

Analysis on the Influence of Service Quality on Customer Loyalty with Customer Satisfaction as Intervening Variable (Case Study: PT. Xtend Integrasi Indonesia)

Ayunda Pratiwi¹, Amrin Fauzi², Beby Karina Fawzee Sembiring³

^{1,2,3}Master of Management, Universitas Sumatera Utara, Indonesia

Corresponding Author: Ayunda Pratiwi

ABSTRACT

In today's digital era, the need for IT (information technology) is increasing which exists in various aspects of life. A company often needs IT consultant in the process of IT design and application. Customer satisfaction becomes the key component in maintaining its survival. Good service quality will bring about customer satisfaction which will eventually cause customer loyalty. The objective of the research was to find out and to analyze the influence of service quality (tangible, reliability, responsiveness, assurance, and empathy) on customer loyalty with customer satisfaction as intervening variable at PT Xtend Integrasi Indonesia. The research used explanatory research method which was aimed to analyze the correlation between one variable and other variables. The population was the internet users at PT Xtend Integrasi Indonesia, and the samples were taken by using simple random sampling technique. The data were gathered by using questionnaires and analyzed by using path analysis. The result of the research showed that 1) tangible and reliability partially had positive and significant influence on customer satisfaction while responsiveness, assurance, and empathy had positive but insignificant influence, 2) service quality (tangible, reliability, responsiveness, assurance, and empathy) simultaneously had significant influence on customer satisfaction, 3) tangible and reliability partially had negative and insignificant influence on customer loyalty, responsiveness and empathy had positive and insignificant influence on customer loyalty, and assurance and customer satisfaction had positive and significant influence on customer loyalty, 4) service quality (tangible, reliability, responsiveness, assurance, and empathy) simultaneously had significant influence on customer loyalty, 5) tangible, reliability, and empathy partially had indirect and insignificant influence on customer loyalty, responsiveness had direct and insignificant influence on customer loyalty through customer satisfaction while assurance partially had had direct and significant influence on customer satisfaction.

Keywords: *Service Quality, Tangible, Reliability, Responsiveness, Assurance, Empathy, Customer Satisfaction, Customer Loyalty*

INTRODUCTION

In the current digital era, the need for information technology is also increasing. Various aspects of life can not be separated from information technology. In the process of designing and applying information technology, companies often

need the services of an information technology consultant / IT consultant.

Information Technology Consultants are personnel who provide consulting services in the field of information technology. The tasks of IT consultants include handling business issues related to

technical issues of the system and being responsible for the process of analysis, design, and implementation. Therefore, IT consultants have a significant role in the smooth running of business processes. However, companies often have difficulty in choosing IT consultants as prospective partners.

PT. Xtend Integrasi Indonesia is one of the Information Technology consultants in Indonesia, especially in the Medan area. The Core Business of PT. Xtend Integrasi Indonesia, namely IT Products, Software and Applications, Customized Monitoring Solutions, Integrated Solutions, Information and Communication Technology Infrastructure, Web and Software Development and IT Consultants.

Although PT. Xtend Integrasi Indonesia is a consulting service, this company also produces IT products in the form of CCTV. Seeing the CCTV market share in Indonesia is quite promising, they dare to compete among other CCTV procurement companies.

CCTV is a security system that uses a camera as a monitoring device, where lately increasingly widespread use of buildings or the streets of the protocol protocol. The aim is to monitor the circumstances surrounding all criminal acts and road congestion so as to facilitate direct monitoring. CCTV (Closed Circuit Television) is a system of surveillance or monitoring of an area using a video camera that is installed in certain places, arranged into a closed network and can be monitored from a control room (Hamidah and Rizan, 2016).

According to the Indonesian Security Industry and Technology Association the CCTV business in Indonesia is still prospective going forward. Development that continues to increase in Indonesia can be a driving factor. Data from the Indonesian Security Industry and Technology Association noted that the import value of CCTV products was Rp 1.6 trillion in 2017. This year the Indonesian Security Industry and Technology

Association projects that the import value of CCTV products will increase by 12.5% to Rp 1.8 trillion.

