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# The Effect of Service Quality and Brand Image on Customer Satisfaction and the Impact on Logistic Service Customer Loyalty Pt. Angkasa Pura Kargo

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**Abstract:** Transportation and logistics services are one of the most important links in supporting the operational and production activities of a company. Currently the logistics sector plays a vital role in the sustainability of business in Indonesia. As a country that has a large geographic and population that ranks first in Southeast Asia, the logistics sector is very potential to be developed. Without being supported by transportation and logistics activities as a support and supporting operational and production activities in a company, it will experience problems in carrying out its operational activities and production. So that the company needs to pay special attention to the company's transportation and logistics facilities so that it can support the operations and production activities properly. PT. Angkasa Pura Kargo is a subsidiary of PT. Angkasa Pura II (Persero), was established as a logistics company that can fulfill and carry out logistical activities in all Air Port in Angkasa Pura II coverage and logistics business outside Air Port. Stratregi conducted by PT. Angkasa Pura Kargo by penetrating the market in some segmentation of both infrastructure companies in the oil & gas, FMCG, Pharmacy, and construction sectors. Survey research method with quantitative descriptive statistics Quantitative research is an objective research approach, emphasizing the testing of theories through the measurement of research variables with numbers and conducting data analysis with statistical testing methods. In this study quantitative methods will be used in which to measure an object related to the phenomenon that occurs (Sugiyono, 2012). The data collection in this study was carried out by simple random sampling technique. Which is assisted by a questionnaire? As for the weighting of the Likert scale.

Keywords: Service Quality, Brand Image, Customer Satisfaction, and Customer Loyalty.

#### INTRODUCTION

Starting with the emergence of transportation and logistics companies in Indonesia at this time makes the company have quite a lot of choices, before deciding which transportation and logistics service companies are suitable for use in supporting the company's operational and production activities. This requires transportation and logistics companies to have better services compared to other transportation and logistics companies. So that transportation and logistics service companies must be able to provide far better services so that companies can continue the company's activities. Transportation and logistics companies also need to formulate strategies and continuously improve service quality with the aim of achieving customer satisfaction, which in turn affects the increase in the number of orders so that customers do not turn to other companies. Customer trust must be built and is needed to increase customer loyalty to the company. This will make customers make repeat transactions and look for

what they need for the company. The logistics business continues to grow from year to year. Last year the total logistics market in Indonesia for all industries reached Rp.1,400 trillion. Opportunities in the energy sector are very large, and quite interesting because there are still many requests. Like the oil and gas sector which requires special handling in the delivery of goods or equipment to the drilling location which requires special transportation either by sea, air and land. Logistics business opportunities in Indonesia can also be seen from the Ministry of Transportation's data in 2015-2019 regarding the transportation infrastructure development target which has not been implemented optimally until now. Infrastructure development targets include: construction of BRT in 34 cities with procurement of 3,170 buses, application of technology in all provincial capitals, ATCS construction of crossing ports in 65 locations, construction of railway lines 3,258 km in Java, Kalimantan Sumatra, Sulawesi, and Papua,

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development 100 non-commercial ports, construction of 103 pioneer ships, airport development / development in 100 locations, and others. Looking at the data, it appears that the development opportunities of the logistics business are still very large. Currently, many state-owned companies have grandchildren of companies engaged in logistics, such as PT. Angkasa Pura II (Persero) has a subsidiary of PT. Angkasa Pura Kargo. PT. Angkasa Pura Kargo focuses on the business services of Master Concession, Integrated Logistics Service, and Air Cargo Service. If you look at the table and the picture above it is very clear that the biggest income of PT. Angkasa Pura Kargo is derived from captive income from the Master Concession business category (office space rental warehousing). While one of the business categories is integrated logistics service, namely warehousing and logistics services in several industrial sectors, one of which is the distribution process to all tenants in the Soekarno-Hatta Ultimate Terminal 3, which has the advantage of providing integrated services ranging from storage in the warehouse, management the process of entering the goods (handling in) and the expenditure of goods (handling out), as well as sending goods to locations that are difficult to reach by commercial transportation in general throughout Indonesia, the business category of integrated logistics service and air cargo service currently income is still very small.

