

The Quality of Service and Marketing Strategy to the Satisfaction and its Impact on Customer Loyalty in Mutiara Cahaya Tegal Regency

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Abstract

Today's the competition in the retail business is very tight, so retail businesses must pay attention to the factors that can influence the development of their business. One of the factors that must be considered is customer loyalty. The objectives of this study are to determine the effect of service quality and product marketing strategy for customer satisfaction, as well as its impact on customer loyalty at Mutiara Cahaya Supermarket Tegal Regency. This study used a quantitative descriptive to explain the causality relationship between service quality and marketing strategies on customer satisfaction, and their impact on customer loyalty. The population was all Mutiara Cahaya Supermarket customers who had a member card with a total sampling of 100 people by using a incidental sampling technique. The research instrument used a questionnaire. Data analysis used multiple regression and path analysis. The results show that there is an influence of service quality and marketing strategy on customer satisfaction, there is an influence of service quality and marketing strategy on customer loyalty. The conclusion shows that there is no influence of service quality on customer loyalty through customer satisfaction, and there is an influence of marketing strategies on customer loyalty through customer satisfaction.

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INTRODUCTION

The development of supermarkets in Indonesia is still very fast and tight. Some various types of supermarkets start from minimarket to hypermarket competes with various strategies to gain the trust of their customers. In Tegal Regency itself, the development of the self-service business was organized by the Mutiara Cahaya supermarket was able to develop its business from year to year. The phenomenon of the development of Mutiara Cahaya's Supermarket is interesting, because in the next development in Tegal Regency, especially in the Slawi region, more and more supermarket stands as retail businesses apart from MutiaraCahaya. The existence of the Mutiara Cahaya supermarket is fluttering increasingly; this is evidenced by the construction of another new store and the petrol stations Mutiara Cahaya. The emergence of other supermarkets whose national and international classes such as the Yogya group, Alfamart, and Indomart, they cannot even crush the existence of the Mutiara Cahaya supermarket. From this background, an interesting fact arises what makes Mutiara Cahaya able to grow rapidly, whether because of the quality of service and the marketing strategy that is applied can make his/her customers satisfied and loyal or something else, for example because Mutiara Cahaya has become branded because it is the oldest supermarket in the Regency Tegal.

According to Swatha and Irawan (2012), factors that influence the loyalty are price, the classification and the diversity of goods, strategic and easily accessible seller locations, design of the physical shop, quality of customer services, and marketing strategies. Quality of service according to Prayeg in Yulianto (2010) is a major of activity in marketing strategies that are carried out by companies where companies must have a commitment to always provide the quality of services in order to be able to grow and develop. Research conducted by Kumar, et al (2011) states that the factors that influence customer loyalty directly are service quality, while also concluding that the quality of service in a good shipping service business in which including the speed of delivery can have a positive effect on customer

satisfaction. The other research in line is from Adi (2012) states that service quality has a positive effect on customer satisfaction. Meanwhile, Wang and Shieh (2006) also have the same conclusion that there is a significant positive influence between service quality and customer satisfaction, this opinion is in line with Widjoyo (2013) and Supriyanto & Soesanto (2012) where the results of their research state that the service quality affects satisfaction of patient and has the greatest influence on patient satisfaction if compared to the price and facility.

One way that can be taken to increase the customer loyalty is by determining the right strategy so that the company can remain in the midst of competition, has a competitive benefit and can increase its profitability. However, in carrying out its strategy the company can experience in failure if internal parties of the company itself do not support it or outside parties of the company, that is in this case, are customers (Pritchard et al, 1999). In other words, the success of a company's marketing can be achieved through the implementation of marketing strategies involving companies and customers. Marketing strategies, which are involving companies and customers that always develop and relevant to the current business world situation is the relationship of marketing, which is a marketing strategy that seeks to foster closer relationships with the customers, managing a long-term relationship that is mutually beneficial. Marketing strategies are believed to be able to provide benefits to the customers and make it possible to complicate the competition barriers for competitors, enabling companies to increase the loyalty. In study conducted on lanting (crunchy food made from cassava) traders, Puspitasari and Widiyanto (2015) formulate a marketing strategy that could be carried out by lanting producers, namely increasing orders at certain times accompanied by showing product /trademark's characteristics and developing the innovations in various flavor choices which are offered; adjusting the selling price with the price of raw material production, but still maintaining the quality so that always be interested by the customers; cooperation between producers and collectors in lanting distribution, promotion by collaborating with agencies and