Competition which sharply increases forces organizations or companies to focus more on competencies that can be relied upon to meet the needs and desires of customers. Indonesia, especially Medan, as part of the world community inevitably has to face the impact of competition through the preparation of strategies to defend themselves in competitive competition (Fawzee, 2009).

Number of CCTV Customers PT. Xtend Integrasi Indonesia has increased every year, seen in 2017 there were 162 internet service users and in 2018 an increase of 226 users. In total, PT. Xtend Integrasi Indonesia Medan reached 525 customers. Out of 525 customers, only 197 customers are using Customized Monitoring Solutions. This is due to the lack of a marketing strategy for this service. If this is left unchecked without the improvement of the services offered, then the company cannot add value.

LITERATURE REVIEW

Marketing Services

According to Yazid (2005) Marketing is a link between companies and consumers. Payne (2001) states that marketing is a process of perceiving, understanding and meeting the needs of a particular chosen market or target by channeling the sources of a company to meet the needs of consumers. There are three key components of service marketing namely:

1. Marketing mix, important elements or internal elements that make up a company's marketing program
2. Market forces, opportunities and external threats through which a company's marketing operations interact
3. Alignment processes, strategic and managerial processes to ensure that the marketing mix and internal policies are appropriate for market forces.

Service Quality

Service quality is a measure of the extent to which a given service can meet customer expectations (Arief, 2007). According to Tjiptono (2012), service is an activity of doing something for others, as services generally reflect intangible physical products or specific sectors such as education, health, telecommunications, transportation, insurance and so forth. The term service implies everything that certain parties (individuals or groups) do to other parties (individuals or groups).

According to Kotler (2002) quality is the overall characteristics and nature of a product or service that influences its ability to satisfy implied needs.

Relationship of Service Quality to Customer Satisfaction and Customer Loyalty

According to Parasuraman, Zeithaml, and Berry, 1988 in Wijaya, E.M. (2011) that increasing service quality is used as a reflection of increased customer satisfaction. According to Lewis and Booms (in Tjiptono, 2012), service quality is used as a measure of how well the level of service provided, is it capable and in accordance with consumer expectations. The poor quality of services provided to customers has resulted in many losses experienced by the company.

Consumer satisfaction includes the difference between expectations and perceived performance or results. This will determine how much the level of customer satisfaction with a product. Consumer trust is what the company wants to get from its consumers. Trust in attitudes towards brands, service quality is the motivation of companies to develop products. However, consumer trust and instill positive thinking in consumers is not an easy thing to get.

Customer Satisfaction

According to Kotler (2002), satisfaction is a feeling of pleasure or disappointment for someone who appears after comparing the product's performance

thought to the expected performance. If consumers show feelings of pleasure, this can indicate that they are satisfied with the products they consume and vice versa.

Aryotedjo (2005) states, there are four methods to measure customer satisfaction, namely

1. Complaints and Suggestions System

This method provides information that can provide new ideas and valuable input for the company so as to provide an opportunity for the company to provide a quick and responsive response to any problems that arise

2. Customer Satisfaction Survey

This method will get responses and feedback directly from customers and at the same time also give a positive sign that the company is paying attention to its customers.

Customer Loyalty

Loyalty is a commitment of customers who persevere deeply to re-subscribe or re-buy products or services that are consistently chosen in the future, even though the influence of the situation and marketing efforts has the potential to cause behavior change (Sangadji and Sopiah, 2013).

According to Griffin (2005) also states the benefits to be gained by the company if it has loyal customers, including:

- a. Can reduce marketing costs, because the cost of attracting new customers is more expensive.
- b. Can reduce transaction costs.
- c. Can reduce consumer turnover costs, due to fewer consumer turnover.
- d. Can increase cross sales which will increase market share.
- e. Encourage positive word of mouth with the assumption that loyal customers are satisfied customers.
- f. Can reduce the cost of failure such as the cost of replacement and others.

RESEARCH METHODS

Types of Research

This type of research is explanatory research which aims to analyze the relationship between one variable with another variable or how a variable affects other variables. This study aims to examine the effect of satisfaction and service quality on customer loyalty and intends to explain the relationship between variables through hypothesis testing.

