THE ROLE OF CUSTOMER SATISFACTION MEDIATED PERCEPTION OF VALUE AND SERVICE QUALITY TO CUSTOMER LOYALTY

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ABSTRACT: The purpose of this study is to explain the role of customer satisfaction mediating the effect of perceived value and service quality on customer loyalty. The study was conducted in Denpasar City involving 140 respondents who used the service in Auto 2000 through a purposive sampling method. Data collection uses questionnaires. Data analysis technique used is path analysis and multiple test. The results showed the perception of value and service quality has a positive and significant effect on customer loyalty. Customer satisfaction, perceived value has a positive and significant effect on customer loyalty. Customer satisfaction positively and significantly mediates the effect of perceived value and service quality on customer loyalty. This research is expected to be able to make empirical contributions in maximizing services and benefits that build positive customer value perceptions of the company so consumers will feel satisfied and will have an attachment to the company that will cause loyalty to consumers.

Keywords: Customers, customer satisfaction, perceived value, service quality, customer loyalty.

I. INTRODUCTION

Service quality is one measure of the success of a company. Service quality also affects customer loyalty directly and affects consumer loyalty indirectly. Service quality is also able to increase market share by encouraging customers to commit to a company's products and services (Dwi Putra and Ekawati, 2017). The decline in customer loyalty to the company does not rule out the possibility of poor service quality provided by the company to the customer so that negative perceptions arise about the company. Good service quality will provide a high valuation of the company, in addition to good service quality, a company is also judged by its corporate image (Hapsari et al, 2016). The image of a company can affect customer loyalty, because most customers see from the achievements of the company, the company's image will appear coupled with the perceived value delivered by employees so that customer confidence increases and will ultimately lead to loyalty to the company's products. Values are terminals and instruments or goals where the behavior is directed, and the goal achievement goals (Soegoto, 2013). Customers are more likely to stay in a relationship when they see the number of benefits (for example satisfaction with core service attributes, additional services and relationship benefits) outweigh the costs. Perceived values are most often conceptualized as traditional measures (Anuwichanont, 2011).

The quality of services needs to be improved so that positive customer perceptions of value can increase towards the company. The customer is someone who continually and repeatedly comes to the same place to satisfy his desires by owning a product or getting a service and paying for that product or service. Customer satisfaction is defined as the high level of expectation felt by customers through the post-purchase evaluation of a product or service (Bayraktar et al., 2012). Customer satisfaction is generally considered as a determinant of customer loyalty from sales made by word of mouth and is also considered as a determinant of brand loyalty (Bayraktar et al., 2012).

Customers are said to have loyalty when they have passed several stages. This process lasts a long time with different emphasis and attention for each stage because each stage has different needs. Paying attention to each stage and meeting the needs in each of these stages, the company has a greater opportunity to form prospective buyers into loyal customers. Customer loyalty is the extent to which customers exhibit repurchase behavior from service providers and customers receive a good attitude from the company and consider using the company's services when there are other needs (Kheng et al., 2010).

At this time the Toyota company is Auto as a service network of sales, maintenance, repair and supply of Toyota spare parts which was established in 1975 under the name Astra Motor Sales, and only in 1989
changed its name to Auto 2000 with management that has been fully handled by PT. Astra International Tbk. Currently Auto 2000 is the largest Toyota retailer in Indonesia, which controls around 42 percent of Toyota's total sales. Its business activities, Auto 2000 is associated with PT. Toyota Astra Motor as the sole agent of the Toyota Brand (ATPM), which makes Auto 2000 is one of Toyota's official dealers.

Companies in Bali one of which is Auto 2000 Denpasar which is an official Toyota car dealer, in addition to being an official Toyota dealer, Auto 2000 Denpasar also provides other services such as showrooms, workshops, services and providing spare parts to make it easier for customers to be able to buy back or do maintenance his car, this is very influential on determining the decision of consumers to make a purchase or make maintenance again. In this study only focus on customer satisfaction in maintaining or servicing Toyota cars in Auto 2000 Denpasar.

