The Role of Customer Satisfaction on Service Quality and Customer Loyalty

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Abstract
The business world is increasingly showing its rapid development and progress in various fields. In the telecommunications, information and media sectors in particular, every company wants to be able to compete with the type of business it has, the implementation of service quality carried out by a company engaged in services is to provide the best quality of service (service) for customers. In reality, not all companies have a high level of customer loyalty including Indihome PT Telkom Access Kediri. This study aims to determine the effect of service quality on customer loyalty through customer satisfaction Indihome PT Telkom Access Kediri. The method used is multiple linear regression. With a total of 34 respondents who are customers of PT Telkom Access Kediri Based on the results of this study that service quality and customer satisfaction have a positive influence. This means that the better the quality of service and customer satisfaction provided, the better customer loyalty will be created. This indicates that the role of service quality affects customer loyalty through customer satisfaction.

Keywords:
Service Quality; Customer Satisfaction; Customer Loyalty.

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Introduction
The covid-19 pandemic increasingly requires people to be proficient in utilizing technology, information and communication due to the implementation of restrictions on community activities in Indonesia or better known as PPKM, thus encouraging people to do activities through the internet media which also facilitates all human activities, not infrequently technology becomes dependent. Based on the report of PT Telkom Indonesia Tbk (Indihome) in 2018-2019, the number of customers has significantly increased, namely 1.9 million from the previous period. This is reinforced by the implementation of restrictions on community activities (PPKM), which requires activities to be carried out online. It can be concluded that the pandemic has become a business field for other internet and fixedboard service provider companies. Indihome is an internet service product of PT

Telekomunikasi Indonesia Tbk (Telkom). Telkom is the only significant participant in the realm of technology, information and telecommunications that still exists thanks to the presence of a State-Owned Enterprise (BUMN).

Telkom was the first company in Indonesia to focus on the expansion of the technology, information and communications industry since the end of Dutch colonial rule in the country. Telkom believes it can fulfill all telecommunication needs in Indonesia. Telkom has the first Internet product called Speedy, which has been renamed Indihome. The company will improve the quality of network services and make Telkom able to compete by offering high-quality products or services as an example in The development of information and communication technology in Indonesia is so rapid that it cannot be stopped, it can be clearly seen. The development of the Internet backbone in Indonesia, especially in East Java, will affect the connectivity of all cities in the East Java region. Also, the development of infrastructure for mobile devices, which covers 80% of the islands in Indonesia and more than 110 million mobile phone users, which naturally facilitates the connection between people and organizations in Indonesia. In the beginning, information and communication technology was very limited to fulfill daily needs, but now technology has become an inseparable part of it. Modern telecommunication technology is characterized by the ability to access information easily and quickly so that people can obtain more information and comprehensive knowledge in the form of socio-cultural, political, economic and various information easily available through the internet.

The development of the telecommunications business in Indonesia is growing along with the rapid population growth. Communication needs are easy to find. Developers offer different offers. The growing competition and many competitors require companies to always pay attention to the needs and desires of consumers and try to meet customer expectations by offering more satisfying services than their competitors. Therefore, only high-quality companies can compete and dominate the market. Quality is closely related to customer satisfaction. Service quality encourages customers to build strong relationships with the company. In the long run, the company truly understands the expectations and needs of customers with the help of such a connection. Thus, the company can increase customer satisfaction where the company maximizes pleasant customer experiences and minimizes unpleasant customer experiences.

PT Telkom Indonesia is the largest telecommunications company in Indonesia. PT Telkom Indonesia plays an important role in the development of national telecommunications. IndiHome service is a multi-product bundling package of

PT Telkom Indonesia which offers a complete solution for customers' homes (*Digital Home Experience*) and started in 2012. The indihome package consists of a landline package + speedy package + use Tv.For areas that can be served (*coverage area*) IndiHome can be accessed in all regions in Indonesia. This proves that this product service has met the needs of the Indonesian people. Speedy is a broadband *internet* access service from PT Telkom Indonesia that delivers high-speed *digital* signals through telephone networks optimally for the purposes of *internet* content consumption. Speedy speeds start from 512 Kbps up to 100 Mbps. While the speedy *monitoring content* package is a service that offers *web-based surveillance* services where users can do *live access* and *recorded video* using a *web browser* connected to the *Internet*.

Given the importance of service for service companies, it is very important to pay attention to good quality, not meaning the best quality, but the best quality is the quality of service that is in accordance with what is desired. Customers are satisfied when users of service products are satisfied and willing to pay any price, not only because they want it back, but they are expected to tell their colleagues and even invite them to use the service. Therefore, increasing the benefits obtained by the company.