Research Location and Time

This research was conducted at PT. Xtend Integrasi Indonesia which is located at Jl. Casia Raya Komp. Tasbih 1 Block OO. No. 2 A Tj. Rejo Medan Sunggal Medan City North Sumatra 20154 Indonesia North Sumatra and the study was conducted in July - August 2019.

Population and Sample

The population in this study is all customers of PT. Xtend Integrasi Indonesia, which is 197 customers who are still active today. The method used in sampling in this study is Simple Random Sampling. Taking samples randomly or randomly by providing equal opportunities for each element or member of

the population to be selected as sample members. By using a leeway of 5% and the number of customers of PT Xtend Integrasi Indonesia as many as 197 customers, based on the Slovin formula, the customer sample size was 132 customers.

Data Analysis Method

The data analysis method uses path analysis.

RESULT AND DISCUSSION

RESULT

Partial Test (t Test)

T test is used to determine and look for the influence of independent variables (tangible, reliability, responsiveness, assurance, and empathy) individually influencing the dependent variable in substructure 1 (customer satisfaction) and on substructure 2 (customer loyalty). The t-table value in this study is 1.66 (by looking at the t-table at the 0.05 significance level). Hypothesis testing is done by comparing the counts with t-table values with the decision criteria is if t-counts < t-table H_0 is accepted or H_1 is rejected, and if t-counts > t-table H_0 is rejected or H_1 is accepted.

Table 1 Result Partial Test (t Test)

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig	Collinearity Statistic	
	B	Std Error	Beta			Tolerance	VIF
1 Constant	5.742	1.551		3.701	.000		
Tangible	.198	.093	.223	2.115	.036	.521	1.918
Responsiveness	.017	.110	.014	.158	.0875	.748	1.337
Reliability	.237	.078	.321	3.059	.003	.524	1.908
Assurance	.014	.126	.010	.114	.909	.695	1.439
Empathy	.080	.108	.070	.737	.463	.642	1.557
2 Constant	4.176	1.361		3.069	.003		
Tangible	-.125	.079	-.173	-1.577	.117	.503	1.986
Responsiveness	.084	.092	.082	.917	.361	.748	1.337
Reliability	-.018	0.67	-.029	-.264	.792	.488	2.050
Assurance	.276	.105	.246	2.636	.009	.695	1.439
Empathy	.154	.090	.167	.1713	.089	.639	1.564
Customer Satisfaction	.231	.074	.284	3.112	.002	.728	1.374

Source: Primary Data (Processed)

Substructure 1:

1.The value of t-count > t-table from Tangible is 2.115 > 1.66 and the significant value for Tangible is 0.036 < alpha 0.05, so that Tangible variable has a positive and significant effect on customer satisfaction, thus the hypothesis is accepted

2.The value of t-count > t-table of the Reliability variable is 3.059 > 1.66 and the

significant value for Reliability is 0.003 < alpha 0.05, so that the Reliability variable has a positive and significant effect on customer satisfaction, thus the hypothesis is accepted.

3.The t-count value < t-table of the variable Responsiveness is 0.158 < 1.66 and the significant value for the Responsiveness variable is 0.875 > alpha 0.05, so the

Responsiveness variable has a positive and not significant effect on customer satisfaction, thus the hypothesis is rejected .

4.The value of t-count < t-table of the Assurance variable is $0.114 < 1.66$ and the significant value for Assurance is $0.909 > \alpha 0.05$, so that the Assurance variable has a positive and not significant effect on customer satisfaction, thus the hypothesis is rejected.

5.The value of t-count < t-table of the Empathy variable is $0.737 < 1.66$ and the significant value for Empathy is $0.463 > \alpha 0.05$, so that the Empathy variable has a positive and not significant effect on customer satisfaction, thus the hypothesis is rejected.

Substructure 2:

1.The value of t-count < t-table from Tangible is $-1.577 < 1.66$ and the significant value for Tangible is $0.117 > \alpha 0.05$, so that Tangible variable has a negative and not significant effect on customer loyalty, thus the hypothesis is rejected.