Companies are required to make customers feel satisfied by offering better services and services, considering that the company must be able to maintain its market position amid increasingly fierce competition (Aris and Utama, 2015). Service quality must start from customer needs and end on the perception of customers who get products or services that match or exceed what is expected tends to get a positive response. Good references to goods or services are often created because of high customer satisfaction with the product or service. Customer satisfaction can have a positive and negative impact, from the service quality the company can form satisfaction for customers who will form customers to be loyal to the company concerned. Satisfaction is only one of several causes for the formation of customer loyalty. Improve the relationship between service performance, customer satisfaction, and customer purchase intensity as reflected through loyalty.

Previous research conducted by Soegoto (2013) which states that the perception of value, trust and customer satisfaction has a significant effect on customer loyalty. Partially the perception of value and trust has a significant effect on customer satisfaction, the perception of value, trust and satisfaction has a significant effect on customer loyalty. Research by Rinny and Kalalo (2013) states that service quality simultaneously and partially has a significant effect on customer loyalty. Research conducted by Aris and Utama (2015) states that service quality has a positive effect on customer loyalty, but research conducted by P. Singh and Thakur (2012) states that not all dimensions of service quality have a significant effect on customer loyalty. Two dimensions of service quality, empathy and tangibility, have a significant effect on customer loyalty while the dimensions of service quality such as reliability, assurance, and responsiveness have a negative effect on customer loyalty.

III. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

According to research by Paramitha and Kusuma (2018) states that perceived quality, brand image and perceived value have a positive and significant effect on customer satisfaction. According to research conducted by Samuel and Wijaya (2009) states that there is a significant positive direct effect between perceived value on satisfaction, satisfaction can be a mediation between service quality and perceived value of loyalty. Ghalandari's research, (2013) states that perceived value has a positive and significant influence on customer satisfaction. Research conducted by Shantika and Setiawan (2019) states that the perception of value, experience, and customer satisfaction directly has a positive and significant effect. Based on the results of previous studies, the formulation of hypotheses that can be submitted are:

H1: Perceived value of customer satisfaction has a positive and significant effect.

Nugroho's research (2015) states that service quality has a positive and significant effect on customer satisfaction. According to Permata (2013) research, it is found that service quality variables on customer satisfaction variables are positive and significant Pangestuti and Perwangsa (2018) states that service quality partially has an influence which is significant to customer satisfaction. According to Permata research (2013) which results that the variable service quality to the variable of customer satisfaction is positive and significant. Based on the results of previous studies, the formulation of hypotheses that can be submitted are:

H2: Service quality on customer satisfaction has a positive and significant effect.

According to previous research which states that perceived value has a positive and significant influence on customer loyalty (Wijaya and Nurcaya, 2017), Chalabi and Turan, (2017) which states that a positive and strong relationship between perceived value, and customer loyalty. Research from Paramitha and Kusuma, (2018) which states that customer satisfaction as a mediator, produces, value received by customers and service quality has a positive and significant effect on customer loyalty through customer satisfaction. Research from Hasan, et al., (2014) states that perceived customer perceived value shows a positive and significant effect on customer loyalty. Based on the results of previous studies, the formulation of hypotheses that can be submitted are:

H3: Value perception has significantly positive impact on customer loyalty.

According to research conducted by Paramitha and Kusuma, (2018) states that customer satisfaction has a positive and significant influence on customer loyalty. Research from Wiradarma and Ambience (2019) which states that customer satisfaction has a positive influence on customer loyalty, and customer satisfaction positively and significantly mediates the effect of service quality on customer loyalty. Research Indraswari and
Ardani, (2019) states that customer satisfaction has a positive and significant effect on customer loyalty. Based on the results of previous studies, the formulation of hypotheses that can be submitted are:

H5: Customer satisfaction has a positive and significant effect on customer loyalty.