agents who sell the products via online; take advantage of marketing opportunities, namely cooperation with the young workforce who wander out of town. The research of Limsanny's (2009), Fiani&Japarianto (2012) and Afiani, et al (2014) states that customer-oriented marketing strategies by improving communication can foster customer loyalty.

Based on the background above, this research is intended to analyze the service quality and marketing strategies in the Mutiara Cahaya retail business in Tegal Regency. The reason for choosing Mutiara Cahaya as a place of research because Mutiara Cahaya is able to attract large numbers of consumers and even be able to make them as a regular customers so that from year to year Mutiara Cahaya is able to increase its sales turnover which eventually is able to expand its business in a short time by opening several branches in Tegal Regency and its surroundings. This condition can be proven by increasing sales turnover from year to year. This condition is interesting for the researchers about how Mutiara Cahaya can achieve all of that, whether because of the quality of its services and its reliable marketing strategy, or other factors that led to the rapid development of Mutiara Cahaya. Whereas theoretically, in previous studies, there is a research gap between several studies, including research conducted by Caber, et al (2012) which state that excellence of product, in this case, refers to the service quality that has a negative influence on customer satisfaction, with research is conducted by Siddiqi (2011) which states that all attributes of service quality have a positive effect on customer satisfaction. In addition, the selection of service quality of themes and marketing strategies in this study is because both service quality and marketing strategies are one of the significant elements in the development and expansion of business.

METHODS

The method of data collection that was used in this study was the use of a questionnaire delivered to all customers Mutiara Cahaya who had a membership card. This research was a type of survey research by using research instruments in

the form of questionnaires or questionnaires distributed to 100 people who were sampled. The scale used to measure variable indicators in a questionnaire was a Likert Scale. The data analysis was by using multiple linear regression was used to determine the independent variables on the dependent variable and path analysis with the SPSS program (Ghozali, 2013). This path analysis was used to determine the effect of customer satisfaction variables as moderating variables between the independent variable and the dependent variable.

RESULT AND DISCUSSION

The results shows that there is a positive influence on the quality of service on customer satisfaction Mutiara Cahaya Tegal Regency has a probability value of $0.000 < 0.05$. Thus, the hypothesis (H1) which states that service quality affects customer satisfaction positively and significantly is proven correct. This means that a good service quality will have an impact on customer satisfaction. In this case, the assurance factor becomes the dominant factor in influencing the customer satisfaction, while the reliability factor needs to be improved so that customers value positively for their satisfaction. The results of this study support the previous research conducted by Lumentut and Palandeng (2014) where the results of their research on Mc Donald's Manado shows a positive and significant influence on the quality of service to the customer satisfaction and Andreani (2010) states that the level satisfaction of customer in restaurant and cafe in Surabaya is very high on the service quality from service providers, which is 0.93 and close to 1.00. Customers are increasingly aware of the importance of service quality than food and beverage products. The delicious of food products and drinks will not be able to satisfy customers without the support of good staff/service providers. Excellent service quality can be a differentiation strategy to be able to compete in business.