2.The t-count value < t-table of the Reliability variable is $-0.264 < 1.66$ and the significant value for the Reliability variable is $0.792 > \alpha 0.05$, so the Reliability variable has a negative and not significant effect on customer loyalty, thus the hypothesis rejected.

3.The t-count value < t-table of the responsiveness variable is $0.917 < 1.66$ and the significant value for responsiveness is $0.361 > \alpha 0.05$, so the responsiveness variable has a positive and not significant effect on customer loyalty, thus the hypothesis is rejected

4.The value of t-count > t-table of the Assurance variable is $2.636 > 1.66$ and the significant value for Assurance is $0.009 < \alpha 0.05$, so that the Assurance variable has a positive and significant effect on customer loyalty, thus the hypothesis is accepted.

5.The value of t-count > t-table of the Empathy variable is $1.713 > 1.66$ and the significant value for Empathy is $0.089 > \alpha 0.05$, so that the Empathy variable has

a positive and not significant effect on customer loyalty, thus the hypothesis is accepted.

6.The value of t-count > t-table of customer satisfaction is $3.112 > 1.66$ and the significant value for customer satisfaction is $0.002 < \alpha 0.05$, so the customer satisfaction variable has a positive and significant effect on customer loyalty, thus the hypothesis is accepted .

DISCUSSION

Tangible has a Positive and Significant Effect on Customer Satisfaction at PT Xtend Integrasi Indonesia

Tangible, namely the ability of a company to show its existence to external parties. Appearance and capability of company physical facilities and infrastructure that can be relied upon by the condition of the surrounding environment is clear evidence of the services provided by service providers. This includes physical facilities (buildings, warehouses, physical facilities, etc.), technology (equipment and equipment used), and the appearance of employees. The results of the t test show that the t-count value for tangible variable t-count value > t-table is $2.115 > 1.66$ and the significant value for tangible is $0.036 < \alpha 0.05$, so that tangible variables have a positive and significant effect on customer satisfaction.

By looking at the resulting beta value, which is equal to 0.198, it can be seen that the relationship between tangible to customer satisfaction is positive and unidirectional. This means that the higher the quality of a service in tangible will increase customer satisfaction. To retain customers, PT Xtend Integrasi Indonesia must maintain service quality in tangible variables by improving the latest equipment and technology, improving physical facilities and improving employee performance. If the quality of services provided can provide a feeling of satisfaction in the hearts of customers, it will have a positive impact on increasing customer satisfaction.

Reliability has a Positive and Significant Effect on Customer Satisfaction at PT Xtend Integrasi Indonesia

Reliability, namely the company's ability to take responsibility if a problem occurs, provide accurate and satisfying service and be able to provide information when requested. Performance must be in accordance with customer expectations which means timeliness, the same service for all customers without mistakes, sympathetic attitude, and with high accuracy.

The results of the t test show that the calculated value for the reliability variable $t\text{-value} > t\text{-table}$ is $3.059 > 1.66$ and the significant value for reliability is $0.003 < \alpha 0.05$, so the reliability variable has a positive and significant effect on customer satisfaction. By looking at the resulting beta value, which is equal to 0.237, it can be seen that the relationship between reliability and customer satisfaction is positive / unidirectional / comparable. When reliability increases, it will be followed by a positive response that causes satisfaction to increase. This means that reliability significantly affects customer satisfaction.

Responsiveness has a Positive and Not Significant Effect on Customer Satisfaction at PT Xtend Integrasi Indonesia

Responsiveness, which is a willingness to help and provide fast and responsive service to customers, by keeping promises, being enthusiastic in helping customers and not letting customers wait and not creating negative perceptions in service quality.

The results of the t test showed that the tcount for the responsiveness variable $t\text{-count value} < t\text{-table}$ is $0.158 < 1.66$ and the significant value for responsiveness was $0.875 > \alpha 0.05$, so the responsiveness variable had a positive and not significant effect on customer satisfaction. By seeing the resulting beta value, which is equal to 0.017, it can be seen that the relationship between responsiveness to

customer satisfaction is positive / unidirectional / comparable. When responsiveness increases, it will be followed by a positive response which causes satisfaction to increase. This means that responsiveness significantly affects customer satisfaction.

