Investigating the Impact of Complaints Handling and Perceived Behavioral Control on Customer Loyalty in Car Repair Service Kendari, Southeast Sulawesi

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Abstract: The study aims to empirically investigate the relationship between complaints handling, perceived behavioral control and customer loyalty in car repair service in Kendari, Southeast Sulawesi at the level of construct dimensions. A survey method approach was used in this study. A questionnaire is designed to focus on issues related to efforts made to investigate causes of service failure and to develop recovery strategies that meet customer expectations of how their car repair service should handle such problems. Data collected have been analyzed by using statistical techniques such as confirmatory factor analysis and multiple regressions. Results show that complaints handling that have the more significant positive influence on customer loyalty and perceived behavioral control has a significant positive impact on customer loyalty. However, the simultaneous complaints handling and perceived behavioral control have significant effects on customer loyalty in car repair service. For a more holistic investigation approach of customer loyalty, a future study could examine other antecedents such as complaints handling and perceived behavioral control of alternatives. Moreover, the investigation of the mediation role of perceived behavioral control on the link between complaints handling and loyalty could enhance the research model. The major contribution of this study is that it is the first attempt to investigate the impact of complaints handling and perceived behavioral control on loyalty in car repair service.

Key words: Customer behavior, complaint handling, perceived behavioral control, loyalty, car repair service

INTRODUCTION

The primary key for the company ahead of the competition is to provide value and satisfaction to customers through the delivery of quality products and services at competitive rates. Loyal customers are indeed crucial to business survival (Reichheld and Schefter, 2000; Semeijn *et al.*, 2005). For that reason many companies use defensive marketing strategies to increase their market share and profitability by maximizing customer retention (Tsoukatos and Rand, 2006). Customer satisfaction is a person's feelings of pleasure or disappointment that emerged after comparing the performance are considered products of the expected performance (Kotler and Keller, 2009). Known whether customers satisfied after the transaction depends on the performance of bids in the fulfillment of expectations, the customer is not satisfied. If performance meets expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler and Keller, 2009).

Companies that want to grow and gain a competitive advantage to be able to provide a product or service quality and good service to the customers, so it will appear in the minds of customer satisfaction and is expected to have a positive impact for the company. Based on the data, it can be seen the number of consumer's car repair service in Kendari of the year 2011-2013 fluctuated. In 2011-2012, there was an increase of consumers by 9 people. But in the year 2012-2013 has decreased the number of consumers as many as 6 people. It can be interpreted that customer loyalty will decrease when handling complaints from the car repair shop is not in accordance with what is expected by the customer. Handling of customer complaints is an integral part of the excellent service. Therefore, responding to and dealing with customer complaints take priority in handling. Handling customer complaints can begin by identifying the source of problems that lead to customer's dissatisfaction. The source of the problem should be addressed in the future so that does not happen again the same problem. Customer dissatisfaction would be even greater if the complaint is not dealt with immediately. This is done in order not to prejudice customers or negative (negative thinking) against the company. The customer just wants the company can demonstrate attention to discontent.

Result of complaints from Kendari power enterprise data car repair service, there are some consumers who complain or make a complaint about the service of car repair shop in Kendari. Information regarded of the type and number of complaints in which several types of complaints has fluctuated. First, the agreement is often too late in the year 2011-2012 has increased the number of complaints from 25-29 customers. However, in 2013 the numbers of complaints are decrease up to 27 customers. Secondly, the condition of the car which contained scratches in 2011-2012 has decreased the number of customer complaints from 12 to 9 customers and by 2013 the number rose to 11 customer complaints. Third, the price tends to be expensive in 2011-2012 also experienced a decrease in the number of customers who complain of 30 customers to 28 customers and a decrease also occurred in the year 2013 by 25 customers. In this third type of complaint will not fluctuate due from 2011 until 2013 has decreased the number of complaints from customers. Fourth, employees who are not coming on time in 2011-2012 increased number of complaints from 15-23 customers and a decline rate of approximately 19 customers in 2013 from the existing number of complaints, percentage of 2011-2013 fluctuated in which the number of complaints occurred in the year 2012 amounted to 22.25%.

