The Influence of Service Quality On Customer Loyalty and Satisfaction as an Intervening Variable in Using Bus Transportation Services

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Research Objectives: The aim of this research is to determine the quality of service that directly influences loyalty to using bus transportation services. To find out whether the quality of service has a direct effect on consumer satisfaction when using bus transportation services. To find out customer satisfaction has a direct effect on loyalty in using bus transportation services. To find out the indirect effect of service quality on loyalty through customer satisfaction as an intervening variable in using bus transportation services.

Design/Method/Approach: This research uses explanatory research, this research was conducted on bus customers.

Research Findings: The results of this research show that Service Quality directly has a positive and significant effect on Consumer Satisfaction in using Bus transportation services. Service Quality directly has a positive and significant effect on Loyalty in using Bus transportation services. Consumer satisfaction has a positive and significant direct effect on loyalty in using bus transportation services. Service quality indirectly influences loyalty with customer satisfaction as an intervening variable in using bus transportation services.

Theoretical Contribution/Originality: This research integrates service quality, consumer satisfaction, and loyalty in the context of bus transportation and provides a holistic view of the relationship between the three.

Practical Implications: The results of this research can help bus companies improve service and customer satisfaction to strengthen loyalty.

Research Limitations: This research focuses on one industry, so the generality of the findings is limited to the bus transportation context. Further research is needed to dig deeper into other factors that might influence customer loyalty.

Keywords: Service Quality, Loyalty, Consumer Satisfaction

Abstract


Desain/ Metode/ Pendekatan: Penelitian ini menggunakan eksploratory research, penelitian ini dilakukan pada pelanggan Bus.

**Introduction**

The era of globalization is marked by the increasing complexity of human needs and activities, causing very high mobility in activities. "This has an impact on the need for the transportation service sector both land, sea, and air." One of the means of transportation that is still widely used by the people of Indonesia is the bus, which offers various alternative directions and different destinations. The reason for choosing the bus is because the ticket prices are still affordable when compared to other land transportation. The increasing number of people using the bus, the more the number of companies providing land transportation services. To be able to win the competition for land transportation service companies, especially buses, must be able to increase its image to the public and promise the best service (Excellent service). "The increasing intensity of competition and the number of competitors requires companies to always pay attention to the needs and desires of consumers and try to meet consumer expectations by providing services to consumers that are more satisfying than those done by competitors. Thus, only quality companies can compete and dominate the market ([1]–[5])".

A land transportation (bus) company that connects the islands of Sumbawa, Lombok, Bali, and Java. Has implemented various types of promotional tools, namely: Sales Promotion, Advertising, Personal Selling, public relations, and direct marketing, the increasing desire of people outside Java to send their sons and daughters to school causes more and more students to choose to study on the island of Java, so there is also an increasing demand for bus tickets, especially the Bima-Malang line, but this also causes more and more competition faced by companies, because of the many land transportation (bus) companies that have sprung up, the company " to improve the quality of service that is better and strategic, to be able to attract consumers and create value and quality of service that can create passenger satisfaction. The services provided by ." are providing facilities such as AC, Television, Wifi, and toilets on the bus
“Service quality provides an impetus to consumers to establish a strong relationship with the company. “In the long run, this kind of bond allows the company to deeply understand consumer expectations and their needs. Thus, companies can increase customer satisfaction where companies maximize pleasant consumer experiences and minimize unpleasant consumer experiences [1], [6], [7]”.

To meet customer satisfaction in service industries such as service quality is very important to be managed by the company properly. Quality must start from customer needs and end with customer perceptions [8]–[10]”. "This means that a good quality image is not seen from the perception of the service provider, but based on the perception of consumers. Consumer perception of service quality is an overall assessment of the superiority of service.

With the existence of good service quality in a company, it will create satisfaction for its customers. After consumers are satisfied with the product or service they receive, consumers will compare it with the services provided. If consumers feel completely satisfied, they will provide recommendations to others to buy at the same place. Therefore, companies must start thinking about the importance of more mature customer service through service quality, because now it is realized that customer service and satisfaction are vital aspects in surviving in the business world to win the competition ([11], [12]).

centered on efforts to fulfill customer needs and desires, service quality, and the accuracy of delivery to match Wyckof's customer expectations, ([13], [14]). "In other words, there are two main factors that influence service quality, namely expected service and perceived service. The five main dimensions include [15], [16]” : (1) Tangibles, namely the provision of facilities and infrastructure in the company area or within the company. (2) Reliability, namely giving trust according to consumer expectations. (3) the company's ability to provide services quickly and precisely, namely responsiveness, (4) assurance, namely employees in handling questions, knowledge, or complaints from consumers. (5) Empathy, namely attention includes the ease of establishing good communication relations and the company for the individual needs of consumers.

“[14] Customer satisfaction is the level of one's feelings after comparing the performance (or results) that he feels compared to his expectations”.

