiority Or Privilege Of A Product Or Service As A Whole. Quality Is All Of The Characteristics And Characteristics Of A Product Or Service That Affect The Ability To Satisfy The Stated Or Implied Needs. According To (Parasuraman, 2001) Service Quality Is Defined As How Far The Difference Between Customer's Reality And Expectations Of The Services They Receive Or Earn. From The Above Explanation Can Be Concluded That The Quality Of Service Is All Forms Of Activities Undertaken By The Company To Meet Customer Expectations. According To (Kotler, 2002) Mentions Five Dimensions Of Service Quality That Must Be Met Are As Follows:

1. *Tangibles* (Physical Evidence)

That Is The Physical Appearance Of The Company Services, Such As The Appearance Of Physical Facilities, Equipment, Personnel, Cleanliness, Neatness, And Communication Media.

2. *Empathy* (Empathy)

Namely The Willingness Of Employees And Employers To Care More About Giving Personal Attention To The Customer.

3. *Reliability* (Reliability)

That Is The Ability Of The Company To Carry Out The Promised Services Properly And Trusted.

4. *Responsiveness* (Responsiveness)

That Is The Company's Responsiveness In Providing Services To Customers And Provide Services Quickly And Swiftly In Serving Handle Transaction And Handling Customer Complaints.

5. *Assurance* (Assurance)

That The Company's Ability To Give A Service Guarantee Knowledge And Courtesy Of Employees And Their Ability To Generate Trust And Confidence.

2.2 Customer Satisfaction

Satisfaction Or *Satisfaction* Comes From The Latin "*Satis*" (Meaning Good Enough, Adequate) And "*Facio*" (Do Or Make). Simply Satisfaction Can Be Interpreted As Efforts To Fulfill Something Or Make Something To Be Adequate. However, If Viewed From The Perspective Of Customer Behavior Customer Satisfaction Term Into Something Complex (Tjiptono, 2008). According To (Kotler, 2002) Customer

Satisfaction Is The Level At Which A Performance Achievement Of A Product Received By A Customer Equals The Customer's Expectations.

2.3 Customer Loyalty

According To (Griffin, 2005) Customer Loyalty Is A Customer Making Repeated Purchases On The Same Business Entity On A Regular Basis, Purchasing Product Lines And Services Offered By The Same Business Entity, Informing Others Of The Satisfaction Gained Of The Business Entity, And Shows Immunity To The Offers Of The Competitor's Business Entities. According To (Kotler And Keller, 2009) Provide A Similar Definition Of Customer Loyalty, Which Is A Repurchase Made By A Customer Because Of A Commitment To A Brand Or Company. According To Him There Are Two Factors That Can Influence Customers To Loyal, Namely The Price Factor That Makes Customers Choose A Cheap Product Among The Options Available, And The Habit Factor Where Someone Who Has Been Accustomed To Using A Brand Will Be Difficult To Move To Another Brand.

III. Methodology

Methods Of Data Collection Through Questionnaires, Questionnaires Is A Method Of Collecting Data Obtained By Filing A List Of Statements That Have Been Prepared In The Form Of A Questionnaire To All Companies That Become Customers Of Pt X Implemented From April 2018 To June 2018. Use Of This Method Is Based On Consideration That This Method Is Quite Economical, Fast, Ensuring The Freedom Of Respondents To Answer And Collect The Necessary Facts And Ensure The Confidentiality Of The Identity Of Respondents Making It Easier To Provide Information Or Answers. The Step Is To Spread The List Of Statements To The Selected Respondents And Then They Are Asked To Provide An Assessment Of The Proposed Statement, With A Choice Of Answers Provided, I.E. Strongly Disagree, Disagree, Neutral, Agree, And Strongly Agree. If The Data Has Been Collected In The Form Of Interval Data, Then Done Data Grouping Into Various Sections Of New Observations Made Data Analysis.

