

## **The Effect of Service Quality on Loyalty with Consumer Trust as A Mediation (Study at Consumers of Maxx Coffee in Bandung, Indonesia)**

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**Abstract:** Along with the changing times, the consumer does not just look at the product's quality but also pay attention to the services provided by the company when consumers want to buy the product. With the good service quality, consumers will perceive thoughts about the product being consumed. Is the product includes products suitable for consumption or not. Therefore, quality of service becomes an important issue in increasing the frequency of sales. Service quality is any form of activity undertaken by the company in order to meet consumer expectations. Quality of service has five dimensions: tangibles, reliability, responsiveness, assurance and empathy. Maxx coffee at Bandung, also strongly in maintaining service quality to meet the expectations that consumers want. So Maxx coffee to create trust in the minds of the public as a good product and to meet the expectations of consumers to win the competition with other coffee shop. This study aims to examine and analyze whether there is any effect of service quality on loyalty with consumer trust as a mediation on consumers in Maxx coffee at Bandung.

**Key words:** Service quality, consumer trust, loyalty, Maxx coffee di Bandung, empathy

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### **INTRODUCTION**

A long with the changing times, consumers increasingly astute in choosing a product to be consumed. They not only look at the quality of its products but also pay attention to the services provided by the company at a time when consumers want to buy the product. Therefore, the quality of service becomes an important issue in increasing the frequency of sales.

Quality of service can be defined as the totality of features and characteristics of the products and services that depend on customers (Kotler and Keller, 2009; Kuo and Chen, 2015; Saputra and Dewi, 2016). So, the company is required to provide satisfactory service to consumers which provide a good service, friendly, satisfying or help consumers in solving the problem at hand.

With good service quality, consumers will perceive his mind about the products that are being consumed. Does the product include products suitable for consumption because it can meet the expectations of consumers or on the contrary less than the expectations of consumers. This can lead to confidence from the public on products that have been produced which can affect the frequency of sales.

Maxx coffee located at Istana Plaza Jalan Pasir Kaliki No. 121-123 Bandung, also considering the quality of service to meet the expectations desired by consumers. So, that products originating from Indonesia is able to

create confidence in the public's mind as a good product and can meet the expectations of consumers to win the competition with other coffee shop.

Customer loyalty becomes a major key to making the company can survive for a long time because loyal customers are customers that have characteristics such as making purchases repeat use of the same company, tell others about the satisfactions obtained from the company and show resistance to the bid-offer from a rival company.

So maintaining the same customer to maintain the viability of the company. On the contrary, if the services provided by the company is not good or even bad then the consumer will probably tell others who in this case is the potential prospects. Consumers will switch to another company thinks can provide better service. Therefore, by providing a good service, the company is able to provide added value which may be taken into consideration for consumers to make repeat purchases.

**Literature review:** According to Kotler and Keller (2009), quality of service can be defined as the totality of features and characteristics of the products and services that depend on the customer. In the business world the quality is "fit for use" by the company for the company to remain successful in running the business.

According Tjijtono and Chandra (2007), quality of service is addressing the needs and desires of customers and accuracy of delivery to keep pace with customer expectations.

From the above definition can be concluded that the quality of service is any activity carried out by the company in order to meet consumer expectations. If the services received or perceived (perceived service) in accordance with what is expected, it will be perceived service quality is good and satisfactory. If the services received exceed the expectations of consumers it will be perceived service quality is superb. On the contrary if the services received are lower than expected it will be perceived poor service quality.

From a marketing perception, development of trust and confidence in particular, should be a fundamental component of the marketing strategy intended to lead to the creation of a true customer relationship. Customers should be able to feel that he can rely on the company; that the company is trustworthy. However, to build trust takes a long time and can only be developed after repeated meetings with customers. More importantly, trust develops after an individual to take risks in dealing with partners. This suggests that building trusting relationships will be more likely to occur in certain industrial sectors, mainly involving risk by customers in the short term or in need of long-term bonds.

According to Peppers and Rogers trust is the belief of the party on reliability, durability and integrity of the other party in the relationship and the belief that his actions in the interest of the most excellent and will yield positive results for those who believe. Trust is essential for the success of the relationship.

The achievement of customer satisfaction is a dynamic process in the sense that never stops and depending on how the company interacts with customers on an interpersonal level. Satisfaction is achieved by providing meaning in people's lives and to touch the level of their emotions. Having a loyal customer is one of the ultimate goal of the company for customer loyalty to ensure the continuity of life in the long term.

According Tunggal, customer loyalty is customer attachment to a brand, stores, manufacturers, service providers, shops or other entity based on a favorable attitude and a good response such as repeat purchases.

## MATERIALS AND METHODS

More, provide a definition of customer loyalty as a person who buys, especially those making purchases regularly and repeatedly. A customer is someone constantly and repeatedly came to a similar place to satisfy the desire to have a product or get a service and pay for products or services.

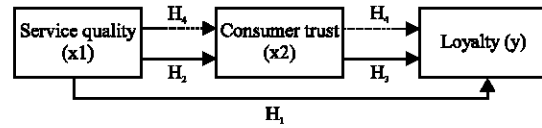


Fig. 1: Modal of loyal customer

Meanwhile, according to Griffin, a loyal customer is a customer who has characteristics, such as making purchases repeat use of the same company, tell others about the satisfactions derived from the company and show in (Fig. 1) resistance to the offer bid from a rival company.

