THE INFLUENCE OF SERVICE QUALITY AND BRAND IMAGE ON CUSTOMER LOYALTYWITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE AT PT. TOYOTA HASJRAT ABADI MUTIARA IN PALU CITY

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ABSTRACT

This research aims to find out the influence of service quality and brand image on customer loyalty with customer satisfaction as an intervening variable atPT. Toyota Hasjrat Abadi Mutiara Palu. The population consists of customers in Palu City who use the PT. Toyota Hasjrat Abadi Mutiara Palu. This type of research is explanatory research using a quantitative approach with a total sample of 120respondents. The data analysis technique used was Partial Least Square (PLS) with the sampling technique using the structural Equation Modeling (SEM) method. The results of the research show that service quality has a positive and insignificant influence on customer loyalty, brand image has a positive and significant influence on customer loyalty, service quality has a positive and significant influence on customer satisfaction, brand image has a positive and significant influence on customer satisfaction, customer loyalty has a positive and significant influence on customer satisfaction, servicequality through customer satisfaction has a positive and significant influence on customer loyalty, andbrand image through customer satisfaction has a positive and significant influence on customer loyalty.

Keywords: ServiceQuality, Brand Image, Customer Loyalty, Customer Satisfaction.

INTRODUCTION

In the development of the automotive world industry, Indonesia itself is experiencing very rapid development progress; this is because they need for vehicles for every direct community activity is very important. So that the car repair business still has a very large business opportunity, because there is a significant influence between the growth rate of car sales which is still quite good, and consumer interest in car care and maintenance.

In today's increasingly competitive conditions, every company is required to further improve its service and quality to continue its existence in the business competition arena. Every company must be observant in assessing the advantages and disadvantages it has where the advantages it has must be maintained and developed, while the weaknesses of the company must be reduced and improved.

Quality is a dynamic condition that affects products, services, people, processes, and the environment that meet or exceed the expectations (Tjiptono, 2008). So that the definition of servicequality can be interpreted as an effort to fulfill consumer needs and desires as well as the accuracy of delivery in balancing consumer expectations (Tjiptono,2007). According to Keller (2013:3), brand image is a consumer's response to a brand that is based on the good and bad of the brand that consumers remember. Brand image is a belief that is formed in the minds of consumers about the object of the product that has been felt

According to Muhammad Zakiy (2017) Customer satisfaction is the level of customer feeling after getting a product or service from a company. These feelings arise because customers compare expectations about the product or service that will be obtained with reality.

Especially in service companies, which must prioritize the best service so that they get agood

assessment and are also satisfied by customers. The company is also required to be observant to see the available supporting facilities to be able to generate great benefits for the company.

The company is very aware of the importance of service quality for consumers so currently, every dealer has a service quality guideline which is also a performance measure that is periodically assessed and evaluated by the dealer manager. The success of a company is also determined by the quality of service, according to (Sariaziz, 2018) service quality is a service that focuses on efforts to meet customer needs and the accuracy of delivery to balance customer expectations.

In general, the meaning of loyalty is the quality of one's loyalty or obedience to another person or thing (eg an organization) which is shown through the attitudes and actions of that person. Another opinion says that the notion of loyalty is the quality of one's loyalty to another party which is indicated by providing firm and constant support and obedience to someone or something.

In addition to service quality which has an important role in customer satisfaction, the brand image also has an important role in planning that is broken down in the field of marketing. A brand is something that consumers buy. A product is different because of the brand, then the brand provides an image to consumers.