This Research Uses Method *Structural Equation Modeling* (Sem) And Analysis Tool Used In This Method Is *Software Smartpls 2.0* (Pls). Pls Is An Analysis Tool That Allows Researchers To Get The Value Of Latent Variables For Prediction Purposes. The Orientation Of Pls Analysis Shifts From Testing The Causality / Theory Model To The *Component Based Predictive Model*. The Latent Variable Is Defined As The Sum Of The Indicators. The Pls Algorithm Wants To Get *The Best Weight Estimate* For Each Indicator Block Of Each Latent Variable. The Result Of The Score Component For Each Latent Variable Is Based On The *Estimated Indicator Weight* That Maximizes The *Variance Explained* For The Dependent Variable (Latent, Observe, Or Both). *Partial Least Square* (Pls) Is A Powerful Method Of Analysis Because It Is Not Based On Many Assumptions. Although Pls Can Also Be Used To Confirm The Theory, It Can Also Be Used To Explain The Presence Or Absence Of Relationships Among Latent Variables. Because Of More Emphasis On Data And With Limited Estimation Procedures, The Model Misrepresentation Does Not Significantly Affect Parameter Estimation.

IV. Analysis Result

This Discussion Is Based On The Description Of Research Subjects Where The Subject Is The Company So That Data Can Be Obtained Only Long Into The Customer, The Frequency Of Purchase Last 3 Months, And The Nominal Purchase Transaction. For Other Data About Corporate Customers Not Published In This Study Is Due To Maintain The Confidentiality Of Customer Data. Subjects In This Study Are All Customers Of Pt X Which Until Now Is Still Active Record To Make Purchases To Pt X That Is As Many As 63 Companies. Of The 63 Questionnaires Distributed By Mail And Delivered Directly To The User, It Was Recovered As Many As 63 Questionnaires Have Been Responded By The Customer. Questionnaires That Have Been Collected Are Then Analyzed And Obtained Information About The General Description Of Research Subjects.

V. Descriptive Analysis

Analysis Is Done To Get A Picture Of The Overall Answer Of The Respondents. The Analysis Was Conducted On Three Constructs Used In This Study: Service Quality (Sq), Customer Satisfaction (Kp), And Customer Loyalty (Lp). In This Study, The Scale Of Measurement Of Variables Used Is Scale *Likert* With A Scale Of 1 To 5.

Quality Of Service (Sq)

The Quality Of Service In This Study Is A Combination Of Five Latent Variables That Reflect The Quality Of Service Constructs Are *Tangible, Reliability, Responsiveness, Assurance, And Empathy*. Researchers Directly Merge It Into One With The Assumption That The Service Is A Unity That Cannot Be Separated From One Aspect To Another. The Merits Of One Aspect May Be A Cover For Deficiencies In Other Aspects, And

When Viewed From The Customer Side, The Evaluation Of Service Satisfaction Covers The Whole Of The Five Combined Aspects. Table 5.1 Shows The Responses Of Pt X Customers To Each Of The Service Quality Construct Indicators.

Table 5.1 Descriptive Answers Construction Service Quality

Indicators	Sts	Ts	N	S	Ss	Rata2
T1	27	24	4	6	2	1.92
T2	25	23	8	3	4	2.02
T3	22	21	14	4	2	2.10
T4	32	16	7	4	4	1.92
Rel1	25	25	5	7	1	1.95
Rel2	27	20	9	3	4	2.00
Rel3	23	21	12	5	2	2.08
Rel4	31	16	7	5	4	1.97
Res1	26	24	5	6	2	1.95
Res2	27	22	8	2	4	1.95
Res3	20	23	14	4	2	2.13
Res4	33	17	5	4	4	1.87
A1	26	23	5	7	2	1.98
A2	24	24	8	3	4	2.03
A3	22	20	14	5	2	2.13
A4	32	16	6	5	4	1.94
E1	27	23	4	7	2	1.95
E2	26	24	7	2	4	1.95
E3	22	23	11	5	2	2.08
E4	33	14	7	5	4	1.94
Total	530	419	160	92	59	1.99

From Table 5.1 Can Be Seen The Average Answers Given Respondents On The Indicator Of Quality Of Service Constructs Is Equal To 1.99. This Shows That The Service Provided By Pt X So Far To Customers Is Still Very Less. In The Intense Business Competition, Excellent Service Can Be A Powerful Weapon To Win The Competition. This Unsatisfactory Result Is In Accordance With The Condition Of The Field During Which Pt X Often Get Complaints From Customers Related To Service Problems, Less Quickly, Service Employees Less Satisfactory, To The Precision In The Promise Given To The Customer. As A Result, Pt X Lost A Lot Of Potential Customers Who Have Turned To Competitors Who Are Able To Provide Better Service.

