

The Influence of Service Quality, Product Quality and Trust on Customer Loyalty of CV. Ferdi Mandiri



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ABSTRACT: The current study aimed to examine the influence of service quality, product quality and trust on customer loyalty at CV. Ferdi Mandiri Utama in the city of Bengkulu. A quantitative approach and survey methods were used to collect data. Internet network customers at CV. Ferdi Mandiri Utama in the city of Bengkulu was used as a sample in this research. Using a questionnaire, data was collected from 150 internet network customers at CV. Ferdi Mandiri Utama in the city of Bengkulu. Multiple regression analysis was used to test this research hypothesis. The research results statistically show that: (1) service quality has a significant positive effect on customer loyalty, if the better the service quality, the better the customer loyalty; (2) the quality of the product used has a significant positive effect on customer loyalty, if the better the product quality, the better the customer loyalty; (3) trust in use has a significant positive effect on customer loyalty, if the higher the trust, the better the customer loyalty; (4) service quality, product quality and trust together have a significant positive effect on customer loyalty. If the service quality, product quality and trust are better, the better the customer loyalty will be. Service quality, product quality and trust can influence customer loyalty by 23.1%. The remaining 76.9% is explained/influenced by variables outside the model..

KEYWORDS: Service quality, Service quality, Trust, Customer loyalty

INTRODUCTION

In the internet network business, maintaining customer loyalty is crucial for the survival and growth of the company. One of the factors that can affect customer loyalty in the internet network business is service quality, product quality, and trust. Service quality in an internet network business includes aspects such as internet connection speed, service availability, technical support, and satisfactory user experience. Product quality in this context includes the hardware and software used in providing internet services. Meanwhile, trust refers to customer confidence in the reliability, security and privacy guaranteed by the internet network provider.

Around 77% of Indonesia's population already uses the internet. The number of internet users in January 2023 was 3.85% higher than a year ago. In January 2022, the number of internet users in Indonesia was recorded at 205 million. Looking at the trend, the number of internet users in Indonesia continues to grow every year. Meanwhile, the spike in domestic internet users occurred in 2017. Furthermore, the average Indonesian uses the internet for 7 hours 42 minutes every day. In addition, 98.3% of internet users in Indonesia use mobile phones. However, Indonesia is one of the countries where many people are not connected to the internet. We Are Social noted that there were 63.5 million people in the country who were not connected to the internet by early 2023 (<https://dataindonesia.id>, accessed 2023). The business of providing internet networks will remain prospective in the long term. This is because this business is the foundation for the continuity of daily communication services and other information technology-based businesses. Therefore, it can be seen that the prospects for the internet network business are very large. The internet has now become a primary need for the community. One of the products of internet network service providers in Bengkulu city is CV. Ferdi Mandiri Utama will provide internet networks to the homes of its customers. Good service will provide comfort for consumers to become a good image so that consumers are interested in being loyal. Prakoso's research (2023) and Kurniawan (2018) aimed to examine the effect of service quality on customer loyalty. The results of this study indicate that service quality has a positive and significant effect on customer loyalty. In contrast to the results of research by Alfia and Hadita (2023) where the results in this study indicate that service quality has no significant effect on customer loyalty. The benefits of a product are the consequences that consumers expect when buying and using then they

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are loyal to a product. Research by Arina et al (2022) and Irdha & Widia (2021) is intended to examine the effect of product quality on customer loyalty. The results of this study indicate that product quality has a positive and significant effect on customer loyalty. In contrast to the results of Alfia and Hadita's research (2023) where the results of this study indicate that product quality has no significant effect on customer loyalty. Consumer trust can maintain long-term relationships between businesses and consumers because trust can build consumer perceptions so that consumer trust can form a customer loyalty. Studies conducted by Prakoso (2023) and Haroen (2020) this research is intended to examine the effect of trust on customer loyalty. The results of this study indicate that trust has a positive and significant effect on customer loyalty. Contrary to the results of research by Arina et al (2022) where the results of this study show that trust has no significant effect on customer loyalty.

LITERATURE REVIEW

1. Service Quality

Kotler and Keller (2016) suggest that quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy the stated or implied needs of consumers or service users. In addition, service quality centers on efforts to fulfill customer wants and needs and the accuracy of their delivery to balance customer expectations. According to Kotler and Keller (2016) service is any action or performance that one party can offer to another party, which is basically intangible and does not result in ownership of something. Service in general is a sense of fun given to others along with convenience and meeting all their needs, so that service is a form of procedure provided in an effort to give pleasure to others, namely to customers.