Complaint handling which is effective against the problem faced by customers will continue to maintain customer loyalty. Complaints handling is the delivery of information in the form of behavioral activity with a variety of good communication to prevent a problem (Langton and Robbins, 2006). Attitude and responsive in dealing with complaints or conflicts that arise will create a sense of great confidence for all the quality of services provided, thereby increasing the sense of loyalty to a product or service (Ndubisi, 2007). Car repair service compete in terms of providing the best service to gain customer loyalty because customers are loyal to say a very valuable asset for the company to survive as well as a winner in the midst of intense competition of business today (Dekimpe *et al.*, 1997). In addition, to obtain loyalty, service station should maintain and enhance existing marketing relationship with its customers. Based on the above phenomenon is a reference that supports the relationship between complaint handling on customer loyalty by Artanti and Ningsih (2010) the complaints handling have significant positive effect on customer loyalty. While Jin and Kang (2011), the complaint handling does not directly affect customer loyalty.

Research on the effect of perceived behavioral control on customer loyalty by using the concept of Theory of Planned Behavioral (TPB) has been done by several researchers. Chan and Chan (2011), Kim and Chung (2011) and Huang *et al.* (2011) conclude that perceived behavioral control significantly influences loyalty. While Kang conclude that only external perceived behavioral control that cause customer loyalty. While internal perceived behavioral control insignificantly affects customer loyalty. Other than perceived behavioral control, experience is the best variable to predict future behavioral. In order to predict future behavior, in order to integrate those past findings, the researchers use the TPB with past experience effect. Variations on these results are interesting research gaps for further study to the development of previous studies.

Nevertheless, the theoretical background and the empirical support for these the key issues does the complaints handling and perceived behavioral control effect influence on customer loyalty in car repair service in the North Kendari District of Southeast Sulawesi Province in the eastern part of Indonesia? The purpose of our study is to investigate the impact of complaints handling and perceived behavioral control on customer loyalty in the Kendari car repair service sector. In addition, theoretical research contributions is to increase the knowledge, experience and insight into the application of materials science research, especially regarding knowledge about the effect of complaint handling on customer loyalty. Finally, the practical contribution of this research can be used as a comparison for future research and information specifically for the car repair service and for any customer. The car repair service can evaluate and analyze the effect of complaint handling and perceived behavioral control towards customer loyalty.

Literature review and hypotheses: A frequent assumption is that loyalty translates into an unspecified number of repeat purchases from the same supplier over a specified period (Egan, 2004). Customer loyalty is often examined from a behavioral point of view by measuring items such as number of repeat purchases, "share of wallet" and purchase frequency. In traditional areas, Oliver (1997) defines the customers' satisfaction as: [. . .] their promise to choose the original good or services in the event of repurchase of some good or service which causes the repetitive purchase of the same brand without influenced by the environment or marketing approaches. However, the definition of loyalty based solely on repurchase behavior doesn't provide a holistic view of this complex concept. This drove researchers to propose alternative and more comprehensive definitions. Dick and Basu (1994) suggested that loyalty has both attitudinal and behavioral elements and argued that it is determined by the strength of the relationship between relative attitude and repeat patronage.

Examining loyalty under the attitudinal lens, it can be derived from psychological involvement, favoritism and a sense of goodwill towards a particular product or service (Kim *et al.*, 2004). Overall, despite the fact that there are plenty of different approaches aiming at the definition and conceptualization of loyalty, there is a general convergence towards the view that both behavioral and attitudinal features must be included. The behavioral view is usually based on the monitoring of the frequency of repeated purchases and brand switches, while the attitudinal approach assumes that loyalty is derived from psychological involvement and preference and focuses on issues such as brand recommendations, resistance to superior products, repurchase intention and willingness to pay a price premium (Cronin and Taylor, 1992).