Customer Satisfaction (Kp)

Customer Satisfaction Is A Feeling Of Pleasure Or Disappointment That Results From Comparing The Product Or Perceived Performance With Expectations. Table 5.2 Shows The Responses From Pt X Customers To Each Customer Satisfaction Construct Indicator.

Table 5.2 Descriptive Answer Construct Customer Satisfaction

Indicator	Sts	Ts	N	S	Ss	Rata2
Kp1	27	24	4	6	2	1.92
Kp2	25	23	8	3	4	2.02
Kp3	22	21	14	4	2	2.10
Kp4	32	16	7	4	4	1.92
Total	106	84	33	17	12	1.99

From Table 5.2 Can Be Seen The Average Answers Given Respondents On The Indicator Of Customer Satisfaction Constructs Amounted To 1.99. This Shows That The Majority Of Customers From Pt X Has Been Less Satisfied With The Products And Services Provided. This Problem Of Customer Dissatisfaction Arises Because Previously Influenced By The Many Services That Are Problematic. Expectations From Customers Cannot Be Met Well Which Consequently Many Customers Feel Dissatisfied. If There Are Customers Who Are Currently Still Purchasing Products From Pt X It Is Because The Old Product That Has Been Installed In The Factory Is Made From Pt X So It Must Return To Pt X If There Is A Problem. Some New Customers From Pt X Also Have Started Complaining About The Service Of Pt X And Decided The Future Will Not Use Products From Pt X Again Because If There Is A Problem Then The Service Cannot Be Fast, Financially If The Service Cannot Be As Soon As Possible Then It Will Cause A Lot Of Harm To Customers Of Pt X Itself.

Customer Loyalty (Lp)

Customer Loyalty Is A Customer Who Makes Repeated Purchases And Provide A Positive Response To The Company. Table 5.3 Shows The Responses From Pt X Customers To Each Customer Loyalty Construct Indicator.

Table 5.3 Descriptive Answer Constructions Customer Loyalty

Indicators	Sts	Ts	N	S	Ss	Rata2
Lp1	26	26	4	5	2	1.90
Lp2	27	21	9	4	2	1.94
Lp3	22	19	16	3	3	2.14
Lp4	30	19	8	2	4	1.90
Total	105	85	37	14	11	1.97

From Table 5.3 Can Be Seen On Average Answer Given By Respondents On Constructor Indicator Of Customer Loyalty Is Equal To 1,97. This Shows That The Majority Of Customers From Pt X Has Been Less Loyal To Pt X. This Is Due To Poor Service And Customers Who Are Not Satisfied With Pt X. As A Result Many Customers Who Do Not Want To Buy Back To Pt X, Even Do Not Dare To Recommend To Fellow Customers Of Other Companies Because Of The Experience So Far That Is Not Good With Pt X. Some Companies Today Have Switched To Other Competitors Although Not Necessarily Other Competitors Can Provide Cheaper Prices Than Pt X, But Due To Consideration Of Service From Competitors Better And Faster Than Customers Are Willing To Move. Some Customers Who Until Now Recorded Are Still Active At The Time Of The Visit To The Business Location Also Found That There Is A Take On The Place Other Competitors Because They Feel Disappointed And Decided Not To Take The Goods Again From Pt X.