The brand is an asset owned by the company in the long term, therefore forming a positive image in the minds of consumers is very important. Building the right brand image can be achieved with strong marketing by highlighting the characteristics and advantages of the product.
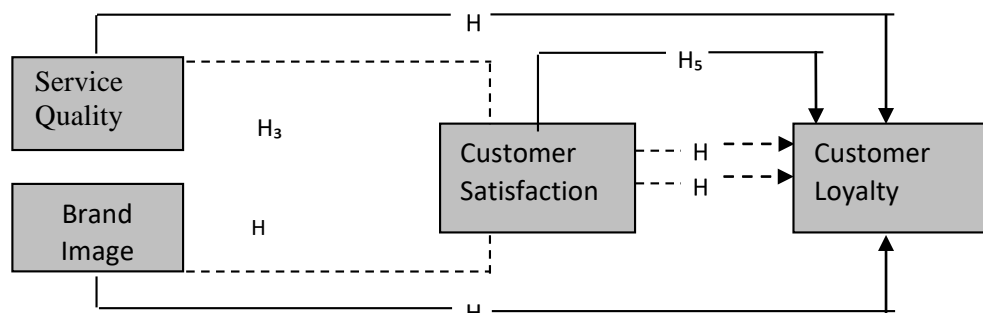

Figure 1 Theoretical Framework

RESEARCH METHOD

The type of research used in this research is explanatory research using a quantitative approach. The population in this research was the customer of PT. Toyota Hasjrat Abadi Mutiara in Palu City. The technique for determining the number of samples, according to Ghozali (2005) in the Structural Equation Modeling (SEM) method, the sample size is 100-200/according to (Solimun 2002) as for the guidelines for determining the sample size for the Structural Equation Modeling (SEM) method. The sample uses a non-probability sampling technique, namely purposive sampling. The purposive sampling technique is a sampling technique with certain considerations (Sugiyono, 2016: 96). If the parameter estimation uses the maximum likelihood estimation method, the recommended sample size is between 1—to 200, with a minimum sample of 50. A total of 5-10 times the number of parameters in the model. Equal to 5-10 times the number of indicators of all latent variables. The number of parameters in this research was 11 parameters, referring to the second point, the sample size was 10 x 11 or 110 samples, so the sample of this research was 110 respondents.

This analysis is an analysis that uses the interpretation of several findings in the field by applying the research results descriptively. One type of descriptive statistics that can be presented in research reports is the distribution of the frequency and average of respondents' answers to the various variables studied.

This research was conducted with a Structural Equation Model (SEM) approach using Partial Least

Square (PLS) software, namely SmartPLS 3.0 software. The researcher used this method because this research consists of 2 independent variables, a dependent variable, and an intervening variable. This research is also latent because it requires indicators or statements to explain and the sample is large so a suitable analytical tool is to use PLS. The variables in this research which consist of service quality, brand image, loyalty, and customer satisfaction are all explained by the indicators so that the measurement model in this research is reflective. The three-componentmeasurement model (outer model) is as follows:

RESULTS AND DISCUSSION
Partial Least Square (PLS) Test Results
1. **Validity Test**
   a. **Evaluating convergent validity**
      The results of data processing using SmartPLS in the table above show that all indicators are considered valid because they already have an outer loading value between 0.6–0.7 andall indicators are declared eligible or valid for research use and can be used for further analysis.
   b. **Discriminant Validity**
      In this section, the results of the discriminant validity test will be described. The discriminant validity test uses values of the cross loading and average variance extracted (AVE). An indicator is declared to meet discriminant validity if the value of the cross- loading indicator on the variable is the largest compared to other variables. The followingis the cross-loading value of each indicator. Based on the results obtained, it can be stated that the indicators used in this research have good discriminant validity in compiling their respective variables.
2. **Reliability Test Analysis**
   a. **Composite Reliability**
      Composite Reliability is the part that is used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability if it has a composite reliability value > 0.7. The composite reliability value generated for each variable is above 0.7. These results indicate that each variable has met composite reliability so it can be concluded that all variables have a high level of reliability and it can be stated that the respondents' answers in this research are consistent.
   b. **Cronbach's Alpha**
      A variable can be declared reliable or fulfills Cronbach alpha if it has a Cronbach alpha value > 0.7. It can be seen that the Cronbach alpha value of each research variable is > 0.6. Thus, these results can indicate that each research variable has met the requirements of the Cronbach alpha value, so it can be concluded that all variables have a high level of reliability.
3. **Structural Model Analysis (Inner Model)**
   Testing of the inner model or structural model is carried out to see the relationship between the construct, significance value, and R-square of the research model. The structural model is evaluated using R-square for the dependent construct of the t-test and the significance of the coefficients of the structural path parameters. The following is a schematic of the inner model
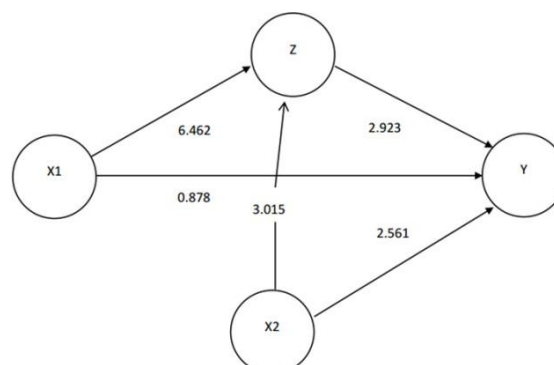
of the PLS program tested.