2. Product Quality

According to Lupiyoadi & Hamdani (2018) product quality is the extent to which the product meets its specifications. Kotler and Keller (2016) state that product quality is the ability of an item to provide results or performance that matches and even exceeds what the customer wants. This definition is a customer-centered understanding of quality so that it can be said that a seller has provided quality when the seller's product or service has met or exceeded customer expectations. Product quality is an understanding that the products offered by the seller have more selling points that are not owned by competing products. Therefore, companies try to focus on product quality and compare it with products offered by competing companies. However, a product with the best appearance or even with a better appearance is not the highest quality product if its appearance is not what the market needs and wants. Kotler & Armstrong (2012), state that product quality is the ability of a product to demonstrate its function, it includes overall durability, reliability, accuracy, ease of operation and product repair as well as other product attributes.

3. Trust

Trust is a company's willingness to rely on a business partner (Kotler & Armstrong, 2012). Trust depends on a number of interpersonal and interorganizational factors, such as the competence, integrity, honesty, and kindness of the company. Trust is the belief that a person will get what is expected from others. Trust concerns a person's willingness to behave in a certain way because of the belief that his partner will give him what he expects and an expectation that a person generally has that another person's word, promise or statement can be trusted. According to Kotler and Keller (2012) trust is the willingness of the company to rely on business partners. Trust depends on a number of interpersonal and interorganizational factors, such as company competence, integrity, honesty and kindness. Consumer trust is all the knowledge possessed by consumers and all the conclusions consumers make about objects, attributes, and benefits (Mowen & Michael, 2011).

4. Customer Loyalty

Loyalty is the choice made by customers to buy a particular brand compared to other brands in a product category. (Kotler and Keller, 2016). Analyzing customer loyalty will be more successful if you are able to understand human psychological aspects. Perception is one of these aspects and before customer perceptions are formed towards an object, in this case quality, price, and store atmosphere are factors that motivate customers in a product. Customers have likes and dislikes after they buy a product and then perceptions are formed and will determine behavior towards the product brand. This is because perception explains cognitive evaluations, emotional feelings, and favorable action tendencies (Griffin, 2015).

As for the framework thinking in a study, this could be seen in the picture this:

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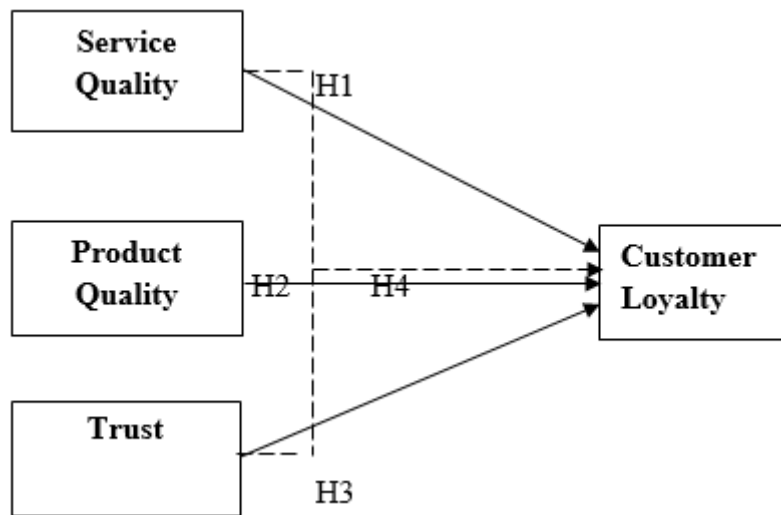


Image 1. Analysis Framework

Research hypothesis

As for the hypothesis in a study, this is:

H1: It is suspected that there is an influence between service quality and customer loyalty in the research process.

H2: It is suspected that there is an influence between product quality and customer loyalty in the research process.

H3: It is suspected that there is an influence between trust and customer loyalty in the research process.

H4: It is suspected that there is a joint influence between service quality, product quality and trust on customer loyalty in the research process.

RESEARCH METHODS

The method that will be used in this research is quantitative method. Quantitative methods are methods that use data in the form of numbers or quantified qualitative data (Sugiyono, 2013). This research is survey research, which is research that takes samples directly from the population. Judging from the problem under study, this research is causality research, which aims to analyze the relationship and influence (cause-and-effect) of two or more phenomena through hypothesis testing (Sekaran, 2016). research based on theory or hypothesis that will be used to test a phenomenon that occurs is classified as a type of research.

To solve the problems raised in this research, the authors use descriptive correlational research methods, with the intention of interpreting or interpreting the data obtained from the research results. By conducting quantitative research by analyzing the numbers from the questionnaire, it can be seen how much influence service quality, product quality and trust have on customer loyalty CV. Ferdi Mandiri Utama.

RESULTS AND DISCUSSION

The method used to analyze the effect of various independent variables on one dependent variable. Multiple regression analysis is used to determine how much influence the independent variables, namely: service quality (X1), product quality (X2) and trust (X3), have on the dependent variable (dependent) customer loyalty (Y).

Table 1. Table title. Multiple Linear Regression Analysis.