To retain customers, PT Xtend Integrasi Indonesia must continue to improve service quality on responsiveness variables.

Assurance Has a Positive and Not Significant Effect on Customer Satisfaction at PT Xtend Integrasi Indonesia

Guarantee and certainty, namely knowledge, courtesy, and the ability of company employees to grow the trust of customers to the company. This includes several components including: being trustworthy, being polite to customers and providing a guarantee of legality in service.

The results of the t test showed that the t-count for the assurance variable $t\text{-count value} < t\text{-table}$ is $0.114 < 1.66$ and the significant value for assurance was $0.909 > \alpha 0.05$, so the assurance variable had a positive and not significant effect on customer satisfaction .

By looking at the resulting beta value, which is equal to 0.014, it can be seen that the relationship between assurance and customer satisfaction is positive / unidirectional / comparable. When assurance increases, it will be followed by a positive response that causes satisfaction to increase. This means that assurance significantly affects customer satisfaction.

To retain customers, PT Xtend Integrasi Indonesia must continue to improve service quality in the assurance variable.

Empathy has a Positive and Not Significant Effect on Customer Satisfaction at PT Xtend Integrasi Indonesia

Empathy, which gives sincere and individual or personal attention given to customers by trying to understand consumer desires. This expects that a company has

understanding and knowledge about customers, understands customer needs specifically, and has a comfortable operating time for customers.

The results of the t test show that the t-count value for empathy t-count value < t-table is $0.737 < 1.66$ and the significant value for empathy is $0.463 > \alpha 0.05$, so the empathy variable has a positive and not significant effect on customer satisfaction.

By looking at the resulting beta value, which is equal to 0.080 it can be seen that the relationship between empathy to customer satisfaction is positive / unidirectional / comparable. When empathy increases it will be followed by a positive response which causes satisfaction to increase. This means empathy significantly affects customer satisfaction.

To retain customers, PT Xtend Integrasi Indonesia must continue to improve service quality in the empathy variable. The insignificant influence of empathy on customer satisfaction could be due to empathy not being able to provide significant results in increasing customer satisfaction due to the lack of empathy that exists at PT Xtend Integration Indonesia in carrying out services to customers.

Tangible has Negative and Not Significant Effect on Customer Loyalty at PT Xtend Integrasi Indonesia

Based on the results of research with the t test shows that the t-value for the tangible variable t-value < t-table is $-1.577 < 1.66$ and the significant value for tangible is $0.117 > \alpha 0.05$, so that the tangible variable has a negative and not significant effect on customer loyalty. By looking at the resulting beta value, which is equal to -0.125. It can be seen that the relationship between tangible indicators owned by PT. Xtend Indonesia's integration of customer loyalty is negative / not in the same direction. This means that the better the tangible will reduce customer loyalty. Tangible indicator customers (ownership of the latest technology, attractive physical facilities and employee performance) make

customers loyal to PT Xtend Integrasi Indonesia. This means that ownership of the latest technology, attractive physical facilities and the appearance of employees already looks good to customers.

Reliability has Negative and Not Significant Effect on Customer Loyalty at PT Xtend Integrasi Indonesia

Based on the results of research with the t test shows that the value of t for the reliability variable t-value > t-table is $-0.264 < 1.66$ and the significant value for reliability is $0.792 < \alpha 0.05$, so the reliability variable has a negative and not significant effect on customer loyalty.

By looking at the resulting beta value, which is equal to -0.18, it can be seen that the relationship between reliability and customer loyalty is negative / not in the same direction. This means that the better the reliability will reduce customer loyalty. For customers the reliability indicator (responsible if a problem occurs, provides accurate and satisfying service and is able to provide information when requested) makes the customer loyal to PT. Xtend Integrasi Indonesia. This means that indicators such as reliability are responsible if a problem occurs, providing accurate and satisfying service and being able to provide information when requested is seen well by the customers.

Responsiveness has Positive and Not Significant Effect on Customer Loyalty at PT Xtend Integrasi Indonesia

Based on the results of research with the t test shows that the t-count for the responsiveness variable t-value > t-table is $0.917 < 1.66$ and the significant value for responsiveness is $0.361 > \alpha 0.05$, so the responsiveness variable has a positive and not significant effect on loyalty customer.