Research by Mardikawati and Farida, (2013) states that service quality has a positive effect on customer loyalty through customer satisfaction. Customer satisfaction also has a positive and significant impact on customer loyalty. Samuel and Wijaya (2009) state that there is a significant positive direct effect between perceived value on satisfaction, satisfaction can be a mediation between service quality, in addition, perceived value and experience can indirectly influence repurchase intention through customer satisfaction as a mediating variable. Research conducted by Rasheed and Abadi (2014) states that there is a positive relationship between service quality, perceived customer perceived value, and trust in customer loyalty, consequently in this study considered the role of service quality, perceived value and trust shape customer loyalty. Research conducted by Koupai et al. (2015) states that the variable of customer satisfaction is a mediation of values that has a positive and significant effect on customer loyalty. Researchers Tama and Untoro, (2016) state that satisfaction plays a positive role as a mediating variable of perceived value to customer loyalty. Based on the results of previous studies, the formulation of hypotheses that can be submitted are:

H6: Customer satisfaction in mediating the perception value has a positive effect on customer loyalty.

According to research from Putri and Utomo (2017) which states that the effect of value, service quality on customer loyalty, has a significant effect on customer loyalty with satisfaction as an intervening variable. Research by Mardikawati and Farida, (2013) states that service quality positively influences customer loyalty through customer satisfaction. According to Mardikawati and Farida, (2013) which states that service quality has a positive effect on customer loyalty through customer satisfaction satisfaction. Nugroho's research (2015) states that service quality has a positive and significant effect on customer satisfaction and service quality has a positive and significant effect on customer loyalty. Service quality directly affects customer satisfaction, and does not directly affect customer loyalty. Research Jumawan (2018) states that service quality has a positive and significant effect on customer satisfaction, service quality positively and significantly influences customer loyalty, satisfaction variables positively and significantly affect customer loyalty, satisfaction. Pangestuti and Perwangsa (2018) stated that service quality partially has a significant effect on customer satisfaction. Based on the results of previous studies, the formulation of hypotheses that can be proposed are:

H7: Customer satisfaction in mediating service quality has a significant positive effect on customer loyalty.

III. METHODS

This research was conducted in Denpasar City because the income of the population in Denpasar City was the second highest in Bali (BPS, 2018) and the productive age in Denpasar was 501,909 people which was the highest number one in Bali (BPS, 2018). The reason for choosing Denpasar is because Toyota's official dealer is located in Denpasar. The object to be used in this study is customer loyalty Toyota car service in Auto 2000 Denpasar City arising from the role of service quality and perceived value mediated by customer satisfaction.

This research is all Denpasar City people who have used services at the Toyota Auto 2000 Denpasar Dealer. Thus the number of population used in the study is infinite or infinite, because it is not known with certainty. The best sample size is recommended to measure multivariate is 5-10 observations of each parameter. 14 indicators x 10 = 140 respondents. Thus the respondents needed in this study were 140 respondents. The sample was chosen using a non-probability technique because the customer population did not get the same opportunity. In this study the analysis technique used is the path analysis technique (path analysis).

IV. RESULTS AND DISCUSSION

Path analysis technique (path analysis) is a data analysis technique used in this study. Path analysis is used to determine the pattern of relationships between three or more and cannot be used to confirm or reject hypotheses. Following are the results of the path analysis in this study. The path coefficient calculation is done using SPSS 13, the results of data processing for regression equation 1 are presented in Table 1 as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Constant</td>
<td>-0,400</td>
<td>0,209</td>
<td>-1,916</td>
</tr>
<tr>
<td></td>
<td>Perceived value</td>
<td>0,402</td>
<td>0,100</td>
<td>0,336</td>
</tr>
<tr>
<td></td>
<td>Service Quality</td>
<td>0,690</td>
<td>0,100</td>
<td>0,573</td>
</tr>
</tbody>
</table>

R² = 0,777
F statistic : 239,184
Sig. F : 0,000

Primary Data, 2019
Based on the data presented in Table 1, the structural equation can be arranged as follows:

\[ M = \beta_1 X_1 + \beta_2 X_2 + e_1 \]