a. Model Feasibility Test Analysis (Goodness of Fit)
The Q-square value > indicates that the model has predictive relevance; on the other hand, the Q-square value < 0 indicates that the model lacks predictive relevance. The magnitude of Q2 has a value range of $0 < Q2 < 1$, where closer to 1 means the model isgetting better. Good fit assessment is known from the Q-Square value. The Q-Square value has the same meaning as the coefficient determination (R-Square) in regression analysis, where the higher the Q-Square, the model can be said to be better or more fit with the data. The results of the calculation of the Q-Square are as follows:

$$Q\text{-}Square = 1 - [(1 - R\,2Y) \times (1 - R\,2Z)]$$
$$= 1 - [(1 - 0.251) \times (1 - 0.354)]$$
$$= 1 - (0.749) \times (0.646)$$
$$= 1 - 0.484$$
$$= 0.516$$

The calculation results show that the value of Q2 is 0.516. in this research model, the value of Q2 is greater than 0 so that the predictions made by the model are considered relevant.

4. **Hypothesis Testing**
Based on the data processing, the results can be used to answer the hypothesis in this research. Hypothesis testing in this research is carried out by looking at t Statistics and P Values. This hypothesis can be declared confirmed if P Values < 0.05

Table 4. 17
Path Coefficients Bootstrapping Technique

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistics (| O/STDEV |)	P Values
Service Quality -> Customer Loyalty	0.090	0.086	0.098	0.919	**0.359**
Service Quality -> Customer Satisfaction	0.474	0.486	0.075	6.365	**0.000**
Brand Image -> Customer Loyalty	0.238	0.239	0.085	2.800	**0.005**
Brand Image -> Customer Satisfaction	0.254	0.255	0.086	2.947	**0.003**
Customer Satisfaction -> Customer Loyalty	0.301	0.312	0.099	3.053	**0.002**
Service Quality -> Customer Satisfaction -> Customer Loyalty	0.143	0.152	0.056	2.535	**0.012**
Brand Image -> Customer Satisfaction -> Customer Loyalty	0.076	0.078	0.035	2.184	**0.029**

a. **Hypothesis Testing 1 (Quality of service -> Customer Loyalty)**

The results of testing the first hypothesis show that the influence of the service quality on customer satisfaction shows the path coefficient value of 0.090 with a P value of 0.359, the value is smaller than (0.05). These results indicate that service quality does not have a positive and significant influence on customer satisfaction, which means it is not by hypothesis 1 where service quality has a significant influence on customer loyalty at PT. Toyota Hasjrat Abadi Mutiara Palu.