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.450	1.584		2.177	.031
Service Quality	.180	.060	.223	2.998	.003
Product Quality	.098	.045	.166	2.174	.031
Trust	.323	.083	.303	3.915	.000

a. Dependent Variable: Customer Loyalty

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Based on table 1, the coefficient value of service quality (X1) on Customer Loyalty (Y) is obtained. equal to $\beta = 0.223$ and a significance of $0.003 < \alpha 0.05$. This shows that service quality (X1) has a positive and significant effect on customer loyalty (Y). Thus it can be concluded that H_0 is rejected and H_a is accepted, which means that service quality has a partially significant effect on customer loyalty. The results of this study are also supported by research research conducted by Prakoso (2023) where service quality has a positive and significant effect on customer loyalty and research conducted by Kurniawan (2018) which states that service quality has a positive and significant effect on customer loyalty. Service quality is an invisible action from the interaction between customers and companies. Service must be done well, especially for service providers. Good service will provide comfort for customers to provide a good image so that customers are interested in being loyal.

Based on table 1, the coefficient value of service quality (X2) on customer loyalty (Y). equal to $\beta = 0.223$ and seen from the significant value of the product quality variable (X2) of $0.031 < \alpha 0.05$. This shows that product quality (X1) has a positive and significant effect on customer loyalty (Y). Thus it can be concluded that H_0 is rejected and H_a is accepted, which means that product quality has a partially significant effect on customer loyalty. This result is also supported by the results of research by Arina et al (2022) which states that product quality has a positive and significant effect on customer loyalty. Positive product quality will create loyalty to the product. Irdha & Widia (2021) in their research also stated that it has a positive and significant effect on customer loyalty, this means that product quality is the start to creating loyal customers. Customers will be more loyal if they know the products they use have good quality.

Based on table 1, the coefficient value of trust (X3) on customer loyalty (Y) is $\beta = 0.303$ and significance $0.00 < \alpha 0.05$. This shows that trust (X1) has a positive and significant effect on Customer Loyalty (Y). Thus it can be concluded that H_0 is rejected and H_a is accepted, which means that trust has a significant partial effect on customer loyalty. The results of this study are also supported by the results of research conducted by Prakoso (2023) this study was shown to examine the effect of trust on customer loyalty. The results of this study indicate that trust has a positive and significant effect on customer loyalty. Haroen (2020) in his research also states that trust has a positive and significant effect on customer loyalty. Customers who have a high level of trust tend to continue to use the company's services and recommend them to others. Consumer trust can maintain long-term relationships between businesses and consumers because trust can build consumer perceptions so that consumer trust can form a customer loyalty (Mowen & Michael, 2011).

Table 2. Table title. F test.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	145.167	3	48.389	15.943	.000 ^b
	Residual	443.126	146	3.035		
	Total	588.293	149			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Trust, Service Quality, Product Quality

Based on the results of data processing in table 2, the regression coefficient value with a significance or p-value is 0.00, the significance value is smaller than the alpha value at the value level of 0.05. Thus the H_0 hypothesis is rejected and the H_a hypothesis is accepted. This can be interpreted that there is a joint influence between service quality (X1), product quality (X2) and trust (X3) on the dependent variable (dependent) customer loyalty (Y). The results of this study are also supported by the results of research conducted by Prakoso (2023) which states that product quality, service quality and trust together have a positive and significant effect on customer loyalty and also research conducted by Haroen (2020) which states that product quality, service quality and trust together have a positive and significant effect on customer loyalty. Based on previous research which shows that product quality, service quality and trust in customer loyalty have a positive influence, this shows that if the level of service quality, product quality and trust is high, the level of customer loyalty will also be high.

CONCLUSION

1. Service quality has a significant effect on customer loyalty CV. Ferdi Mandiri Utama Bengkulu. This means that the better the quality of service provided and felt by customers who use CV internet network products. Ferdi Mandiri Utama, the better and more customer loyalty to CV products. Ferdi Mandiri Utama in Bengkulu city.
2. Product quality has a significant effect on customer loyalty CV. Ferdi Mandiri Utama Bengkulu. This means that the better the quality of the products provided and felt by customers who use CV. Ferdi Mandiri Utama internet network products, the better and more customer loyalty to CV. Ferdi Mandiri Utama products in Bengkulu city.

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3. Trust has a significant effect on customer loyalty of CV. Ferdi Mandiri Utama Bengkulu. This means that the better the trust felt by customers who use CV internet network products. Ferdi Mandiri Utama, the better and more customer loyalty to CV products. Ferdi Mandiri Utama in Bengkulu city.
4. Service quality, product quality and trust have a joint effect on customer loyalty. This means that the higher the quality of service, product quality and trust made better by CV. Ferdi Mandiri Utama, the more customer loyalty will increase CV. Ferdi Mandiri Utama in Bengkulu city.

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