

The Effect of Facility and Quality of Service on Loyalty, Through Consumer Satisfaction of Vehicle Rental Services at PT. Madani Business Partner

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Abstract:- The national automotive industry has a significant impact on increasing the car rental business in Indonesia. The number of companies engaged in the car rental service business, of course, has consequences for sharp competition in getting existing customers. The purpose of this study was to determine the effect of facilities and service quality on loyalty through customer satisfaction of PT. Madani Business Partners. The population used is 116 randomly with the questionnaire method by providing a list of questions directly to the respondents. The data analysis technique in this study used SEM (Structural Equation Modeling) analysis using the IBM AMOS v22 program. The results show that facilities, quality of service and customer satisfaction have a positive influence on customer loyalty. while the indirect influence of facilities and quality of service through customer satisfaction can influence customer loyalty.

Keywords:- Facilities, Service Quality, Customer Satisfaction, Loyalty.

I. INTRODUCTION

The development of the automotive industry makes the competition increasingly competitive. This can be seen by the various product innovations and advertisements that are intensively carried out both through mass media and electronic media. This is intended for how to seize market share of competitors and maintain their own market share. Every company engaged in the automotive sector feels the need to continuously provide excellent facilities and service quality to each of its customers. By providing facilities and good service quality to its customers, the company is expected to be able to provide satisfaction to its loyal customers.

With the increasing volume of vehicles, it encourages business actors, especially in the service sector to create a business that is engaged in the transportation sector, one of which is vehicle rental services. Vehicle rental is a provider of transportation services to people who need a vehicle. At this time car rental services are widely used by people who need it as a means of transportation. Many car rental services rent cars with various types of cars at varied prices without compromising the quality and service to its users. Car rental services prioritize service quality and adequate facilities for consumers, so that car rental services can get the desired market share. For car rental services, customer satisfaction is

very important, because if consumers are satisfied with the services provided, then these consumers will become customers who always use the car rental services which of course will make these consumers loyal to the rental company.

One of the vehicle rental companies is PT. Civilian Business Partner. PT. Mitra Bisnis Madani is a company engaged in the rental of land transportation equipment which is an affiliate of PT. PNM (Persero). Established since 2015, PT. Mitra Bisnis Madani was formed to support the business of PT. PNM (Persero) in all branches in Indonesia, with existing networks throughout Indonesia, in 2019 PT. MBM develops its business not only for PT. PNM (Persero), but is ready to serve all companies that require vehicle rental. PT. MBM will give a strong commitment in providing satisfaction to each of our customers, work professionally and prioritize the best service.

To be able to provide satisfaction to its customers, what must be considered by vehicle rental companies is the facilities and quality of customer service that really needs to be a concern. The facilities provided are as well as the feasibility of the vehicle along with the facilities offered such as cleanliness so that consumers get comfort and safety in using the vehicle. While the quality of the service as well as the service provided if the consumer needs help or something on the vehicle used by the company must quickly serve so that it can be quickly resolved which will certainly provide customer satisfaction. Car rental services will succeed in obtaining large numbers of consumers if they are considered to be able to provide satisfaction for their customers. Service quality is a strategically important variable in an organization's efforts to achieve customer satisfaction and long-term relationships and attract new customers. To achieve this goal, organizations pay attention to the behavior of workers and if this is ignored, customers will experience frustration due to lack of communication.. According to Parasuraman et al. (1988), five main dimensions related to service quality, namely direct evidence, reliability, responsiveness, assurance, and empathy. Anderson, Fornell and Lehmann (1996) say that they are satisfied with the quality of the products and services they offer and that they are more loyal to their customers. Loyalty means the ability of a company to place a product in the customer's mind, and by strengthening the trust of the customer, the company considers the customer as a partner and, if necessary for development, mutual Always interact for the development of (Kartajaya, 1999).