“The definition of the customer provides insight that is important for understanding why companies must create and maintain customers and not just attract buyers. That definition comes from the word custom, which is defined as or ordinary and practicing the habit [14]”.

“The service quality variable has a positive effect on customer loyalty and service quality has a positive effect on customer satisfaction and customer satisfaction has a positive effect on customer loyalty [17]–[20]”.

Based on the background above, this researcher takes the title "The Effect of Service Quality on Customer Loyalty and Satisfaction as an Intervening Variable in Using Bus Transportation Services (Case Study on Bima Students at the Islamic University of Malang).

1.1. Statement of Problem
1. Service quality has a direct effect on loyalty in using bus transportation services .”?
2. Service quality has a direct effect on consumer satisfaction in using bus transportation services .”?
3. Consumer satisfaction has a direct effect on loyalty in using bus transportation services .”?
4. Service quality has an indirect effect on loyalty with consumer satisfaction as an intervening variable in using bus transportation services .”?

Research Objectives
1. To find out if the quality of service has a direct effect on consumer satisfaction in using bus transportation services .”.
2. To find out if the quality of service has a direct effect on loyalty in using bus transportation services.
3. To find out that consumer satisfaction has a direct effect on loyalty in using bus transportation services .”.
4. To find out whether the quality of service has an indirect effect on loyalty through customer satisfaction as an intervening variable in using bus transportation services  ”.

Benefits of research
a. It is hoped that the results of this study can be used as input for management with a strategy to increase the effect of service quality on customer loyalty with customer satisfaction as an intervening variable (a case study of Bima Dompu Unisma students)
b. With this research it is hoped that it can add insight and become a reference for other researchers or subsequent researchers who are interested in further researching the Effect of Service Quality on Loyalty with Consumer Satisfaction as an Intervening Variable.

Method
This type of research used explanatory research. This research was conducted on students from Bima and Dompu who studied at the Islamic University of Malang and who used the bus transportation service. This research is planned to be carried out from October to December 2022.

Population and Research Sample
The population in this study were all Bima-Dompu students in class 2015-2019 at the Islamic University of Malang who used as bus transportation. Based on the initial survey that was conducted, the number of Bima-Dompu students at the Islamic University of Malang was 818 people. The formula used to determine the sample in this study uses the Slovin formula [21]-[23]. With a margin of error of 10%, the minimum number of samples used in this study is 89.1067 rounded up to 89 respondents.

Variable Operational Definitions
Quality
Quality of service based on customer opinion is all forms of activities carried out by ”, to meet customer expectations.
The indicators of service quality that are measured include:
1) Reliability of the Bus Company in providing satisfactory service to customers
2) The ability of the bus driver to serve passengers
3) The company guarantees convenience to customers.
4) The company gives full attention to serving customers.
5) Company Provides Facilities in the Bus (toilet, Ac, Tv).

Customer Loyalty

Consumer loyalty based on consumer opinion is a perception of the commitment and principles that customers have in using the transportation service so that it can result in the repeated use of services.

As for some indicators of customer loyalty that can be measured, among others:
1) Repeat (faithfully use the Bus transportation service)
2) Retention (will not affect other bus transportation services)
3) Referrals (continue to use the Bus transportation service against negative influences).

Consumer Satisfaction

“Consumer satisfaction is the level of consumer feelings after comparing what is received and what is expected. If consumers are satisfied with the value provided by the product or service, it is very likely to become a customer for a long time”.

The indicators of consumer satisfaction that are measured include:
1) I feel satisfied using the Po.Titian Mas bus transportation service.
2) I will continue to use PO.Titian Mas Bus transportation services.
3) I would recommend other people use the PO.Titian Mas Bus transportation service.
4) My expectations were fulfilled after using the Bus transportation service.

Data Analysis Method

For technical data analysis using path analysis (path analysis)

Results and Discussion

Results

Based on the path analysis model 1 shown in table 4.13, the Beta value of Service Quality (X) to Loyalty (Y) is 0.246 so the mathematical equation model can be written as:

\[ Y = \beta_1 X + e \]

\[ Y = 0.246 + e \]

Information:

X = Service Quality
Y = Loyalty

From the mathematical equation above, the value of \( \beta_1 \) (regression coefficient X to Y is 0.246) is obtained, which means that service quality has a direct positive and significant effect on loyalty.

Based on the path analysis model 2 shown in table 4.14, the Beta value of Service Quality (X) for the Consumer Satisfaction variable (Z) is 0.280. So that the mathematical equation model can be written:

\[ Z = \beta_2 X + e \]

\[ Z = 0.280 + e \]

Information:

X = Service Quality
Z = Consumer Satisfaction
e = error

From the mathematical equation above, the value of β1 (regression coefficient X to Z) is 0.280, which means that service quality directly has a positive and significant effect on consumer satisfaction.