The prospects for transportation and logistics services continue to develop and are promising, so to win the competition the company must provide optimal service, steps that can be taken by making many improvements in terms of its services. Customer satisfaction in transportation and logistics services can be seen in the services provided, the quality of service must be in accordance with the wishes and expectations of customers so that the company must continue to improve the quality of service by improving its performance to meet customer needs and desires, namely in terms of quality of service, delivery time, leads time, as well as the security and timeliness of delivery of goods until the destination of delivery.

From the description above, the researcher wants to do a research about the quality of service in logistics services with the title "The Effect of Service Quality and Brand Image on Customer Satisfaction and the Impact on Customer Loyalty Logistics Services of PT. Angkasa Pura Kargo."

## RESEARCH METHODS Types of Research

In this study quantitative methods will be used in which to measure an object related to the phenomenon that occurs [1]. Besides that in this study used in view associative approach will be used in this study. The approach is carried out with the basis in this study will be seen the influence and relationship between constituent variables [2].

## **Types and Data Sources**

In this study will use primary data and secondary data. Primary data is obtained from questionnaires to logistic customers PT. Angkasa Pura Kargo. While secondary data is obtained from other sources that can help research, which comes from outside forms such as journals, literature reviews, internet and other reliable sources.

#### **Data Collection Technique**

The data collection in this study was carried out by simple random sampling technique. Where the previous researcher has determined the respondent company is not set beforehand, where all parts of the population have the same opportunity to be a sample in the study. Besides that, the collection is done by interviewing and retrieving information from previous research.

Questionnaires distributed in the data collection process use assessments based on the Likert scale. Where the Likert scale is the creation of a value range with an ordinal scale approach that can provide an assessment based on the level that has been made [3]. Then the indicator is used as a benchmark for the preparation of instrument items in the form of statements or questions. As for the range of scores from 1 to 5.

#### **Analysis Method**

Structural Equational Modeling or SEM is a type of multivariate analysis (multivariate analysis. SEM is often used in research in the scope of social science. Basically, SEM is a form of statistical methods used in the context of confirmation and exploration of a model (Hair et al, 2013). This analysis can provide a good overview of the complex model even though it has a small sample size (Wijayanto, 2008) .On the other hand the assumption of data in SEM analysis is relative and predictive.In the process of analysis the model is done by means of reflective and formative measurements, which are based on identification of indicators of indicators and their latent variables.

## RESULTS AND DISCUSSION

This chapter will discuss data obtained from research respondents. In addition, this chapter also discusses the results of SEM processing and interpretations that will be used for managerial implications that are useful in improving corporate marketing activities.

## DESCRIPTION OF RESEARCH RESPONDENTS

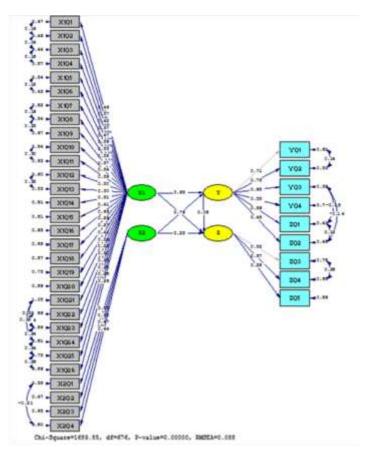
Description of research respondents is used to describe the characteristics of respondents from users of service distribution centers, freight forwarding, project logistics, cargo sales agents, space leasing and concession masters, with spread including gender, age and level of education and long being customers at PT.