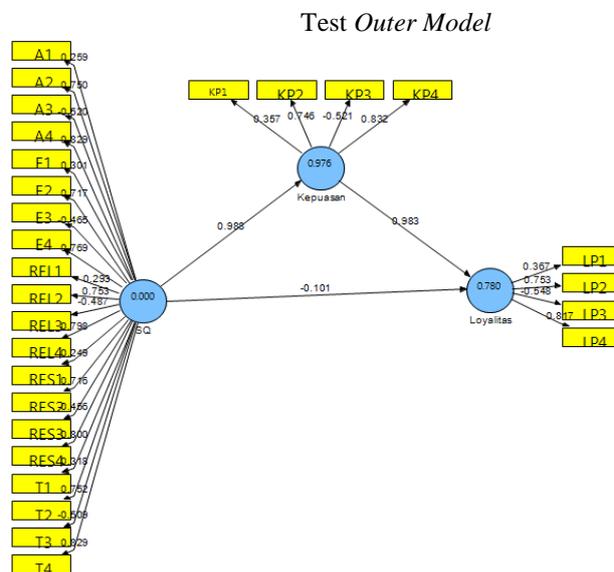


Figure 5.1 Convergent Validity Initial

Table 5.4 Convergent Validity Initial

Relationship	Loading	Relations	Loading	Relationship	Loading
A1→Sq	0.259413	Rel3→Sq	-0.486876	Kp1→Kp	0.357143
A2→Sq	0.749634	Rel4→Sq	0.798134	Kp2→Kp	0.745597
A3→Sq	-0.519828	Res1→Sq	0.248928	Kp3→Kp	-0.521000
A4→Sq	0.828617	Res2→Sq	0.715620	Kp4→Kp	0.832481
E1→Sq	0.301305	Res3→Sq	-0.455741	Lp1→Lp	0.367103
E2→Sq	0.717217	Res4→Sq	0.800205	Lp2→Lp	0.752857
E3→Sq	-0.464600	T1→Sq	0.318160	Lp3→Lp	-0.548466
E4→Sq	0.769038	T2→Sq	0.751527	Lp4→Lp	0.817017
Rel1→Sq	0.292890	T3→Sq	-0.508690		
Rel2→Sq	0.753180	T4→Sq	0.829115		

Based On Table 5.4 It Can Be Seen That There Are 14 Indicators That Do Not Qualify As Reflector Of The Latent Variable Because The Value Of The Loading Indicator Is Below 0.7. The Indicators Are A1, A3, E1, E3, Rel1, Rel3, Res1, Res3, T1, T3, Kp1, Kp3, Lp1, Lp3, So The Indicator Must Be Excluded From The Research Model And Then Re-Estimated. Here Are The Results Of Estimation Such Reproductions:

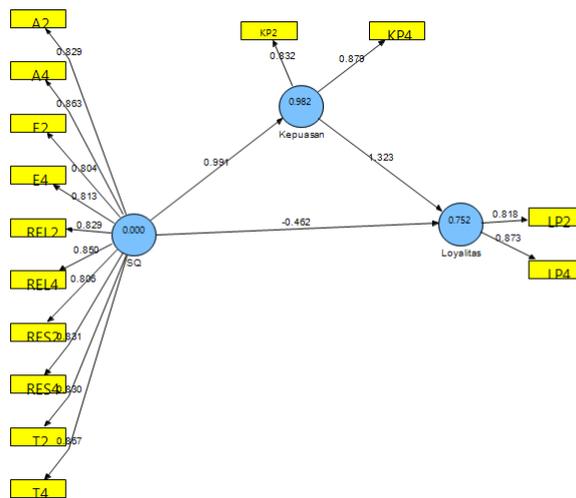


Figure 5.2 Convergent Validity End

Tables 5.5 Convergent Validity End

Relationship	Loading	Relationship	Loading	Relationship	Loading
A2→Sq	0.828799	Rel4→Sq	0.850012	Kp2→Sq	0.832296
A4→Sq	0.862530	Res2→Sq	0.805585	Kp4→Sq	0.879337
E2→Sq	0.803773	Res4→Sq	0.830948	Lp2→Sq	0.817503
E4→Sq	0.812979	T2→Sq	0.829843	Lp4→Sq	0.873025
Rel2→Sq	0.828522	T4→Sq	0.867254		

Based On Table 5.5 After Several Indicators And Unqualified Variables Are Omitted From The Research Model, The Overall Indicator Of The Statement Has Been Valid As It Has A Value Of Loading The Indicator Above 0.7 (Ghozali, 2014). This Explains That The Condition Of Convergent Validity Has Been Fulfilled.

Discriminant Validity

Model Has *Discriminant Validity* Sufficient If The Root Value Of Ave For Each Construct Is Greater Than The Correlation Value Between Constructs. (Ghozali, 2014). Here Are The Results Of The Comparison Between The Values Of The Root Of Ave By The Correlation Between The Latent Variables:

Table 5.6 Discriminant Validity

Indicator	Kp	Lp	Sq
Kp	0.884858		
Lp	0.863274	0.865234	
Sq	0.849350	0.832287	0.791100

Table 5.7 Average Varianced Extracted (Ave)

Indicators	Ave	\sqrt{AVE}
Kp	0.782975	0.884858
Lp	0.863274	0.745242
Sq	0.692703	0.832287

From Table 4.8 Can Be Seen That Latent Variables That Have An Ave Root Value Greater Than The Correlation Value Between Constructs Is The Variable Quality Of Service, Customer Satisfaction, And Customer Loyalty So That Conditions *Discriminant Validity* Have Been Met For All Variables.