Loyalty with complaint handling is the loyalty of that customer who complains with the service provider's response to the complaint (Stauss, 2002). The model proposed to study loyalty with complaint handling incorporates all the constructs that Szymanski and Henard (2001) analyze in their meta-analysis of loyalty antecedents: expectations, performance and disconfirmation of expectations, equity and affect. Therefore, loyalty may be based on the comparison between the individuals' expectations and perceived performance (Oliver, 1980), on their perceptions regarding costs-benefits related to the service encounter and consumption experiences (Oliver and Swan, 1989) and on the affect experienced by the customer (Westbrook and Oliver, 1991). A synthesis of the literature indicates that complaint handling and/or service recovery has been identified as a neglected research area (Johnston and Mehra, 2002). Most of the studies in the existing literature are related to laboratory or scenario-based experiments (Smith and Bolton, 1998; McCollough *et al.*, 2000). These studies have made a significant contribution to our understanding of complaint handling and/or service recovery. However, there is still a need for solid empirical research regarding the impact of organizational responses to a customer complaint (Davidow, 2003).

This study was conducted to examine the relationship between the constructs to handle complaints and perceived behavioral control on customer loyalty. The reason that complaint handling is an important thing should be considered by the customer in making use of services. The theory used to explain the handlings of complaints are complaints theory. Companies that have an open attitude and behavior in accepting and complaints handling lead to feelings of customer loyalty high. Change transactional marketing paradigm thinking to relational marketing, motivated by the fact that the customer demands and the more varied, the condition of increasingly sharp competition and global nature and customers are free to choose to buy goods or services to the company that they like. "To deal with these conditions, the management company must be aware that retaining existing customers more important than creating new customers" (Zeithaml and Bitner, 2003; Barnes, 2001; Achrol, 1997; Berry, 1995). To understand the transactional marketing paradigm shift to relationship marketing, it is necessary to understand the sense of relational marketing.

Customers who complain are usually interested to provide an opportunity for the company to put the affairs properly. This means that if the company handles complaints effectively, companies are more likely to keep control of the customer and improve relationships aka result in customer loyalty. Complaint handling can affect customer loyalty and retention. If consumers are satisfied with the handling of complaints made by corporations, consumers will be more loyal to the Vendor as was noted by the company. Bramson (2004), when customers have problems or even slightly disappointed the large companies quickly shows his true identity. Recovery services can also be dealt with very well when seen as an opportunity rather than as a difficult choice. Customer complaints are an opportunity to strengthen the relationship. Dissatisfaction caused by the difference between expectations and the actual capabilities of a product/service that is received by the consumer will have a negative effect that is believed to influence the customer loyalty.

There have been many studies that examine the relationship between variables handle complaints with customer loyalty. The results obtained in the study conducted by Artanti and Ningsih (2010), the complaints handling have significant positive effect on customer loyalty. While Jin and Kang (2011), the complaint handling does not directly affect customer loyalty. However, Perceived Behavioral Control (PBC) reflects belief regarding to access of resources and opportunities needed to behave (Ajzen, 1991). Furthermore, the measurement of perceived behavioral control is the perception of the resources, knowledge and ability to perform the behavioral (Ajzen, 1991). Previous studies that evaluate the perceived behavioral control on customer loyalty are conducted by Chan and Chan (2011), Kim and Chung (2011) and Huang *et al.* (2011) who conclude that perceived behavioral control significantly influences customer loyalty. Moreover, little is known about which strategies to employ or how these strategies interact to influence customer perceptions and attitudes, especially in a services environment. Thus, this study
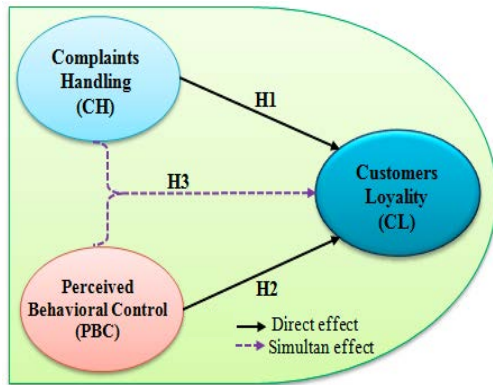
Fig. 1: A conceptual framework and hypotheses

aims to contribute to a growing body of complaints handling knowledge by examining the relationship between complaints handling, perceived behavioral control and loyalty in addition to its well-accepted role as a relationship-enhancing tool in car repair service. The following hypotheses will be tested:

- H1: complaints handling has a positive effect on customer loyalty
- H2: perceived behavioral control has a positive effect on customer loyalty
- H3: complaints handling and perceived behavioral control have a positive effect on customer loyalty

A schematic representation of the conceptual framework used to operationalize the research questions in our study is shown (Fig. 1).

MATERIALS AND METHODS

An explanatory research approach was adopted in order to examine and explain the cause-and-effect relationships between complaints handling, perceived behavioral control and customer loyalty in the North Kendari car repair service and therefore attain the objectives of our research. Explanatory research is intended to explain the relationship between variables clause through hypothesis testing or testing aimed at obtaining precise in drawing conclusions that are clause (causal) between the variables and then choose an alternative action. The field research was carried out by utilizing an interviewer-administered questionnaire. The questionnaire was developed by largely adopting constructs suggested in recent relevant research as it is described:

First, complaint handling referred to in this research is effective complaint handling which provides the opportunity to turn a disgruntled customer, a customer of products/services of the company are satisfied or even become "immortal customers". The indicator measures adopted to handle complaints from the research (Artanti and Ningsih, 2010) as follows: empathy against angry customers which is referred to in this research is the activity of the car repair service are trying to be more open to serve customers who complain for errors or events unwanted; the speed in the handling of complaints which is the speed in the handling of complaints in this study, the attitude of the car repair shop dealing with complaints made by customers quickly; justice in problems solving/complaints, the meaning of justice in solving the problem is the attitude and the nature and treatment of the car repair service which is not biased in resolving the problem and ease for consumers to submit a complaint which is referred to in this study is the response of consumers to file a complaint without feeling weighed down or made difficult by car repair service. Second, perceived behavioral control is the respondents' perception about the amount of resources (financial) owned, capacity level (skills) and knowledge level (information) possessed to support the intention to make purchasing via online (Huang *et al.*, 2011).

Finally, customer loyalty is a strong perception on customer's loyalty to re-purchase or subscribe the preferred product consistently in the future, giving rise to a series of the same purchase their product over and over, despite situational influences and marketing efforts could potentially lead to brand switching. The indicator measuring customer loyalty in this study was adopted from the research (Griffin, 2003) as follows: respondents' perceptions of the use of car repair services repeatedly that is a direct response from the respondents to the repair shop services are used repeatedly; a positive recommendation to others is a positive recommendation to others is something that communicated to others about the positive things garage; not affected by the service at another garage which is not affected by the service at another garage are still loyal customers using the services of a repair shop and was not affected by other car repair services and tolerance price, the price is defined as the tolerance limit of the rates offered between the customer and the car repair service is to make both sides match up the price that has been agreed in accordance with the service that is given by the car repair service.

Each item was assessed by a five-point Likert scale, where possible answers ranged from strongly disagree (1) to strongly agree (5) for complaints handling, perceived behavioral control and customer loyalty. Moreover, there were two additional sections aiming to capture the survey respondents' demographics (gender, age, educational

level and occupation). A survey method approach was used in this study. The samples of this study are customers in car repair service Kendari ever complained in 2013 of 82 questionnaires were given to respondents only 65 questionnaires were returned or 79.27 or 80% can be used. After the data was collected, it was reviewed by researchers to ensure that every question was answered. The data gathered from the customer survey (data complaints handling, perceived behavioral control and loyalty) were entered into a database and then analyzed using the Statistical Package for the Social Sciences (SPSS). Validity and reliability tests were conducted and the data from the reliable instruments was entered in the SPSS package. Finally, the method to analyze the data is confirmatory factor analysis and then extended to the Multivariate regression analysis using SPSS Software. The model equation multivariate regression analysis as follows:

$$CL = \beta1(HC) + \beta2(PBC) + \varepsilon$$

Where:
HC = Handling Complaints
PBC = Perceived Behavioral Control
CL = Customers Loyalty
β = The standardized regression coefficient beta
ε = Error of measurement