Angkasa Pura Kargo. The description on the description of the research respondents as follows:

Kriteria	Jumlah Responden (orang)	Persentase					
Jenis Kelamin							
Laki-laki	85	46 %					
Perempuan	103	54%					
Jumlah	188	100%					
Usia							
≤ 35 Tahun	99	53%					
> 35 tahun	89	47%					
Jumlah	188	100%					
Pendidikan							
SMA	46	25%					
Diploma	26	14%					
S1	86	45%					
S2	30	16%					
Jumlah	188	100%					
Lama Menjadi Pelanggan							
< 1 Tahun	65	37%					
> 1 Tahun	123	63%					
Jumlah	188	100%					

Structural Analysis Equational Modeling is an advanced analysis used after confirmatory testing on each variable used, besides this it is done to determine the relationship and the influence of each variable with

variables and variables on dimensions that can be used in management decisions, while the initial SEM test is complete before a confirmatory SEM model, as follows:



The picture above is a complete SEM model. This is intended to be able to compare models before and after making a confirmatory test. In addition,

information is needed regarding the initial goodness of fit value, as for the values as follows:

Goodness of Fit Test	Tingkat Kecocokan yang Bisa Diterima	Hasil Estimasi	Tingkat Kecocokan
Chi Square (y²)	P≥0,05	$\chi^2 = 1689.85$	Baik
		(P = 0,065)	
NCP Interval	Nilai yang kecil	1013.85	Baik
	Interval yang sempit	(896.69;	
		1138.67)	
RMSEA p(close	RMSEA $\leq$ 0.08 p $\geq$	RMSEA = 0.02	Baik
fit)	0,05	p=0,06	
ECVI	Nilai yang kecil dan	$M^* = 9.78$	Baik
	dekat dengan ECVI	S* = 47.19	
	saturated	I* = 8.04	
AIC	Nilai yang kecil dan	$M^* = 1897.85$	Baik
	dekat dengan AIC	S* = 1560.00	
	saturated	$I^* = 9154.10$	
CAIC	Nilai yang kecil dan	$M^{o} = 2342.24$	Baik
	dekat dengan CAIC	S* = 4892.94	
	saturated	$I^{\bullet} = 9320.75$	
NFI	$NFI \ge 0.90$	0,92	Baik
NNFI	$NNFI \ge 0.90$	0,93	Baik
CFI	CFI ≥ 0,90	0,94	Baik
RFI	$RFI \ge 0.90$	0,90	Baik
CN	CN > 200	270.86	Baik
RMR	Standarized RMR ≤	0,015	Baik
	0,05		
GFI	GFI ≥ 0,90	0,96	Baik
AGFI	AGFI ≥ 0,90	0,98	Baik

All GOF sizes show good compatibility, so it can be concluded that the overall suitability of the model is still good.

The chi-square statistic  $(\chi^2)$  is that the model that has the results of the chi-square value is low, the results can be considered good or satisfying. The better the model and hypothesis can be accepted if the value of  $\chi^2$  is smaller. Calculations are done based on probability with a cut off value of p> 0.005 or p> 0.10 and if  $\chi^2=0$  this indicates that there is really no difference and means that Ho is accepted. From the table above shows that the value of p> 0.005, which is equal to P=0.065, so it can be concluded to have a good match level.

The Root Mean Square Error of Approximation (RMSEA) indicates a goodness-of-fit that can be expected if the model is estimated in the existing population. The RMSEA value with a result of  $\leq 0.08$  is an index for the acceptance of the model and shows a close fit of the model based on the degree of freedom. From the table above shows the value of RMSEA = 0.02, so it can be concluded that it has a fairly good match level.

The Goodness of Fit Index (GFI) is a non-statistical measure with values ranging from 0 (poor fit) to 1.0 (perfect fit). In this index a high value is showing a better fit. . From the table above, it can be seen that the Goodness of Fit Index (GFI) value is 0.96, so it can be concluded that it has a good match level.