Composite Reliability

If The Value Of Output *Composite Reliability* Is Greater Than 0.6 ($A > 0.6$) Then The Construct Is Declared Reliable (Ghozali, 2014). Here Is The Output Of *Composite Reliability*:

Table 5.8 Composite Reliability

Indicator	Composite Reliability
Kp	0.845817
Lp	0.833834
Sq	0.957497

From Table 5.8 Above Can Be Seen That All Latent Variables Have A Value Of *Composite Reliability* Above 0.6 This Indicates That The Requirements *Reliability* Have Been Met.

Test Inner Model

Feasibility Test *Inner Model* Can Be Seen Using *R-Square Adjusted* As In The Following Table:

Table 5.9 R Square Adjusted

Indicator	Rr Square
Kp	0.982279
Lp	0.752409

Table 5.9 Shows That The Kp Variable Can Only Be Explained By 0.982279 Or 98.22% By Sq Variable While The Rest Of 1.78% Is Explained By Other Variables Outside The Structural Model. It Can Be Concluded That Customer Dissatisfaction Is Dominantly Determined By Service From Pt X That Is Not As Expected. From Table 5.9 Also Shows That The Lp Variable Can Only Be Explained By 0.752409 Or 75.24% By The Variable Sq And Kp While The Rest Of 24.76% Is Explained By Other Variables Outside The Structural Model.

Hypothesis Testing Hypothesis

Testing Research Done By Looking At The Value Of T Statistics Of The *Inner Model* That Has Been Formed. If The Value Of T Statistics > 1.96 Then The Relationship Between Latent Variables Can Be Said Significant At A = 5%. There Are Three Hypotheses That Will Try To Be Answered In This Study, And The Results Of Hypothesis Testing Are As Follows:

Table 5.10 Hypothesis Testing

Hub	T-Statistic	Results
H1. Sq→Kp	355.486729	Accepted
H2. Sq→Lp	1.718296	Rejected
H3. Kp→Lp	5.966636	Accepted

VI. Discussion

a. Hypothesis 1 Influence Of Service Quality To Customer Satisfaction

Based On Table 4:11 The Results Of Hypothesis Testing Showed That The Relationship Between Latent Variable Quality Of Service (Sq) To Customer Loyalty (Lp) Has A Statistically Significant T Value T Value Of 355, 4867 (T> 1.96) With The Direction Of A Positive Relationship. This Means That Service Quality Variables Have A Significant Positive Effect On Customer Satisfaction, The Lower The Number Of Service Quality Will Be The Lower The Number Of Customer Satisfaction. From The Results Of Assessment *R Square* Of 98.22% Can Be Concluded That Customer Dissatisfaction Is Dominant Determined By The Service Of Pt X Is Not As Expected. Can Be Said That Almost No Other Factors That Can Affect Customer Satisfaction From Pt X In Addition To Aspects Of The Quality Of The Service. Customer's Unfailing Quality Of Service Rating From Pt X Is Very Reasonable If It Makes The Customer Dissatisfied. This Phenomenon Has Occurred In Recent Years But Not Immediately Realized By Pt X To Make Improvements. Complaints That Often Occur So Far Are Employees Are Less Quickly In Responding To Customers, Office Conditions Are Inadequate, Goods Are Often Sent Late, Employees Are Less Friendly In Serving Customers, Many Employees Are Not Able To Master The Details Of Products Sold, As Well As Some Other Complaints.

b. Hypothesis 2 Service Quality Influence On Customer Loyalty

Based On Table 4:14 The Results Of Hypothesis Testing Showed That The Relationship Between Latent Variable Quality Of Service (Sq) To Customer Satisfaction (Kp) Has A Statistical T Value Not Significant With T Value Of 1.7182 (T < 1.96) With The Direction Of A Positive Relationship. This Means That Service Quality Variables Have No Significant Effect On Customer Loyalty. From The Results Of The Assessment T Statistics And Other Hypothesis Testing It Can Be Concluded That The Quality Of Service Does Not Directly Affect Customer Loyalty, Service Quality Affects Customer Loyalty Through Customer Satisfaction. This Means To Form A Loyal Customer Then First The Quality Of Service Must Be Improved To Fit The Expectations, Good Service Will Make Customers Feel Satisfied And Then Will Form Loyalty In The