Based on the path analysis model 3 shown in table 4.15, the Beta value of Consumer Satisfaction (Z) on the Loyalty variable (Y) is 0.708. So that the mathematical equation model can be written:
Z = β3X + e
Z = 0.708 + e
Information:
Z = Consumer Satisfaction
Y = Loyalty
e = error

From the mathematical equation above, the value of β3 (regression coefficient Z to Y) is 0.708, which means that consumer satisfaction directly has a positive and significant effect on loyalty.

Based on the path analysis model 4 shown in table 4.16, the Beta value for the Consumer Satisfaction (Z) versus Loyalty (Y) variable is 0.694. So that the mathematical equation model can be written:
Y = β2X + β3Z + e
Y = 0.280 × 0.708 + e
Information:
Y = Loyalty
X = Service Quality
Z = Consumer Satisfaction
e = error

From the mathematical equation above, it is known that the value of the indirect effect is equal to (β2X × β3Z) = 0.280 × 0.708 = 0.198 which means that Service Quality has an indirect effect on Loyalty through Customer Satisfaction.

Based on the results of the above calculation analysis, it can be shown in the following figure.

Figure 1. Calculation Analysis
Discussion

Direct Effect Of Service Quality (X) On Loyalty (Y)

Based on the path analysis diagram showing Service Quality (X) there is a direct positive and significant effect on Loyalty in using the Bus transportation service, a value of 0.246 is obtained. While the variable Quality of Service (X) based on the results of the t-test obtained a significance value of 0.020. Because it is smaller than the standard significance value of 0.05, the Service Quality variable (X) directly has a positive and significant effect on the Loyalty variable (Y). From these results, it is said that the quality of service obtained in the company can increase customer loyalty.

Direct Effect Of Service Quality (X) On Consumer Satisfaction (Z)

Based on the path analysis diagram, it shows that there is a direct influence on Service Quality (X) and a significant positive effect on Consumer Satisfaction (Z) in using the Bus transportation service, a value of 0.280 is obtained. Meanwhile, based on the results of the t-test, the significance value for the Service Quality variable is 0.008. Because it is smaller than the standard significance value of 0.05, the service quality variable (X) directly has a positive and significant effect on the Consumer Satisfaction variable (Z).

From these results, it can be said that Service Quality (X) affects increasing Consumer Satisfaction (Z). These results support previous research conducted by [24]–[27] which concluded that there is a direct effect of service quality on consumer satisfaction.

Direct Effect of Consumer Satisfaction (Z) on Loyalty (Y)

Based on the path analysis diagram, it shows that there is an influence of Consumer Satisfaction (Z) which has a direct positive and significant effect on Loyalty in using the Bus transportation service, a value of 0.708 is obtained. Meanwhile, based on the results of the t-test, the significance value of the Service Quality variable (Z) is 0.000. Because it is smaller than the standard significance value of 0.05, the Consumer Satisfaction variable (Z) directly has a positive and significant effect on the Loyalty variable (Y). From these results, it is said that the quality of service obtained in the company spurred increased consumer satisfaction with loyalty. These results are in line with previous research conducted by [28]–[31] which concluded that service quality variables have a positive effect on customer loyalty variables.

Indirect Effect of Service Quality (X) on Loyalty (Y) Through Consumer Satisfaction (Z)

Service Quality (X) has an indirect effect on Loyalty (Y) through Consumer Satisfaction (Z) in using the Bus transportation service. Based on the path analysis diagram, a value of 0.280 × 0.694 = 0.194 is obtained. Meanwhile, based on the output of the Sobel Test through the Sobel Test Calculator, it is obtained that the significance value of the result (one-tailed
probability) is 0.00428046 <0.05, it can be concluded that Consumer Satisfaction (Z) can mediate the relationship between the variable Service Quality and Loyalty (Y).
Conclusion

Based on the results of the previous discussion, the following conclusions can be drawn:

- Service Quality directly has a positive and significant effect on Customer Satisfaction.
- Service Quality directly has a positive and significant effect on Loyalty.
- Consumer satisfaction directly has a positive and significant effect on loyalty.
- Service quality has an indirect effect on loyalty with customer satisfaction as an intervening variable.

The research results have practical implications for companies in the bus transportation service industry, especially for those catering to students from Bima and Dompu at the Islamic University of Malang. Enhancing service quality is critical for fostering customer satisfaction and, in turn, building customer loyalty. Companies should focus on providing reliable, convenient, and attentive services, along with quality facilities like AC, television, Wi-Fi, and toilets on buses.

Overall, this study provides valuable insights for management to develop strategies that can increase the impact of service quality on customer loyalty with customer satisfaction as an intervening variable. It also adds to the body of research in the field, contributing to a deeper understanding of the relationships between service quality, customer satisfaction, and customer loyalty in the context of bus transportation services. These findings can be used as a reference for future research in this area.

Reference