The results show that there is a negative influence on the marketing strategy to customer satisfaction at Mutiara Cahaya Supermarkets Tegal Regency has a probability value of $0.017 < 0.05$. The negative influence (inversely

proportional) here means that a high marketing strategy will have an impact on reducing customer satisfaction. The dominant factor that causes negative conditions is the selection of a market that has not been able to meet customer expectations, followed by excessive promotion will have an impact on customer satisfaction that is lacking because of the high intensity of promotion that disrupts customer privacy. While the marketing strategy factor that has been good in forming a positive influence on customer satisfaction is in terms of pricing, where the prices in Mutiara Cahaya are cheaper than other places, besides Mutiara Cahaya also gives discounts for members who have a member card. The results of this study compared with the research conducted by Khan, et al (2012) which gave results that there is a positive influence between marketing strategies on customer satisfaction. So, the higher the marketing strategy is expected to have a positive impact on customer satisfaction. This study describes promotion as a different form of activity to attract and get the attention of customers to buy products or services through personal selling, public relations, sales promotions, and advertising. Product or service promotion is the best way to build relationships with the customers, because everyone is looking for the best deal that suits them.

The results show that there is a positive influence on the quality of service to the loyalty customers of Mutiara Cahaya Supermarket in Tegal Regency has a probability value of $0.000 < 0.05$. This means that high service quality will have an impact on increasing customer loyalty. Service quality is the main factor that influences customer loyalty because customers who are satisfied with their personal values and experience a positive mood for service will have high loyalty to the company. Customers are often not loyal due to the poor services or decreasing service quality than expected by customers. The results of this study support the previous research conducted by Fisdau (2007) where the results of the study indicate that service quality has a positive and significant influence on customer loyalty. However, this study is different from Hidayat's (2009) study, where service quality does not have a significant direct effect on customer loyalty.

However, the service quality has a positive and significant effect on customer loyalty, including among customer satisfaction, product quality has a negative and non-significant effect on customer's loyalty. However, product quality has a positive and significant impact on customer loyalty, including customer satisfactions.

The results showed that there was a negative influence on the marketing strategy towards the customers loyalty of Mutiara Cahaya Supermarket in Tegal Regency has a probability value of $0.001 < 0.05$. This means that a high marketing strategy will have an impact on reducing customer loyalty. Supermarkets Mutiara Cahaya emphasizes marketing strategies through sales promotion by displaying superior products on display in special places so that every customer who comes can see clearly the products and the advantages of the products offered. Displaying the products is not only for display but also provides a demonstration of how to use and care as well as guidelines and procedures for using the product. In addition, Mutiara Cahaya also offers price promotions that tend to be cheaper if compared to other places, giving members special discounts and prize draws at certain times for loyal customers. However, Mutiara Cahaya ignores the other marketing strategies such as market selection, product planning, and marketing communication. This research is different from the research conducted by Quantrianto et al (2013) which state that marketing strategies have a positive and significant effect on customer loyalty, Utari's research where the results of his research show that simultaneously products, prices, places, and promotions have a significant effect on sales volume, research Nurlisa and Sofiyah (2013) states that the variables of Price, Product Quality and Brand Image had a positive and significant effect on the purchasing decision of (Y) sweet soy sauce of the Bango brand for housewives in the Villa Mutiara Johor II Complex and Johor Mas Park.

The results show that there is an effect of customer satisfaction on the loyalty of Mutiara Cahaya Supermarket in Tegal Regency has a probability value of $0.000 < 0.05$. This means that the high customer satisfaction will have an impact on increasing customer's loyalty. The most dominant factor of customer satisfaction

influencing on the loyalty positively and significantly is the time in which the product of expiration time is clear, as well as the opening time of the Mutiara Cahaya Supermarket service that is on time. While the other factors that need to be improved are the sales factors, which include the sales clerk, the salesperson's attention to the customer and the speed of service. Prabowo's (2008) and Saidani and Arifin (2012) convey about the same results that customer satisfaction has a positive and significant influence on customer loyalty. The results of this study are relevant to other studies conducted by Samuel and Foedjiwati (2005). Another case with Palilati's research (2007) where the results of the research state that the adequate satisfaction and desired satisfaction levels had a significant and negative effect on customer loyalty in South Sulawesi. This is because the expectations that are needed by customers cannot be fulfilled by attribute performance, resulting in customer dissatisfaction with existing attributes.