Customer. Stages Of The Process Is Something Natural Where Although The Customer Is A Company But The Decision Makers Remain Individuals Who Have The Same Behavioral Response In Each Person. Well-Served Customers Will Tend To Give A Positive Response To The Company. According To Kandampully, *Et Al* (2015) The Quality Of Service Is Calculated As A Leverage On Indirect Customer Loyalty, As The Quality Of Service Helps Customers To Determine Their Level Of Satisfaction With The Services Provided. The Results Of Statistical Tests Of This Study Reinforce The Above Statement.

c. Hypothesis 3 Influence Of Customer Satisfaction On Customer Loyalty

Based On Table 4:14 The Results Of Hypothesis Testing Showed That The Relationship Between Latent Variable Customer Satisfaction (Kp) To Customer Loyalty (Lp) Has A Statistical T Significant Value With T Value Of 5.9666 ($T > 1.96$) In The Direction Of A Positive Relationship. This Means That Customer Satisfaction Variables Have A Significant Positive Influence On Customer Loyalty, The Higher The Number Of Customer Satisfaction Then The Higher The Rate Of Customer Loyalty.

In The Case Of Pt X Where Many Customers Feel Disappointed With The Services Provided Then Some Customers Have Decided Not To Make Another Purchase With Pt X As Well As Long-Term Relationship Will Be Reviewed. It Is Not Easy To Satisfy The Wishes Of Pt X Customers In The Form Of A Company Because The Company's Decision-Makers Are Not Just One Person, The Expenditure Should Be Carefully Calculated, And The Evaluation Is Not Only Done By One Person. If Once A Bad Service Occurs Then Many Parties From Customers Who Can Directly Provide A Negative Response. Currently, Many Unsatisfied And Troubled Customers With Pt X Services So That No Customers Are Willing To Commit To Remain Faithful To Using Products From Pt X In The Future, Some Even Have Left Pt X To Switch To Other Competitors.

Managerial Implications

Service Standards Are Easy To Imitate But Not Easy To Implement. Implementation Of The Field All Depends On The Aspect Of The Employee Itself. The Number Of Complaints From Customers Over The Service Of Pt X Is Still Less Should Be Responded Quickly By The Leadership Of Pt X To Take Corrective Action. Good Service Quality Holds An Important Key Because It Will Impact On Customer Satisfaction And Loyalty As Has Been Proven Through The Results Of Statistical Testing Of This Study. Leaders Of Pt X Must Go Directly Check One By One The Implementation Of The Service In Every Office To Find Out What Each Aspect Of What Is Lacking. In Fact, Pt X Has Formulated In Detail The Rules Related To The Company's Service Standards In The Hope That Its Implementation In The Field Is All In Accordance With The Regulation. But The Lack Of Supervision From The Leadership To Employees Make The Implementation Of Service To Customers So Many Are Not In Accordance With The Provisions.

Quality Of Service Is Not A Stagnant Thing Because It Is Continuously Implemented Every Day As A Passion To Provide The Best To Customers. In Order For The Implementation Of Daily Services Can Always Be Stable And Not Many More Violations It Is Necessary To Be Assigned An Ambassador Of Service (*Service Champion*) Who Are Specifically Responsible For The Smoothness Of The Service Process, Compliance With The Rules, And Making Daily Written Reports Of Daily Service Evaluations. The Employee Is Directly Responsible To The Chief Of The Company.

VII. Conclusion

From The Results Of Statistical Tests That Have Been Done In The Previous Chapter It Can Be Concluded Research As Follows:

1. Service Quality Significantly Influence Customer Satisfaction, So H1 In This Study Is Acceptable.
2. Service Quality Has No Significant Effect On Customer Loyalty, So H2 In This Research Is Rejected.
3. Customer Satisfaction Has A Significant Effect On Customer Loyalty, So H3 In This Research Can Be Accepted.

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