RESULTS AND DISCUSSION

As it can be seen in Table 1, of the 65 participants 76.92% were male and 23.08% were female. Overall, the sample is primarily aged 21-42 (66.16%) with an additional 43, 84% belonging to the over 43 age category; respondents were highly educated (61.54% holding university degrees). According to the descriptive statistics that were complaints handling (mean = 3.219); perceived behavioral control (mean = 4.03) and customers loyalty (mean = 3.985) is high and all the mean scores for the ten statements related to indicators were above the median value of 3 (Table 2).

To investigate the reliability of the scales, Cronbach's alpha was computed (Hair *et al.*, 2010) presented a rule of thumb, stating that alpha levels higher than 0.70 indicate internal consistency among the items of a scale. The measurement model for all latent variables in Table 2 shows that the estimated value at loading for all indicators have values which are >0.70. This reflects that the correlation of all indicator variables are positive and significant and valid for being used in reflecting the measurement of the latent variable that is complaints handling, perceived behavioral control and customer loyalty.

Regression analysis was used to test the relationship between complaints handling and customer's loyalty (H1) and the relationship between perceived behavioral control and customer's loyalty (H2). This implies that between complaints handling had a strong direct effect on loyalty (standard beta = 0.567, p = 0.000<0.05). The regression analysis result in Table 3 indicates that complaints handling is positively and significantly related to customer's loyalty. This finding supports H1. Those are

Table 1: Sample's demographic characteristics

Sample profile	Frequency	Percentage
Gender		
Male	50	76.92
Female	15	23.08
Age (years)		
21-31	21	32.31
32-42	22	33.85
43-53	16	24.62
54-65	6	9.23
Education		
Primary school	1	1.54
Secondary school	19	29.23
University first degree	40	61.54
Postgraduate	5	7.69
Profession		
Civil servants	31	47.69
Employees	9	13.85
Entrepreneurs	16	24.62
Police	2	3.08
Others	7	10.77
n = 65		

Table 2: Mean, loading factor and eigenvalues

Construct/Indicators	Mean	Loading factor	Eigen values
Complaints Handling (CH)	3.219		2.578
CH1: Empathy against angry customers	3.169	0.806	
CH2: Speed in handling complaints	3.169	0.783	
CH3: Justice in solving problems/complaints	3.415	0.792	
CH1: Easy for consumers to submit a complaint	3.123	0.830	
Perceived Behavioral Control (PBC)	4.030		2.326
PBC1: I have the resources (financial) to purchase	4.015	0.844	
PBC2: I have the ability (skill) to purchase	4.000	0.900	
PBC3: I have the knowledge (information)	4.077	0.896	
Customers Loyalty (CL)	3.985		3.032
CL1: Perceptions of the repeated use of car repair service	3.908	0.958	
CL2: Positive recommendation to other peoples	3.800	0.945	
CL3: Undeterred to the service at another garage	4.231	0.663	
CL4: Price tolerance	4.000	0.884	

Loading factor (Acc. ≥ 0.70)

Table 3: Summary of multiple regressions analysis

Direct influence	Standardized coefficient	t-values	Sig. t	Empirical evidence
Complaints handling→customers loyalty	0.567	5.913	0.000	Significant (Accepted)
Perceived behavioral control→customers loyalty	0.268	2.797	0.007	Significant (Accepted)