Studies on the relationship between quality of service and customer satisfaction vary. (Aridara Nastiti, Sri Rahayu Tri Astuti, 2019), we found that quality of service has a positive and significant impact on customer satisfaction. The higher the quality of service, the higher the customer satisfaction. (Sofyan, Pradhanawati & Nugraha) found that the quality and satisfaction of equipment, service was positive for loyalty and had a significant impact. However, according to a study (Evan Chandra, 2018), quality of service does not directly affect customer loyalty. In this study, we found that the value received by customers and the quality of service have a positive and significant impact on customer satisfaction and employee loyalty. The relationship between equipment, quality of service and customer satisfaction still varies. In some previous studies, will review the relationship between equipment, quality of service, customer satisfaction, and impact on loyalty.

II. LITERATURE REVIEW

A. Facility

Facilities and anything that is intentionally provided by service providers for use and enjoyment by consumers for the purpose of providing the highest level of satisfaction. A facility is all of the physical equipment provided by service vendors to support consumer convenience (Kotler, 2009). On the other hand, according to Lupioadi (2008), the appearance of facilities and infrastructure facilities, their capabilities, and the surrounding environmental conditions indicating their presence outside, including physical facilities (buildings) facilities. Includes facilities, tools, objects, equipment, money, and workspace. According to Tjiptono (2006), the design and layout of service facilities are closely related to the formation of customer perceptions. The perception that different types of services are formed by the interactions between customers and facilities influences the quality of these services from the customer's perspective.

B. Service Quality

Jasfar (2005) proposed that there are five dimensions of quality of service. That is, (1) reliability is the ability to provide the promised service immediately, accurately and sufficiently, and (2) the ability of employees to help responsive customers and provide the service responsively It is a desire, (3) Make sure that employees include the knowledge, abilities, comfort and credibility of employees without danger, danger or doubt, (4) Empathy is the ease of building relationships, smooth communication and personal interest And an understanding of personal needs customer, and (5) physical products include physical facilities, equipment, employees and means of communication.

C. Customer satisfaction

Within the context of customer satisfaction, it is generally the expectation or trust that the customer will receive. Expectations themselves are influenced by the experience of buyers and customers, advertising, descriptions or information from company sources such as media and friends, competitor information and company commitments. These customer expectations evolve with the customer's experience increasing over time (Kotler, 1997). Achieving

customer satisfaction is when the customer's expectations match the expected expectations. Fornell et al. (1996) said that if the perceived value exceeds the customer's expectations, then customer satisfaction is high. The most important factor for creating customer satisfaction is the agent's performance, which is usually defined by the agent's quality (Mowen 1995). The higher the quality of the product or service you provide, the higher your customer satisfaction will be. Higher customer satisfaction can bring profits to your business. Conversely, customers may migrate to other products if they are not satisfied (Kotler and Armstrong, 1996).

D. Loyalty

According to Oliver (2005), loyalty is a customer's deep insistence on re-subscribing or repurchasing a selected product/service in the future, even if the influence of circumstance and marketing activities can drive behavior. Griffin (2005) explains that some of the benefits a firm obtains if it has loyal customers will increase and promote a firm's market share through reduced marketing costs, lower transaction costs, lower turnover costs, and increased cross-selling. Positive ratings based on the assumption that loyal customers also mean they are satisfied.

E. Theoretical Framework

Based on these theory above, it could be described a theoretical framework for these titles as follows:

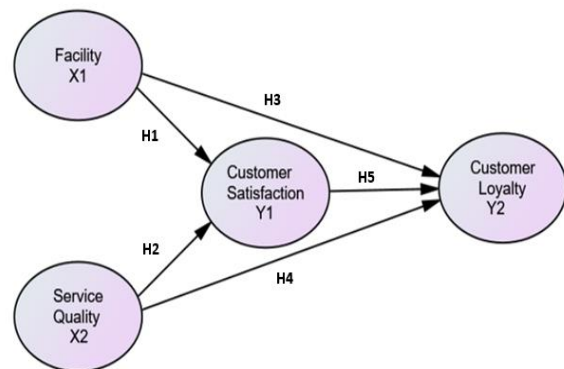


Fig 1: -Theoretical Framework

F. Hypothesis

The hypothesis of this cases that could be seen as in follows:

- H1 Facilities have a positive and significant impact on customer satisfaction.
- H2 Service quality has a positive and significant effect on customer satisfaction.
- H3 Facilities have a positive and significant influence on customer loyalty.
- H4 Service quality has a positive and significant influence on customer loyalty.
- H5 Customer satisfaction has a positive and significant influence on loyalty.