The importance of the quality of service provided by the company to customer loyalty. Service companies should maintain service quality as the right strategic design in achieving the goal of maintaining customer loyalty and making customers always feel satisfied. According to Tjiptono (2008: 110), loyalty is a customer commitment to a store, brand or supplier based on a positive attitude which is reflected in the form of repeat purchases of a product offered. Maintaining consumer loyalty is not an easy job, one of the keys to maintaining loyalty is to provide satisfaction to consumers. Customer satisfaction plays an important role in maintaining the existence of these consumers for the continuity of a business so that it can win the competition in business. The creation of customer satisfaction can provide several benefits, including the relationship between the company and consumers being harmonious, providing a good basis for repeat purchases and the creation of consumer loyalty, and forming a word of mouth recommendation that is beneficial to the company (Schnaars, 1991 in Tjiptono, 2008: 24).

Literature Review
Service Quality
Kotler and Keller (2009) say "*Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs*". The sentence can be concluded that quality is all the characteristics and features of a product or service that are interpreted to be

able to satisfy needs. Kotler and Keller (2009) add that a company can provide services when a consumer starts choosing the desired product until after completing the product purchase transaction. According to Parasuraman (1988), service quality is an evaluation of a consumer's perceived impression of the service received at a certain time. Tjiptono (2001) conveys that service quality is an effort to fulfill the wants and needs and the right delivery to customers to balance customer expectations. According to him, there are five dimensions that can be used to measure the quality of a company's service, these dimensions include *tangibles* (the company's effort to show its existence to external parties), *reliability (the company's* reliability in providing services as promised), *responsiveness (the company's* response to serve quickly and precisely), *assurance (the* company tries to foster consumer confidence), and *empathy* (attention given as an effort to meet consumer needs).

Customer Loyalty

According to Griffin (2005) loyalty is an attitude of purchasing goods or services made by consumers continuously for certain brands from decisions that have been made before. Kotler (2005) states that loyalty is a form of expected behavior for products / services, characterized by repurchasing a product or reusing a service, or the likelihood of someone switching to another brand or service provider. Indicators of customer loyalty according to Kotler & Keller (2006) are *repeat purchases (*loyal to the product); *retention* (ignoring or resisting the negative influence of the product or company); *referalls* (referring the company's products and services to others).

Kotler, Hayes, and Bloom (2002) state the reasons why companies need to maintain loyalty, including because (1) customers have the prospect of providing benefits to the company, (2) there is a perceived efficiency of the company on service costs because the costs incurred are less to maintain old customers than used to find new customers, (3) customers will tend to believe in other products from the company, (4) customers will tend to defend the company and refer to the company's products which results in increasing product sales.

Customer Satisfaction

The word "satisfaction" or satisfaction comes from the Latin "satis" (meaning good enough, adequate) and "facio" (doing or making), so that in simple terms it can be interpreted as an effort to fulfill something. According to Kotler (2007: 177) satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance (results) of a product that is thought against the expected performance (or results). If the performance is below expectations, the customer is dissatisfied. If performance meets expectations,

the customer is satisfied. If the performance exceeds expectations, the customer is very satisfied or happy. Satisfaction will encourage consumers to buy and re-consume the product. Conversely, feelings of dissatisfaction will cause consumers to be disappointed and stop repurchasing or consuming products, Nirvana, (2004: 321).

Influence between Variables

Service quality is an effort to fulfill customer needs and desires and the accuracy of delivery to balance customer expectations. Low service quality can lead customers or consumers not to repurchase the product. So that by improving the quality of service the company can encourage consumers to have a sense of satisfaction with the services provided. Customer loyalty is considered the main factor that determines the level of sales. Not a few make this a strategy to increase sales. If consumers are satisfied with the quality of service provided, consumers will continue to choose the product / service.

H1 : Service quality affects customer loyalty

H2 : Service quality and customer loyalty affect customer satisfaction.

H3 : Service quality affects customer loyalty through customer satisfaction.

Research method

This research method uses descriptive quantitative research. Quantitative research research which describes and explains a problem that later the results of the research can be generalized (Kriyantono, 2006). This research took from the company PT Telkom Akses Kediri. The target population of this research is PT Telkom Access customers in Kediri City who have criteria:

1. Minimum age 20 years and > 30 years
2. Indihome subscription for more than 3 months
3. Have visited PT Telkom Access Kediri Office at least twice

For data collection techniques, this study uses questionnaires as primary data and literature studies as secondary data. The questionnaire was measured using a Likert Scale and distributed to 34 people whose respondents were Indihome customers in Kediri City. Multiple linear regression is an analytical technique to test whether there is a direct influence of more than one independent variable on the dependent variable ...

Data analysis and results

1. Path Analysis Test

  a) Effect of Service Quality (X) on Customer Loyalty (Y)

Table 1.
Summarry Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712a	.508	.492	2.097
a. Predictors: (Constant), Service Quality				

The results of the Model Summary have the use of knowing the relationship between two or more variables in the regression equation. Here what is seen is the R-Square value. The R-Square value in these results shows a value of 0.508 or 50.8%. This value means that the effect of Service Quality (X) on Customer Loyalty (Y) is 50.8%, the remaining 49.2% is influenced by other variables outside the model. The terms of the relationship between variables are good or not if the R-Square value is above 50%, it means good, if it is below 50%, it means not good.