By looking at the resulting beta value, which is equal to 0.084, it can be seen that the relationship between responsiveness to customer satisfaction is positive / unidirectional/comparable. When responsiveness increases, it will be followed by a

positive response which causes satisfaction to increase. This means that responsiveness significantly affects customer satisfaction. For customers, responsiveness indicators (keeping good, eager to help customers and quickly receiving customer complaints) make customers become loyal to PT Xtend Integrasi Indonesia Medan. This means that responsiveness indicators such as keeping the service, eager to help customers and quickly receive customer complaints already look good by the customers.

Assurance Has a Positive and Significant Effect on Customer Loyalty at PT Xtend Integration Indonesia

Based on the results of research with the t test shows that the t-value for the assurance variable $t\text{-value} > t\text{-table}$ is $2.636 > 1.66$ and the significant value for assurance is $0.009 < \alpha 0.05$, so that the assurance variable has a positive and significant effect on customer loyalty .

The assurance variable is proven to have a dominant influence on the customer loyalty variable. It is shown that the assurance variable has the greatest beta of 0.276, the relationship between assurance and customer satisfaction is positive / unidirectional/comparable. When assurance increases, it will be followed by a positive response that causes satisfaction to increase. This means that assurance significantly affects customer satisfaction, among the five other service quality variables, so assurance gives the biggest contribution compared to the other five independent variables on customer loyalty variables.

It can be stated that the more the employee has a good courtesy to the customer, it will also lead to a sense of customer loyalty. This means that customers are happy because they feel highly valued when they are at PT Xtend Integrasi Indonesia.

According to Tjiptono (2011), assurance that the behavior of employees is able to foster customer confidence in the company to create a sense of security for its customers. This research is in line with

Tambunan's research, Susi Marta (2015) which states that partially has a significant influence on customer loyalty.

Empathy Has a Positive and Not Significant Effect on Customer Loyalty at PT Xtend Integrasi Indonesia

Based on the results of research with the t test shows that the tcount for empathy variables $t\text{-count value} < t\text{-table}$ is $0.1713 < 1.66$ and the significant value for empathy is $0.089 > \alpha 0.05$, so the empathy variable has a positive and not significant effect towards customer loyalty. By looking at the resulting beta value, which is equal to 0.154, it can be seen that the relationship between empathy to customer satisfaction is positive / unidirectional / comparable. When empathy increases it will be followed by a positive response which causes satisfaction to increase. This means empathy significantly affects customer satisfaction

According to Tjiptono (2012) Empathy gives sincere and individual or personal attention to customers by trying to understand their desires. This expects that a company has understanding and knowledge about customers, understands customer needs specifically, and has a comfortable operating time for customers.

Customer Satisfaction has a Positive and Significant Effect on Customer Loyalty

Based on the results of research with the t test shows that the t-value for customer satisfaction variables $t\text{-value} > t\text{-table}$ is $3.112 > 1.66$ and the significant value for customer satisfaction is $0.002 < \alpha 0.05$, so that customer satisfaction variables have a positive and significant effect towards loyalty customer. By looking at the resulting beta value, which is equal to 0.231, it can be seen that the relationship between customer satisfaction and loyalty is positive / unidirectional. When the condition of receiving customer satisfaction increases, it will increase customer loyalty at PT Xtend Integrasi Indonesia.

Satisfaction plays an important role in forming loyalty. The higher the

satisfaction, the more loyalty increases. Good service quality gives an encouragement to customers to establish a good relationship with PT Xtend Integrasi Indonesia.

Customer loyalty and customer satisfaction are interconnected with one another. The relationship between the value of loyalty and satisfaction is influenced by product characteristics and buying patterns. If the customer has a positive attitude towards a brand, the customer will feel satisfied. So the customer is trying to attract and give advice to others to become new customers.