$R = 0.709$; $R^2 = 0.502$; SEE = 0.491; F-value = 31.258; Sig. F = 0.000; n = 65; significant at 0.05 levels

perceived behavioral control (standard beta = 0.268, p = 0.007<0.05), the result also indicates that perceived behavioral control is positively and significantly related to customers loyalty and this supports H2. In all the main variables (complaints handling and perceived behavioral control on customers loyalty) were put into the regression model. The results showed that the addition of the main variables increased R^2 by 50.20% ($\Delta F = 31.258$, p = 0.000<0.05). The regression model was also supported. Consequently, the main effects have been supported the prediction that complaints handling and perceived behavioral control have a direct and positive influence on customers loyalty and this supports H3. As result of testing, the coefficient of determination (R^2) one of the measures that show the adequacy of regression estimated from sample data to the observed value appeared 0.502. Therefore, 50.2% of variation on customer loyalty that was the dependent variable as result of regression analysis was well explained by complaints handling and perceived behavioral control variables (Fig. 2).

The study of the development of the marketing concept of consumer behavior theory approach to the customer's particular car repair service in relation to the research variable is an attempt to photograph the facts and circumstances of either high or low level or absence of complaint handling and customer loyalty. The findings indicated that customer loyalty has a significant relationship with complaints handling. This implies that successfully complaints handling engage in positive customer loyalty about the North Kendari car repair service, recommend prospective customers, undeterred to the service at another garage, friends and families to the car repair service for the services on offer and price tolerance customers. This is important for the car repair service because the potential customers believe in third party information about the services, especially when the customers have had a good experience. This means that satisfaction with complaints handling may color subsequent future repurchase intention both directly and indirectly.

Our findings show that when it comes to complaints handling efforts, customers must be satisfied with the firm's efforts (Tax *et al.*, 1998). If not, many negative outcomes will result, including lost sales, negative WOM and defections (Andreassen, 1999; McCollough *et al.*, 2000). Hence, a central theme in complaints handling is customer satisfaction. Complaints handling must
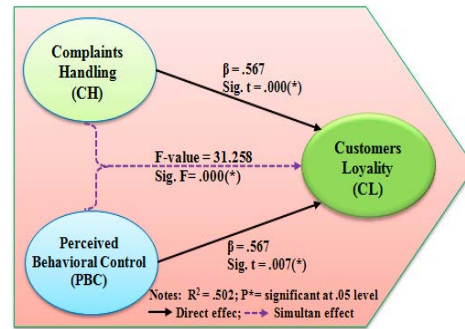

Fig. 2: Path coefficients and hypothesis testing

contribute to and enhance, customer satisfaction. This view is also supported by Boshoff (2005). It is acknowledged, however that the relationships are not always linear (De Matos *et al.*, 2009) particularly in a highly competitive industry with limited differentiation potential and low switching costs (Morrisson and Huppertz, 2010). That notwithstanding, a customer who is dissatisfied with the initial service encounter experiences some degree of negative effect, e.g., anger, disgust, contempt.

Complaints handling effectively give the opportunity to change a customer's dissatisfaction into a satisfied customer or a customer loyal. Theoretical studies which form the basis for assessing and measuring the concept of handling complaints in this study was developed by Artanti and Ningsih (2010) and Sunarto that complaint handling is a measure of attitude or behavior that can be measured or evaluated through empathy to angry customers, speed in handling complaints, justice in solving the problem and convenience to customers in delivering the complaints. Furthermore, the successful handling of complaints is determined by customer loyalty. Kotler and Keller (2006) stated that customer loyalty is repeat purchase made by a customer on the commitment of a brand or company. The statement is in accordance with the theory put forward by Oliver (1997) who stated that customer loyalty is a strong loyalty to re-purchase or subscribe preferred product in the next period, giving rise to a range of products repeatedly even though situational influences and marketing efforts to potential migration of the brand. Indicator of customer loyalty in this study was adopted from Griffin (2003) and the theory proposed by Oliver (1997) and Kotler and Keller (2006) consisting of

repeated use of the service, a positive recommendation to other people is not affected to the service at another garage and tolerance price.