III. METHODOLOGY

This study identifies causal relationships between variables and finds real-world facts that help researchers understand and predict relationships between variables. This research will be conducted at PT Madani Business Partner (MBM) which is a vehicle rental company that serves all areas of big cities, especially for PT. PNM. Researchers will analyze all facilities and infrastructure owned by PT MBM in order to provide service and customer satisfaction. Researchers conducted an analysis at the location of the PT Mitra Bisnis Madani office in Jakarta. The type of data used in this research is quantitative data with the technique of collecting it is by interview, questionnaire. The population and samples included in the study amounted to 116 respondents. To test this research hypothesis, structural equation model analysis or better known as SEM (Structural Equation Modeling) was used using the AMOS program.

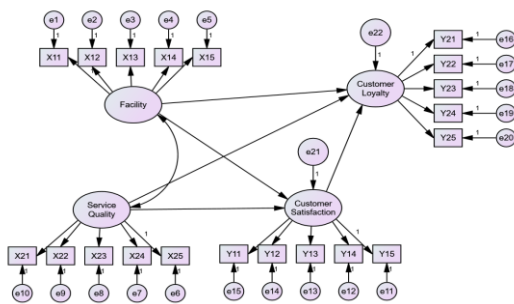


Fig2: - Customer loyalty Model

IV. RESULTS AND DISCUSSIONS

A. Validity and Reliability Test

It can be seen from Table 1 that all the data from the research questionnaire meet the valid standard, and the result of the measurement of the load factor value or the validity coefficient of the standardized load estimate is 0.05. Therefore, all research indicators can be used as effective data collectors to explore problems as objects of research.

TABLE 1. VALIDITY TEST RESULTS

			Estimate	Information
Customer Satisfaction	<---	Facility	0.233	Valid
Customer Satisfaction	<---	Service Quality	0.778	Valid
Customer Loyalty	<---	Customer Satisfaction	0.939	Valid
Customer Loyalty	<---	Facility	0.283	Valid
Customer Loyalty	<---	Service Quality	0.285	Valid
X11	<---	Facility	0.692	Valid
X12	<---	Facility	0.677	Valid
X13	<---	Facility	0.752	Valid
X14	<---	Facility	0.619	Valid
X15	<---	Facility	0.87	Valid
X25	<---	Service Quality	0.944	Valid
X24	<---	Service Quality	0.902	Valid
X23	<---	Service Quality	0.869	Valid
X22	<---	Service Quality	0.738	Valid
X21	<---	Service Quality	0.771	Valid
Y15	<---	Customer Satisfaction	0.789	Valid
Y14	<---	Customer Satisfaction	0.928	Valid
Y13	<---	Customer Satisfaction	0.817	Valid
Y12	<---	Customer Satisfaction	0.946	Valid
Y11	<---	Customer Satisfaction	0.948	Valid
Y21	<---	Customer Loyalty	0.864	Valid
Y22	<---	Customer Loyalty	0.924	Valid
Y23	<---	Customer Loyalty	0.941	Valid
Y24	<---	Customer Loyalty	0.852	Valid
Y25	<---	Customer Loyalty	0.885	Valid

According to Table 2, the CR value of each variable shows >0.6. Therefore, all indicators of research variables can be used as effective data collectors to explore the problems as the research object.

TABLE 2. RELIABILITY TEST RESULTS

Variabel	Construct Reliability (CR)	Information
Facility	0.7617	Reliabel
Service Quality	0.8901	Reliabel
Customer Satisfaction	0.9219	Reliabel
Customer Loyalty	0.9229	Reliabel

G. Hypothesis Test

Use consistency test and statistical test to analyze the results of SEM model data processing at each stage. The data processing results of Structural equation Modeling (SEM) full model analysis are as follows:

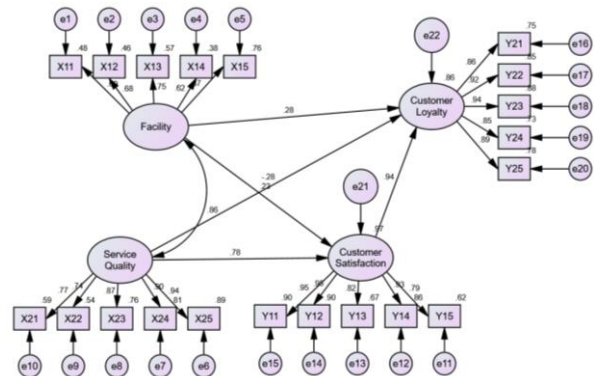


Fig3: - Full Model SEM (Standardized)

The results of the SEM analysis as a hypothesis testing step are as follows:

TABLE 3. HYPOTHESIS TESTING

		Estimate	C.R.	P
Customer Satisfaction	← Facility	0.299	2.581	0.01
Customer Satisfaction	← Service Quality	0.74	7.753	***
Customer Loyalty	← Customer Satisfaction	0.983	2.662	0.039
Customer Loyalty	← Facility	0.381	2.591	0.012
Customer Loyalty	← Service Quality	0.283	0.616	0.013

According to Table 3, the hypothesis test is as follows:

H1: Facilities have a positive and significant effect on customer satisfaction

The estimated parameter of the relationship between facilities and loyalty is 0.299. Testing the relationship between the two variables showed a C.R value of 2.581 > 1.96 with probability = 0.01 (p < 0.05). So it can be concluded that the facility has a positive effect on customer satisfaction, so the higher the product facilities, the higher the customer satisfaction. Thus, hypothesis 1 is accepted because there is a positive correlation between facilities and loyalty.

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

The estimated parameter of the relationship between service quality and customer satisfaction is 0.74. Testing the relationship between the two variables shows the value of C.R = 7.753 > 1.96 with probability = 0.000 ($p < 0.05$). So it can be concluded that service quality has a positive effect on customer satisfaction, so the higher the service quality, the more customer satisfaction will increase. Thus hypothesis 2 is accepted because there is a positive correlation between service quality and customer satisfaction.

H3: Facilities have a positive and significant effect on customer loyalty

The estimated parameter of the relationship between facilities and customer loyalty is 0.381. Testing the relationship between the two variables showed a C.R value of 2.591 > 1.96 with probability = 0.012 ($p < 0.05$). So it can be concluded that the facility has a positive effect on customer loyalty, so the higher the facility, the higher the customer loyalty. Thus hypothesis 3 is accepted because there is a positive correlation between facilities and customer loyalty.

H4: Service quality has a positive and significant effect on customer loyalty

The estimated parameter of the relationship between service quality and customer loyalty is 0.283. Testing the relationship between the two variables shows the value of C.R = 0.616 > 19.6 with probability = 0.013 ($p < 0.05$). So it can be concluded that service quality has a positive effect on customer loyalty, so the better the service quality, the higher customer loyalty. Thus hypothesis 4 is accepted because there is a positive correlation between service quality and customer loyalty at.

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

The estimated parameter of the relationship between customer satisfaction and customer loyalty is 0.983. Testing the relationship between the two variables shows the value of C.R = 2.662 < 1.96 with probability = 0.039 ($p < 0.05$). So it can be concluded that customer satisfaction has a positive effect on the performance of customer loyalty, so the higher the customer satisfaction, the higher customer loyalty. Thus hypothesis 5 is accepted because there is a positive correlation between customer satisfaction and customer loyalty.

V. CONCLUSION AND SUGGESTIONS

Conclusion

Based on the results of the analysis that has been discussed previously, it can be concluded that facilities, service quality and customer satisfaction can have a positive effect on customer loyalty. Of all the variables, service quality is the variable that has the greatest influence on customer loyalty. Indirectly, the variables of facilities and service quality can have an influence on customer loyalty.

Suggestions

Based on the results of the research and discussion as well as conclusions, suggestions that can be given for further research are expected to be able to expand the research orientation to a wider scope of the company. Further research

can be done by looking at the limitations of this research which can be used as a source of ideas for the development of this research in the future by using other indicators outside of this research that are relevant to the research to be carried out.

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