Tangible Has an Indirect Effect on Customer Loyalty Through Customer Satisfaction at PT Xtend Integration Indonesia

The results of testing the coefficient values indicate the indirect effect > direct influence ($P1 \times P11 > P6$) namely $-0.063 > -0.173$, then tangible (X_1) indirect effect on customer loyalty (Y_2), thus tangible (X_1) has positive and not significant to customer loyalty (Y_2) through customer satisfaction (Y_1) or in other words customer satisfaction is an intervening variable, meaning that customer satisfaction is so important its role in this research model of customer satisfaction as an intermediary tangible relationship (X_1) with customer loyalty.

Reliability Indirectly Influential Customer Loyalty Through Customer Satisfaction at PT Xtend Integration Indonesia

The results of testing the coefficient values indicate the indirect effect > direct effect ($P2 \times P11 > P7$) i.e. $0.091 > -0.029$, then reliability (X_2) has an indirect effect on customer loyalty (Y_2), thus reliability (X_2) has a positive and insignificant effect on customer loyalty (Y_2) through customer satisfaction (Y_1) or in other words customer satisfaction is an intervening variable, meaning that customer satisfaction is so important its role in this research model that is customer satisfaction mediates the

relationship of reliability (X_2) with customer loyalty.

Responsiveness has a Direct Effect on Customer Loyalty Through Customer Satisfaction at PT Xtend Integration Indonesia

The coefficient value testing results show the indirect effect < direct influence ($P3 \times P11 < P8$) that is $0.004 < 0.082$, then responsiveness (X_3) has a direct and not significant effect on customer loyalty (Y_2) so that customer satisfaction (Y_1) is not an intervening variable which mediates the relationship of responsiveness (X_3) with customer loyalty (Y_2), meaning that customer satisfaction (Y_1) does not play a role in this research model.

Assurance has a Direct Effect on Customer Loyalty Through Customer Satisfaction at PT Xtend Integration Indonesia

The coefficient value testing results show the indirect effect < direct influence ($P4 \times P11 < P9$) that is $0.003 < 0.246$, then assurance (X_4) has a direct and significant effect on customer loyalty (Y_2) so that customer satisfaction (Y_1) is not an intervening variable mediate the relationship of assurance (X_3) with customer loyalty (Y_2), meaning that customer satisfaction (Y_1) does not play a role in this research model.

Empathy has an Indirect Effect on Customer Loyalty Through Customer Satisfaction at PT Xtend Integration Indonesia

The results of testing the coefficient values indicate the indirect effect > direct effect ($P5 \times P11 > P10$) which is $0.019 > 0.0167$, then empathy (X_5) has an indirect effect on customer loyalty (Y_2), thus empathy (X_5) has positive and indirect effects significant to customer loyalty (Y_2) through customer satisfaction (Y_1) or in other words customer satisfaction is an intervening variable, meaning that customer satisfaction is so important its role in this research model of customer satisfaction as

an intermediary between empathy (X₅) with customer loyalty.

CONCLUSION AND SUGGESTION

Conclusion

Based on the formulation of the problem, the results of data analysis and discussion, the following conclusions can be drawn:

1. Tangible has a positive and significant effect on customer satisfaction customer satisfaction at PT. Xtend Integrasi Indonesia.
2. Reliability has a positive and significant effect on customer satisfaction at PT. Xtend Integrasi Indonesia.
3. Responsiveness has a positive and not significant effect on customer satisfaction at PT. Xtend Integrasi Indonesia.
4. Assurance has a positive and not significant effect on customer satisfaction at PT. Xtend Integrasi Indonesia.
5. Empathy has a positive and not significant effect on customer satisfaction at PT. Xtend Integrasi Indonesia.
7. Tangible has a negative and not significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
8. Reliability has a negative and not significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
9. Responsiveness has a positive and not significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
10. Assurance has a positive and significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
11. Empathy has a positive and not significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
12. Customer satisfaction has a positive and significant effect on customer loyalty at PT. Xtend Integrasi Indonesia.
14. Tangible has an indirect and insignificant effect on customer loyalty through customer satisfaction at PT. Xtend Integrasi Indonesia.
15. Reliability has an indirect and insignificant effect on customer loyalty through customer satisfaction at PT. Xtend Integrasi Indonesia.