The study of customer loyalty in this study is more focused on the condition of what is perceived, seen and heard by customers for service repair shop to re-purchase or subscribe consistently in the future. Basic theoretical constructs used to test the theory of customer loyalty, Kotler and Keller (2006), Oliver (1997) and Griffin (2003) research results stating that customer loyalty are repeat purchases made by customers because of the commitment to service companies as measured through the use of services repeatedly. Positive recommendation to other people is not affected to the service of others and tolerance car repair service price in totality have been implemented properly as evidenced by the statement that the average respondent agreed. The results of the assessment of the respondents to respond to the repeated use of the service garage to have the highest average value of tolerance followed the price not affected the reactor another garage services and indicators are assessed as still lacking is a positive recommendation to others.

Referring to the results of research that complaint handling significantly positive effect on customer loyalty and prove the theory proposed by Bramson (2004), Kotler and Keller (2006) and Oliver (1997) which states to handle complaints effectively provide opportunities for a dissatisfied customers into satisfied customers even become lasting customers. This means that if in view of the fact that is reflected in the actual handling of complaints consumers file a complaint with the ease of which is a reflection of the progressive increase in complaints handling is able to support their positive recommendations to others. The results of this study also supports research conducted by Kang *et al.* (2009), Artanti and Ningsih (2010), Mattila *et al.* (2013) and Carvajal *et al.* (2011) which states that the level of complaints handling higher able to boost customer loyalty. The results of this study differ from study which found that the handling of complaints indirectly and no significant effect on customer loyalty by Kang *et al.* (2009). The difference in the results of this study due to the study sample, the object under study where objects an investigated in previous study conducted in the mobile industry in addition to differences in the basic theory and diversity of variables studied.

Descriptive statistics result; it shows that the outer loading of perceived behavioral control variable indicators is resource indicator ability which has the highest loading factor. This indicates that ability (skill) resource is the most important indicator in reflecting perceived behavioral

control variables. Empirical facts is shown by mean values of indicators, respondents' perceptions choose knowledge (information) as preferred indicator. The result also indicates that perceived behavioral control is positively and significantly related to customer's loyalty. These results extend the study by Huang *et al.* (2011) and Huang *et al.* (2011) which use a consumer website from all age levels in Taiwan while this research uses only youth's respondents. This finding is consistent with the findings of perceived behavioral control on customer loyalty are conducted by Chan and Chan (2011), Kim and Chung (2011) and Huang *et al.* (2011) who conclude that perceived behavioral control significantly influences loyalty.

CONCLUSION

This study aimed for analyzing the influence on customer loyalty exerted by complaints handling and perceived behavioral control the North Kendari car repair service. The result is as follows: first, good complaints handling contributes significantly to customer loyalty. It means the handling of complaints given the company's most powerful or important is indicators of convenience for consumers in presenting complaints are able to contribute significantly in supporting a positive recommendation to others is a reflection of customer loyalty. The results of this study also evidenced by the fact that based on the description field study variables or the majority of respondents agreed either on variable handling complaints and customer loyalty. In addition to the measurement model also demonstrated good at handling complaints and customer loyalty is valid and has a positive and significant correlation of each indicator measures used in this research. For garage owners are strongly advised to pay attention to justice in problems solving/complaints and easy for consumers to submit a complaint to complaint handling car repair service given party can work very well and can increase customer loyalty. For business customers car repair service in Kendari is expected to provide positive respondents provided by the car repair service to others and are not affected by the service at another garage so that customers are able to demonstrate his loyalty to the use of services in the power business car repair service in Kendari.

Second as for the relationship between perceived behavioral control have more positive influence on customer loyalty. The results showed that the addition of the main effects have been supported the prediction that complaints handling and perceived behavioral control have a direct and positive influence on customers loyalty.

As result of testing, the coefficient of determination one of the measures that show the adequacy of regression estimated from sample data to the observed. Therefore, 50.2% of variation on customer loyalty that was the dependent variable as result of regression analysis was well explained by complaints handling and perceived behavioral control variables. The further research are strongly advised to do research beyond complaint handling variables that can affect customer loyalty used in this study since, there are other variables that affect customer loyalty.

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