### Table 2. Path Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.001</td>
<td>0.206</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Perceived value</td>
<td>0.209</td>
<td>0.103</td>
<td>0.222</td>
</tr>
<tr>
<td></td>
<td>Service Quality</td>
<td>0.250</td>
<td>0.114</td>
<td>0.264</td>
</tr>
<tr>
<td></td>
<td>Cust. Satisfaction</td>
<td>0.287</td>
<td>0.083</td>
<td>0.365</td>
</tr>
</tbody>
</table>

R² : 0.659  
F statistik : 87.478  
Sig. F : 0.000  

*Primary Data, 2019*

Based on the data presented in Table 2, the structural equation can be arranged as follows:

\[ Y = 0.222 X_1 + 0.264 X_2 + 0.365 M + e_2 \]

**The effect of perceived value on customer satisfaction**

The effect between the variable perceived value and customer satisfaction in this study obtained a \( \beta_1 \) coefficient of 0.336 with a significant level of \( 0.000 \leq 0.05 \), so H1 was accepted and H0 was rejected which states that perceived value has a positive and significant effect on customer satisfaction. Therefore, the more customers give a good perception of Auto 2000 Denpasar, the more customer satisfaction is felt.

The summary of respondents in the study presented in the variable description shows that respondents’ ratings of customer value perceptions of Auto 2000 Denpasar are in good categories. Respondents were satisfied and gave a good perception of Auto 2000 because it provided good service.

The results of this study are in line with previous studies conducted by Mahendra and Idris (2017), Samuel and Wijaya (2009), and Ghalandari, (2013) resulting that the perception of value has a positive and significant effect on customer satisfaction.

**The effect of service quality on customer satisfaction**

The effect of service quality on customer satisfaction in this study shows the results with a coefficient of \( \beta_2 \) 0.573 with a significance level of \( 0.000 \leq 0.05 \) H1 accepted and H0 rejected which states that service quality has a positive effect on customer satisfaction, in other words if service quality factors increase then satisfaction increased.

Summary of the results of respondents in this study are presented in the description of the variable service quality in Auto 2000 Denpasar in good categories. Respondents were satisfied with the service provided by Auto 2000 Denpasar so that it could increase customer satisfaction to do service again. The results of this study are in line with previous studies conducted by Putri and Utomo (2017), Permana (2013) and Mardikawati and Farida, (2013) states that service quality variables have a positive and significant effect on customer satisfaction.

**The effect of perceived value on customer loyalty**

The effect of perceived value on customer loyalty in this study showed results with a coefficient of \( \beta_3 \) 0.222 with a significance level of \( 0.000 \leq 0.05 \) H1 accepted and H0 rejected which states that perceived value has a positive and significant effect on customer loyalty. In other words, if the customer perception factor is good and the customer is satisfied with the service provided, the level of customer loyalty will increase.

Summary of the results of the respondents in this study are presented in the description of the variable perception variable value of Auto 2000 Denpasar in good categories. Respondents get a good value perception of the Auto 2000 Denpasar service so that customers feel satisfied and can increase customer loyalty.

The results of this study are in line with previous studies conducted by Wijaya and Nurcaya (2017), Chalabi and Turan, (2017) and Paramitha and Kusuma, (2018) which state that the perception of value has a significant positive effect on customer loyalty.

**The effect of service quality on customer loyalty**

The effect of service quality on customer loyalty in this study shows the results with a coefficient of \( \beta_4 \) of 0.264 with a significance level of \( 0.000 \leq 0.05 \) H1 accepted and H0 rejected which states that service quality has a positive and significant effect on customer loyalty. Therefore the better the level of service in Auto 2000 Denpasar, the higher the level of customer loyalty.

The summary of the results of this study is also presented in the description of variable service quality in Auto 2000 Denpasar with good categories so that customers feel satisfied and their level of loyalty towards the company also increases. The results of this study are also supported by previous studies conducted by Kumar.
(2017), Mardikawati and Farida (2013) and Dwi Putra and Ekawati (2017) who present that service quality has a positive and significant effect on customer loyalty.