16. Responsiveness has a direct and insignificant effect on customer loyalty through customer satisfaction at PT. Xtend Integrasi Indonesia.

17. Assurance has a direct and significant effect on customer loyalty through customer satisfaction at PT. Xtend Integrasi Indonesia.

18. Empathy has an indirect and insignificant effect on customer loyalty through customer satisfaction at PT. Xtend Integrasi Indonesia.

Suggestion

Based on research results obtained from the data in the field, as for the suggestions the authors propose as follows:

1. In order to increase customer satisfaction and customer loyalty PT. Xtend Integrasi Indonesia. Indonesia should improve service quality, especially responsiveness, assurance and empathy for customers by always providing an appropriate and responsive response to customer obstacles to CCTV with a 24-hour Call Center. Then guarantee product repair services both CCTV product insurance and installation and CCTV gadget warranty. Then increase customer satisfaction for the renewal of CCTV products gadgets using the latest and up-to-date technology that will facilitate customers in using CCTV.

2. PT. Xtend Integrasi Indonesia must continue to provide good service in other dimensions. In terms of the physical quality of PT. Xtend Integrasi Indonesia is like giving a real warranty attribute after installing CCTV. In terms of the quality of responsiveness of PT. Xtend Integrasi Indonesia provides clear information to consumers, and responds to orders and complaints made by consumers. In terms of quality assurance, PT. Xtend Integrasi Indonesia still pays attention to the ethics of technicians and customer service when serving consumers such as giving smiles as well as being friendly, and giving a sense of security to consumers. In terms of empathy quality, PT. Xtend Integrasi Indonesia still receives input or complaints from

consumers when experiencing problems ordering and using CCTV

3. For other researchers in the future it is expected to develop hypotheses through other variables that are likely to have an influence on customer satisfaction and customer loyalty such as product quality in order to obtain better thinking.

REFERENCES

- Arief, M. 2007. *Pemasaran Jasa dan Kualitas Pelayanan*. Malang: Bayumedia Publishing.
- Aryotedjo, 2005. *Pengaruh Kualitas Jasa, Kepuasan dan Komitmen Pelanggan terhadap Loyalitas Konsumen Pada Bisnis Retail*. Jurnal Bisnis dan Manajemen, November, Vol. 5, No.2, Hal. 223-232.
- Fawzee, Beby Karina. 2009. *Analisis Bauran Pemasaran terhadap Kualitas Jasa dan Kepuasan Pelanggan Eksternal Perguruan Tinggi Swasta di Kota Medan*. Jurnal Aplikasi Manajemen Volume 7 No 4 Universitas Sumatera Utara.
- Hamidah dan Rizan. 2016. *Rancangan Aplikasi Monitoring Kamera CCTV Untuk Perangkat Mobile Berbasis Android*. Jurnal STMIK Atma Luhur Pangkal Pinang.
- Griffin, J, 2005 *Customer's Loyalty Management*. CV. Mandar Maju, Bandung.
- Kotler, Philip. 2002. *Manajemen Pemasaran*. Prehallindo. Jakarta.
- Payne, Andrian. 2001. *The Essence Of Service Marketing; Pemasaran Jasa*. Jogjakarta: Penerbit Andi.
- Sangadji, E.M. dan Sopiah. 2013. *Perilaku Konsumen: Pendekatan Praktis*. Himpunan Jurnal Penelitian. Yogyakarta: Andi.
- Tjiptono. 2002. *Strategi Pemasaran, Edisi 2*. Penerbit Andi. Yogyakarta.
- Wijaya E.M, 2011, *Pengaruh Kualitas Pelayanan terhadap Loyalitas Konsumen dengan Kepuasan Konsumen sebagai Variabel Intervening*. Program studi Ekonomika dan Bisnis. Semarang: UNDIP.
- Yazid. 2005. *Pemasaran Jasa, Konsep dan Implementasi*. Jakarta: Penerbit Ekonisia.

How to cite this article: Pratiwi A, Fauzi A, Sembiring BKF. Analysis on the influence of service quality on customer loyalty with customer satisfaction as intervening variable (case study: PT. Xtend Integrasi Indonesia). International Journal of Research and Review. 2019; 6(10):194-204.