Adjusted Goodness of Fit Index (AGFI) the recommended level of acceptance is  $\geq 0.90$ . From the

table above shows the value of Adjusted Goodness of Fit Index (AGFI) = 0.98, so it can be concluded to have a good match level.

CMIN / DF, none other than the chi-square  $\chi^2$  statistic divided by DF, it is called relatif² relative and is the Minimum Sample Discrepancy Function divided by the degree of freedom. Indications of acceptable fit between model and data are  $\chi^2$  relative to less than 2.0 or 3.0. From the table above shows the value of CMIN / DF = 0.92, so it can be concluded to have a good match level.

The Comparative Fit Index (CFI) which is close to 1 is indicating the highest level of fit. Whereas if the result is close to 0 it is indicated that the research model developed is not good. The recommendation value is CFI  $\geq 0.90$ . From the table above shows the value of Comparative Fit Index (CFI) = 0.94, so it can be concluded to have a good match level.

The NFI value which is close to 1 is indicated that the model developed is a very good fit. From the table above shows the value of NFI = 0.92, so it can be concluded to have a good match level.

The NNFI value which has a value of  $90\ 0.90$  is indicated that the model developed is a very good fit. From the table above shows the value of IFI = 0.93, so it can be concluded to have a good match level.

The RMR value that has a Standarized value of RMR 5 0.05 is indicated that the model developed is a very good fit. From the table above shows the value of

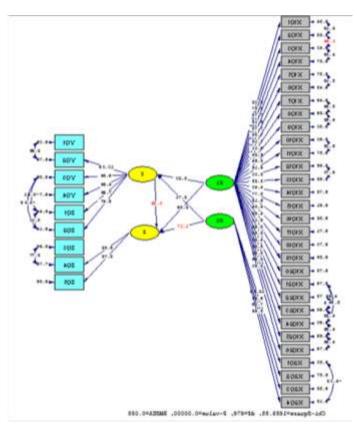
RMR = 0.015, so it can be concluded to have a good match level.

A CN value that has a CN Standarized value> 200 is indicated that the model developed is a very good fit. From the table above shows the value of RMR = 270.86, so it can be concluded to have a good match level

The RFI value that has a Standarized RFI value  $\geq 0.90$  is indicated that the model developed is a very good fit. From the table above shows the value of

RFI = 0.90, so it can be concluded that it has a good match level. From table 5.11 above it is found that only 1 size of 15 GOF size shows a poor match while 14 sizes of 15 sizes show a good match, so it can be concluded that the overall suitability of the model is still good.

Furthermore, testing of the SEM model has been carried out through a confirmatory test. This model will be better because it has followed the principles in SEM processing. The Confirmation SEM model image is as follows:



Significant relationship (LISREL default is 5%) is displayed in black, while the insignificant one is displayed in red. In the picture above shows that not all relationships are marked in black, so it can be concluded that there is a significant influence between service quality on consumer satisfaction, there is a

significant influence between service quality on customer loyalty, there is a significant influence between brand image on customer satisfaction, there is no significant influence between Brand Image on Customer Loyalty and there is no significant influence between customer satisfaction and customer loyalty.

No	Variabel	Nilai-t	Ttabel	Kesimpulan
1	$X1 \longrightarrow Y$	5.20	1,97	Signifikan
2	$X2 \longrightarrow Y$	2.71	1,97	Signifikan
3	$X1 \longrightarrow Z$	2.59	1,97	Signifikan
4	$X2 \longrightarrow Z$	1.17	1,97	Tidak Signifikan
5	$Y \longrightarrow Z$	0.22	1,97	Tidak Signifikan

T-table value at  $\alpha=5\%$  and df = 195 is 1.97. Based on this, it can be concluded that for hypothesis 1, hypothesis 2 and hypothesis 3, the value of Thitung> T

table. Where all Thitung values> 1.97, so it can be concluded that the effect is significant

## **Hipotesis**

## **Service Quality with Customer Satisfaction**

It is known that the relationship between Service Quality and Customer Satisfaction has been declared valid and significant t-value of the factor load (factor loadings) is greater than the critical value ( $\geq$  1.97).