**The effect of customer satisfaction on customer loyalty**

The effect of customer satisfaction on customer loyalty in this study produced a β5 coefficient of 0.365 with a significance level of 0.000 ≤ 0.05 H1 accepted and H0 rejected which states that customer satisfaction has a positive and significant effect on customer loyalty. Therefore the higher the level of customer satisfaction the more loyal customers.

The summary of the results of this study is also presented in the description of variable service quality in Auto 2000 Denpasar with good categories so that customers feel satisfied and their level of loyalty towards the company also increases. The results of this study are also supported by previous studies conducted by Kumar (2017), Mardikawati and Farida (2013) and Dwi Putra and Ekawati (2017) who present that service quality has a positive and significant effect on customer loyalty.

**The effect of customer satisfaction on customer loyalty**

The effect of customer satisfaction on customer loyalty in this study produced a β5 coefficient of 0.365 with a significance level of 0.000 ≤ 0.05 H1 accepted and H0 rejected which states that customer satisfaction has a positive and significant effect on customer loyalty. Therefore the higher the level of customer satisfaction the more loyal customers eat the company.

The summary of the results of this study is also presented in the description of customer service variable in Auto 2000 Denpasar with good categories so that customers feel loyal again to use services in Auto 2000 Denpasar. The results of this study are also consistent with previous research conducted by Paramitha and Kusuma, (2018), Wiradarma and Atmosphere (2019) and Indraswari and Ardani, (2019) which states that customer satisfaction has a positive and significant effect on customer loyalty.

**Coefficient of Determination (R²)**

Based on the regression equations 1 and 2, it is known the value of $R_1^2 = 0.737$ and $R_2^2 = 0.736$, the error value for each equation is calculated as follows:

\[ e = \sqrt{1 - R^2} \]

\[ e_1 = \sqrt{1 - R_1^2} = \sqrt{1 - 0.777} = 0.472 \]

\[ e_2 = \sqrt{1 - R_2^2} = \sqrt{1 - 0.659} = 0.583 \]

Based on the above calculation, the effect of $e_1 = 0.513$ is known and the value of $e_2 = 0.514$. From the known values of $e_1$ and $e_2$, the total determination coefficient can be calculated as follows:

\[ R_m^2 = 1 - (Pe_1)^2 (Pe_2)^2 \]

\[ = 1 - (0.472)^2 (0.583)^2 \]

\[ = 1 - (0.222) (0.340) \]

\[ = 1 - 0.076 \]

\[ = 0.924 \]

The coefficient of total determination of 0.924 means that 92.4 percent of the variations in customer loyalty variables are influenced by customer satisfaction, perceived value and service quality, while the remaining 7.6 percent is explained by other factors not included in the model.

The Sobel test is an analytical technique to test the significance and indirect effect between the independent variable and the dependent variable mediated by the mediator variable. The Sobel Test was calculated using the Microsoft Excel 2010 application. The $z$ coefficient value is greater than 1.96, then the customer satisfaction variable in this study is considered to be able to significantly mediate the effect of perceived value and service quality on customer loyalty.

**The Role of Customer Satisfaction Mediates Value Perception with Customer Loyalty**

The Sobel Test is calculated by the following equation:

\[ z = \frac{ab}{\sqrt{b^2Sa^2 + a^2Sb^2 + Sa^2Sb^2}} \]

Information:

\[ a = 0.402 \]

\[ S_a = 0.100 \]

\[ b = 0.287 \]

\[ S_b = 0.083 \]

\[ z = \frac{ab}{\sqrt{0.287^2 (0.100)^2 + (0.402)^2 (0.083)^2 + (0.100)^2 (0.083)^2}} \]

\[ = 2.5761 \]
The calculated Sobel Test results indicate that the z coefficient value is 2.5761 > 1.96 with a significance level of 0.0100 < 0.05, so H0 is rejected and H1 is accepted. These results mean that customer satisfaction as a mediating variable is assessed positively and significantly able to mediate the effect of perceived value on customer loyalty. The Role of Customer Satisfaction Mediates Service quality with Customer Loyalty