By exposure and theories above, model used for the analysis is as follows: Researchers suggested hypotheses to be tested truth through research conducted:

- $H_1$ : There is the influence of service quality on customer loyalty at Maxx coffee Istana Plaza Bandung
- $H_2$ : There is the influence of service quality to consumer trust in Maxx coffee Istana Plaza Bandung
- $H_3$ : There is the influence of consumer trust in the loyalty of consumers in Maxx coffee Istana Plaza Bandung
- $H_4$ : There is the influence of service quality on loyalty, consumer trust as mediation at Maxx coffee Istana Plaza Bandung

**Data:** According Hair, the sample size of the nicest is 10 times the number of variables in the questionnaire used as the number of variables to be tested at 18 variables. However, Sekaran (2003), states that the sample size is expected  $\geq 500$  respondents. Thus, the sample size used in this study was 180 respondents.

In this study, the number of questionnaires distributed 200 questionnaires and the number of returnees is also 200 questionnaires. Of the number of questionnaires were re-examined and the results valid questionnaires of 200 respondents were subsequently used as primary data for processing data.

## RESULTS AND DISCUSSION

There is the influence of service quality on loyalty. This is evidenced in Table 1 ANOVA that produce value Sig. of 0000, according to the acceptance criteria of  $0.000 = 0.05$ , so  $H_1$  accepted, meaning that there is the influence of service quality on loyalty. Having in mind that there is an influence on the quality of services to loyalty then determined how much influence. There is the

Table 1: Quality of services to loyalty

ANOVA <sup>b</sup>					
Model	Sum of square	df	Mean square	F-value	Sig.
Regression	406.969	2	202.485	176.340	0.000 <sup>a</sup>
Residual	223.863	194	1.15400		
Total	630.832	196			

Predictors: (Constant), Total\_T, Total\_SQ; Dependent variable: Total\_L

Table 2: Influence of consumer trust

Coefficients <sup>a</sup>					
Model	Unstandardized coefficients		Standardized coefficients		
	B	SE	$\beta$	t-values	Sig.
Constant	0.898	0.700	-	1.283	0.201
Total_SQ	0.186	0.058	0.139	3.221	0.001
Total_T	0.633	0.035	0.775	18.010	0.000

<sup>a</sup>Dependent Variable: Total\_L

Table 3: Impact of service quality

ANOVA <sup>b</sup>					
Model 1	Sum of square	df	Mean square	F-value	Sig.
Regression	12.4620	1	12.462	2.602	0.108 <sup>a</sup>
Residual	934.116	195	4.790	-	-
Total	946.579	196	-	-	-

<sup>a</sup>Predictors: (Constant), Total\_SQ; <sup>b</sup>Dependent variable: Total\_T

influence of consumer trust in the loyalty. This is evidenced in Table 2 ANOVA that produce value Sig. of 0.000, according to the acceptance criteria of  $0.000 = 0.05$ , so  $H_3$  is received which means that there is the influence of consumer trust in the loyalty. Having in mind that there is an influence of consumer trust in the loyalty then determined how much influence.

In Table 3 coefficients standardized coefficients beta value obtained is equal to 0.139 are multiplied by 100%, so that in can be a value of 13.9%. The value of 13.9% indicates the value of the effect of service quality on loyalty and the remaining 86.1% is influenced by other factors.

In Table coefficients standardized coefficients beta value obtained is  $\geq 0.775$  multiplied by 100% so that in can be a value of 77.5%. The value of 77.5% indicates the value of the influence of consumer trust in the loyalty and the remaining 22.5% is influenced by other factors.

There is no influence of service quality to consumer trust. This is evidenced in Table Anova that produce value Sig of 0.108, according to the acceptance criteria  $0.108 > 0.05$ , so  $H_0$  is accepted and rejected  $H_2$  which means there is no influence of service quality to consumer trust.

Because there is no influence of service quality to consumer trust, then automatically there is no influence of service quality on loyalty mediated by consumer trust. So it can be mentioned that  $H_0$  and  $H_4$  is rejected which means there is no impact of service quality on loyalty mediated by consumer trust.

## CONCLUSION

There is the influence of service quality on customer loyalty at Maxx Coffee Istana Plaza Bandung. This indicates that the better the service provided to the consumer, then the consumer will be more loyal to Maxx coffee Istana Plaza Bandung. There is the influence of consumer trust on consumer loyalty in Maxx coffee Istana Plaza Bandung. This indicates that when consumer trust in the brand then they will be more loyal to the products produced.

There is no impact of service quality to consumer trust in Maxx coffee Istana Plaza Bandung. This indicates that the better/worse service provided to consumers will not affect the level of consumer trust in the brand.

There is no impact of service quality on loyalty mediated by consumer trust at Maxx Coffee Istana Plaza Bandung. This indicates that consumer trust is not functioning as a mediation between service quality and customer loyalty.

Based on research results data that has been done, it is suggested that the quality of service rendered must be maintained consistently so that consumers feel comfortable and appreciated if they are in counter Maxx Coffee Istana Plaza Bandung. This can be done by, maintaining the service rendered by the employee in terms of friendliness, readiness to serve, take the initiative and responsive to the wishes of consumers so that consumers become loyal to Maxx Coffee Istana Plaza Bandung.

## RECOMNENDATIONS

It is recommended to maintain consumer trust in the brand of Maxx Coffee, so that consumers will increasingly feel loyal and immune to the competitor's bid. By maintaining the quality of the products, see counter, the cleanliness of the tools used and the interior is in the counter so as to establish a positive brand image in the minds of consumers regarding Maxx Coffee.

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