#### **Brand Image with Customer Satisfaction**

It is known that the relationship between brand image and customer Satisfaction has been declared invalid and not significant t-value of the factor load (factor loadings) is smaller than the critical value ( $\geq$  1.97).

#### **Service Quality with Customer Loyalty**

It is known that the relationship between Service Quality and Customer Loyalty has been declared valid and significant t-value of the factor load (factor loadings) is greater than the critical value ( $\geq$  1.97).

# **Brand Image with Customer Loyalty**

It is known that the relationship between Brand Image and Customer Loyalty has been declared invalid and not significant t-value of the factor load (factor loadings) is smaller than the critical value ( $\leq$  1.97).

# **Brand Image with Customer Loyalty**

It is known that the relationship between brand image and customer loyalty has been declared invalid and not significant t-value of the factor load (factor loadings) is smaller than the critical value ( $\leq 1.97$ ).

## CONCLUSIONS

There are several conclusions related to the discussion and interpretation of the previous chapter as for the following:

- Service Quality has a positive and significant effect on Customer Satisfaction, meaning that changes in the value of Service Quality have a direct effect on changes in customer satisfaction or in other words, if service quality increases, there will be an increase in customer satisfaction and statistically have a significant influence.
- Brand Image has a positive and significant effect on Customer Satisfaction, meaning that changes in Brand Image value have a direct effect on changes in Customer Satisfaction, or in other words, if Brand Image activities are carried out properly, there will be an increase in Customer Satisfaction and statistically have a significant influence.
- Service Quality has a positive and significant effect on customer loyalty, meaning that changes in the value of Service Quality have a direct influence on changes in customer loyalty or in other words, if Service Quality increases, there will be an increase

- in Customer Loyalty and statistically have a significant influence.
- Brand Image has no significant effect on Customer Loyalty, meaning that the change in Brand Image value does not have a significant influence on changes in Customer Loyalty or in other words, if the Brand Image increases, there will be an increase in Customer Loyalty and statistically have insignificant influence.
- Customer Satisfaction does not have a significant effect on customer loyalty, meaning that changes in the value of customer satisfaction do not have a significant effect on changes in customer loyalty or in other words, if customer satisfaction increases, there will be no significant increase in customer loyalty.

From the results of the research conducted, there are several suggestions for the parties concerned, as for the following:

- To improve the quality of service in order to improve customer satisfaction. Good service quality is greeted with positive reactions from customers. Angkasa Pura Kargo is better at striving to maintain its Quality of Service for customer satisfaction which will ultimately have a positive effect on customer customer loyalty. As for what Angkasa Pura Kargo needs to do about Quality of Service is to further improve the level of service that currently exists, one of the steps is by interviewing customers about what they want / critique and suggestions regarding the existing Service Quality this, which can then be used as a reference for improvement / development of Angkasa Pura Jasa Angkasa products in the future.
- To create customer satisfaction by forming a good brand image in the eyes of the customer. Corporate brand image that is good in the eyes of customers is needed by Angkasa Pura Kargi to generate customer loyalty towards the company. Customers who have had satisfaction with the company tend to conduct repeat transactions and look for what they need to the company. The first step to getting customer satisfaction is to understand consumers individually. This is so that companies can communicate with customers effectively and offer products and services that are right for them. Companies must be able to build an accurate profile of each individual.
- Subsequent research should expand the scope of research, for example by using a sample of several Angkasa Pura II subsidiaries (Persero) to determine the level of customer loyalty. Develop other dimensions of customer loyalty indicators, so that they can carry out more in-depth analysis to determine the level of customer loyalty. This is expected to increase customer loyalty of PT. Angkasa Pura Kargo.

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