The Sobel Test is calculated by the following equation:

\[ z = \frac{ab}{\sqrt{b^2S_a^2 + a^2S_b^2 + abS_{ab}}} \]

Information:
\[ a = 0.690 \]
\[ S_a = 0.100 \]
\[ b = 0.287 \]
\[ S_b = 0.083 \]
\[ z = \frac{\sqrt{(0.287)^2(0.100)^2 + (0.690)^2(0.083)^2 + (0.287)(0.690)(0.083)^2}}{0.0657} = 3.0657 \]

The calculated Sobel Test results show that the z coefficient value is 3.0657 > 1.96 with a significance level of 0.0022 < 0.05, so H0 is rejected and H1 is accepted. These results mean that customer satisfaction as a mediating variable is assessed positively and significantly able to mediate the effect of service quality on customer loyalty.

The effect of customer satisfaction mediates the perception of value on customer loyalty

The effect of customer satisfaction as a mediation of perceived value on customer loyalty in this study resulted in a value of 0.222 then after customer satisfaction became a variable mediating value on the effect of perceived value on customer loyalty of 0.123. These results indicate that customer satisfaction as a mediating variable of customer satisfaction positively and significantly mediates the effect of perceived value on customer loyalty.

The test value of the influence of customer satisfaction mediates the perception of value on customer loyalty of \( Z = 2.5761 > 1.96 \) and a significance level of 0.0100 < 0.05. The sobel test results mean that customer satisfaction as a mediating variable is assessed positively and significantly able to mediate the effect of perceived value on customer loyalty. Customer satisfaction can be an intermediary between perceptions held by Auto 2000 Denpasar customers to increase their loyalty to use the services of Auto 2000 Denpasar again.

The results of this study are consistent with previous studies conducted by Shantika and Setiawan (2019), Paramitha and Kusuma (2018), Rasheed and Abdi (2014), and Joupai, et al (2015) who stated that the perceived value and customer loyalty had a positive and significant effect through customer satisfaction.

The effect of service quality on customer loyalty is mediated by customer satisfaction

The effect of customer satisfaction as mediation of service quality on customer loyalty in this study resulted in a value of 0.264 then after customer satisfaction became a value mediating variable on the effect of perceived value on customer loyalty of 0.209. These results indicate that customer satisfaction as a mediating variable of customer satisfaction positively and significantly mediates the effect of service quality on customer loyalty.

Sobel test value of the effect of customer satisfaction mediate service quality on customer loyalty of \( Z = 3.0657 > 1.96 \) and a significance level of 0.0022 < 0.05. The sobel test results mean that customer satisfaction as a mediating variable is assessed positively and significantly able to mediate the effect of service quality on customer loyalty. Customer satisfaction is able to be an intermediary between the services provided by Auto 2000 Denpasar customers to increase their loyalty to use the services of Auto 2000 Denpasar again.

The results of this study are also consistent with previous research conducted by Ardani (2019), Jumawan (2018) Nugroho (2015) Pangestuti and Perwangsa (2018) which states that the quality of service to customer loyalty has a positive and significant impact through customer satisfaction as a mediator.

V. CONCLUSION

The results of this study show several implications. First, perceived value is an aspect that influences consumer loyalty. Consumers feel that they benefit and feel it is appropriate to pay a sum of money charged to the services provided. These things are factors that make consumers feel satisfied and become loyal to the company. Company management should pay attention and try to continue to improve the benefits felt by consumers to maintain customer loyalty.

Second, the quality of service provided also affects loyalty. In the service industry, service is a major aspect of business. The company can increase customer satisfaction and customer loyalty through maintaining

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the quality of services provided through increasing the reliability, responsiveness, empathy and facilities of the service.

Third, customer satisfaction is known to increase consumer loyalty. By maximizing services and benefits that build positive customer value perceptions of the company, consumers will feel satisfied and will have an attachment to the company that will cause loyalty to these consumers.

REFERENCES


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