Table 2.
Model Coefficients

Coefficients a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.430	2.846		.854	.400
Service Quality	.431	.075	.712	5.744	.000
a. Dependent Variable: Customer Loyalty					

The results of the Coefficient are used to determine the regression equation and the effect between the independent variable and the dependent variable partially or individually. The results of Coefficient can also be used to predict the rise and fall of the dependent variable on the independent variable.

b) Effect of Service Quality (X) and Customer Loyalty (Y) on Customer Satisfaction (Z)

Table 3.
Summarry Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.766a	.587	.560	2.673
a. Predictors: (Constant), Customer Loyalty, Service Quality				

The results of the Model Summary have the use of knowing the relationship between two or more variables in the regression equation. Here what is seen is the R-Square value. The R-Square value in these results shows a value of 0.587 or 58.7%. This value means that the effect of Service Quality (X) and Customer Loyalty (Y) affects Customer Satisfaction (Z) by 58.7%, the remaining 41.3% is influenced by other variables outside the model.

Table 4.
Model Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.019	3.669		.550	.586
	Service Quality	.386	.136	.466	2.834	.008
	Customer Loyalty	.494	.225	.361	2.192	.036
a. Dependent Variable: Customer Satisfaction						

- The effect of Service Quality (X) on Customer Loyalty (Y), Sig 0.000 <0.05, so that variable X has an effect on variable Y
- The effect of Service Quality (X) on Customer Satisfaction (Z), Sig 0.008 <0.05, so that variable X has an effect on variable Z
- The effect of Customer Loyalty (Y) on Customer Satisfaction (Z), Sig 0.036 <0.05, so that variable Y has an effect on variable Z

If the indirect value> direct value, then it shows that indirectly X through Y has a significant effect on Z and vice versa.
- The direct effect of X on Z is 0.701
- The indirect effect of X through Y on Z is (0.712 x 0.361) = 0.257
- Total direct and indirect effects (0.701 + 0.257) = 0.958

Based on these results, it is known that :
1) The effect of X on Y is accepted
2) The effect of X and Y on Z is accepted
3) The effect of X through Y on Z is rejected

So that the final conclusion is obtained, namely indirectly service quality (X) through customer loyalty (Y) has no significant effect on customer satisfaction (Z).

Research Discussion

Effect of service quality on customer loyalty
The results of this study indicate that the service quality variable has an effect on the customer loyalty variable. This means that the high level of service quality provided to consumers / customers will influence these consumers to be loyal to the products / services offered and also vice versa if the quality of service provided is low then customer loyalty will be lower. The existence of the effect of service quality on customer loyalty can be caused by the convenience of services felt by customers such as fast response, friendly to consumers, etc. This finding is supported by the theory of the opinion of the opinion of the customer. These findings are supported by the theory of the opinion expressed by Kotler & Keller (2009) that quality is the best guarantee of customer loyalty, our best defense against outside competitors and the only path to lasting growth and income. The results of this study state that Service Quality has an effect on Customer Loyalty.

Effect of service quality and customer loyalty on customer satisfaction
The results of this study found that service quality and customer loyalty have an effect on customer satisfaction. With 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 the services provided. So this study states that service quality and customer loyalty affect customer satisfaction.

The effect of service quality on customer loyalty through customer satisfaction
The results of this test indicate that there is no effect between service quality variables on customer loyalty through customer satisfaction. The ease with which consumers can get customer satisfaction from the services provided by the company does not affect consumers' loyalty to the products / services offered by the company. This shows that customers who feel satisfied are not all consumers who will be loyal.

Summary
Based on the hypothesis results of this study, the effect of Service Quality (X1) and Customer Satisfaction (X2) on Customer Loyalty (Y) is significant. This is evidenced by the t value (X1) = 2.835 and the t value (X2) = 3.730 is greater than the t table value of 2.835, as well as the value of f count = 6.991 which shows that Service Quality and Customer Satisfaction have a positive influence. This means that the better the Service Quality and Customer Satisfaction provided to Indihome customers, the better the Service Loyalty that will be created. This indicates that the role of Service Quality and

Customer Satisfaction can affect Customer Loyalty. So that the final conclusion is obtained, namely indirectly service quality (X) through customer loyalty (Y) has no significant effect on customer satisfaction.

Advice

Based on the data analysis, discussion, and conclusions of this mini research activity, the author provides suggestions, among others:

1. Improve service quality by always providing the best service for all Indihome customers without discriminating.
2. Maintaining customer satisfaction related to fast response and information that is considered, accurate, complete, credible, timeliness and consistency in providing services.

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