The test results of indirect effect shows that there is no effect of service quality on loyalty mediated by customer satisfaction, in this case the amount of indirect effect is 0.403 less than the value of direct influence of 0.482; then this study does not succeed in proving the sixth hypothesis which states that service quality has a positive effect on customer loyalty through customer satisfaction at Mutiara Cahaya Swalayan Tegal Regency. In this case, the factors that need to be considered are repeat purchases (the loyalty to the product purchases). Good service quality will create a customer satisfaction, which in turn will lead to customer loyalty. Bramson in Maghfiroh and Rusdarti (2016) explain about the customer loyalty or members are not formed in a short time but through the learning process and based on the results of the experience of consumers or members themselves from purchasing or consistent participation all the time. The results of this study do not support to the previous research conducted by Haryono and Octavia (2014) where the results of their research indicate that service quality influences customer loyalty mediated by customer satisfaction. Another study that is different from the results of this study is from Hidayat's (2009) which states that service quality does not have a significant effect directly on customer loyalty.

However, the service quality has a positive and significant effect on customer loyalty, including among customer satisfaction, product quality has a negative and non-significant effect on customer loyalty. However, product quality has a positive and significant impact on customer loyalty, including customer's satisfaction

The test results of indirect effect show that there is an indirect effect of marketing strategy on loyalty that is mediated by customer satisfaction, in this case the amount of indirect effect is -0.247 greater than the value of direct influence of -0.333; then this study success in proving the seventh hypothesis which states that "marketing strategies affect to the customer loyalty through customer satisfaction at the Mutiara Cahaya Swalayan Tegal Regency. The results of this study also show that marketing strategies in addition to direct influence on loyalty also have an indirect influence on loyalty through customer satisfaction, because before the customers get loyal, customers first get a sense of satisfaction that matches their desires even more. It is proven by the results of indirect effects shows that the value of indirect effects through the customer satisfaction. The total effect value of customer satisfaction is greater than the value of the direct influence between marketing strategies on loyalty. This is consistent with the theory from by Tjiptono (2016) that customers will not be able to reach the loyalty stage if previously they have not felt satisfaction from the product or service.

CONCLUSIONS

Based on data and the results of the research, there is a positive influence on the quality of service to customer satisfaction at Mutiara Cahaya in Tegal Regency. This means that a good service quality will have an impact on customer satisfaction. In this case, the assurance factor becomes the dominant factor in influencing customer satisfaction, while the reliability factor needs to be improved so that the customers value positively for their satisfaction. There is a negative influence of marketing strategy on customer satisfaction Mutiara Cahaya Tegal Regency. The negative influence here means that a high marketing strategy will have an impact on reducing customer satisfaction. The dominant

factor that causes the condition of negative influence is the selection of the markets that cannot fulfill customer's expectations. There is a positive influence of service quality on customer loyalty Mutiara Cahaya Tegal Regency. This means that high service quality will have an impact on increasing customer loyalty. There is a negative influence on marketing strategy on customer loyalty Mutiara Cahaya Tegal Regency. This means that a high marketing strategy will have an impact on reducing customer loyalty. There is a positive influence of customer satisfaction on customer loyalty Mutiara Cahaya Tegal Regency. This means that high customer satisfaction will have an impact on increasing customer loyalty. The most dominant factor of customer satisfaction influencing loyalty positively and significantly is the time in which the product of expiration time is clear. There is no effect of service quality on customer loyalty Mutiara Cahaya Tegal Regency through customer satisfaction. The amount of indirect effect is smaller than the value of the direct influence of. There is an influence of marketing strategies on customer loyalty Mutiara Cahaya Tegal Regency through customer satisfaction. In this case, the amount of the indirect effect is greater than the value of direct influence, so this study is successful in proving the seventh hypothesis, which states, "Marketing strategies affect to the customer loyalty through customer satisfaction at the Mutiara Cahaya Tegal Supermarket".

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