b. **Testing Hypothesis 2 (Quality of Service -> Customer Satisfaction)**

The results of testing the second hypothesis show that the influence of the service quality on customer satisfaction shows the path coefficient value of 0.474 with a P-Value of 0.000, the valueis smaller than (0.05). These results indicate that service quality has a positive and significant influence on customer satisfaction at PT. Toyota Hasjrat Abadi Mutiara Palu. which means following hypothesis 2 where service quality has a positive influence on customer satisfaction.

c. **Hypothesis Testing 3 (Brand Image -> Customer Loyalty)**

The results of testing the third hypothesis show that the brand image on customer loyalty shows a path coefficient value of 0.232 with a P-Value of 0.005, the value is smaller than (0.05). These results indicate that brand image has a positive and significant influence on customer loyalty, which means that according to hypothesis 3, where the brand image has a significant influence on customer loyalty at PT. Toyota Hasjrat Abadi Mutiara Palu.

d. **Hypothesis Testing 4 (Brand Image -> Customer Satisfaction)**

The results of testing the fourth hypothesis show that the influence of product quality on customer loyalty shows the path coefficient value of 0.254 with a P-Value of 0.003 the value is smaller than (0.05). These results indicate that brand image has a positive and significant influence on customer satisfaction which means that according to hypothesis 4 where the brand image has a significant influence on customer loyalty at PT. Toyota Hasjrat Abadi Mutiara Palu.

e. **Hypothesis Testing 5 (Customer Satisfaction -> Customer Loyalty)**

The results of testing the fifth hypothesis show that the influence of customer satisfaction on customer loyalty shows the path coefficient value of -0.301 with a P-Value of 0.002, the value is smaller than (0.05). These results indicate that customer satisfaction has a positive and significant influence on customer loyalty, which means that according to hypothesis 5, where customer satisfaction has a positive and significant influence on customer loyalty at PT. Toyota Hasjrat Abadi Mutiara Palu. This means that hypothesis 5 is confirmed.

f. **Hypothesis Testing 5 (Service Quality -> Customer Satisfaction -> Customer Loyalty)**

The results of testing the sixth hypothesis show that the influence of the service quality oncustomer loyalty through customer satisfaction shows the path coefficient value of 0.143 with a P value of 0.012, the value is smaller than (0.05). These results indicate that service quality has a positive and significant influence on customer loyalty through customer satisfaction, which means that according to hypothesis testing 6 where service quality has a significant influence on customer loyalty through customer satisfaction at PT. Toyota Hasjrat Abadi Mutiara Palu. This means that hypothesis 6 is confirmed.

g. **Testing Hypothesis 7 (Brand Image -> Customer Satisfaction -> Customer Loyalty)**

The results of testing the seventh hypothesis show that the influence of the brand image on customer loyalty through customer satisfaction shows a path coefficient value of -0.008 with a P- value of 0.029, this value is smaller than (0.05). These results indicate that brand image has a positive and significant influence on customer loyalty through customer satisfaction which means that according to hypothesis 7 where the brand image has a positive and significant influence on customer loyalty through customer satisfaction at PT. Toyota Hasjrat Abadi Mutiara Palu. This means that hypothesis 7 is confirmed.

CONCLUSION

Based on the results of the research, the conclusion of this research are as follow:
1. Service quality has no significant influence on customer loyalty at PT. Toyota HasjratAbadi Mutiara Palu.
2. Service quality has a significant influence on customer satisfaction at PT. Toyota HasjratAbadi Mutiara Palu.
3. Brand image has a significant influence on customer loyalty at PT. Toyota Hasjrat AbadiMutiara Palu.
4. Brand image has a significant influence on customer satisfaction at PT. Toyota Hasjrat Abadi Mutiara Palu.
5. Customer satisfaction has a significant influence on customer loyalty at PT. ToyotaHasjrat Abadi Mutiara Palu.
6. Service quality has a significant influence on customer loyalty through customersatisfaction at PT. Toyota Hasjrat Abadi Mutiara Palu.
7. Brand image has a significant influence on customer loyalty through customer satisfactionat PT. Toyota Hasjrat Abadi Mutiara Palu.

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