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Effect of Servqual and Accessibility on Customer Loyalty Through Customer Satisfaction (Study at Ternate Jati Land Mall)

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A R T I C L E I N F O

A B S T R A C T

This study purpose is to analyze the effect of SERVQUAL (reliability, responsiveness, assurance, empathy, and tangibles) and accessibility (mall location, public transport to mall, and costs to go to mall) on customer loyalty through customer satisfaction. The study uses quantitative sampling technique by purposive sampling. The population is customers who shopped at Ternate Jati Land Mall in 2015 with a sample of 100 respondents. The analysis tool used is GSCA (Generalized Structured Component Analysis). The study results show that service quality and accessibility affect on customer loyalty through customer satisfaction. The study limitation is not includes the spiritual variable workplace that may have a strong effect to provide a quality service.

INTRODUCTION

Before 2005 the Ternate City was full with traditional markets and street vendors as shops for local community. Modern mark*et al*ready existed but was still limited to mini market as Cloria market, Selecta market, and Muara market. Muara Mall has opened in 2006. It was the mall is the first mall in Ternate City. Jati Land Mall was opened at Ternate four year ahead and has been opened and operationalized in 2010.

Jati Land Ternate Mall is the largest and Spectacular mall in Ternate City during this time. The mall is relatively new in terms of construction and personnel employed. Ternate Jati Land Mall becomes a place to shop daily necessities and a recreation or meetings for youth and release fatigue from a daily of activities of working.

Services at Ternate Jati Land Mall must innovate continuously since the mall is still relatively new. Services provided by Ternate Jati Land Mall can give unique characteristics that distinguish the mall from a mini market. Good quality service can improve customer satisfaction and buy back (Parasuraman, *et al.*, 1985). In addition to quality service, accessibility to mall also affects customer satisfaction. Ease access to reach Ternate Jati Land Mall is one factor to encourage customers to come back. Accessibility includes the time, distance and lower costs to arrive at a place (Tamin, Ofyar Z., 2000)

Based on previous description, the study problem is whether the quality of care and accessibility affect on customer loyalty through customer satisfaction ? The study purpose is to analyze the effect of SERVQUAL and accessibility on customer loyalty through customer satisfaction.

II. Theory Review and Hypothesis Development:
2.1. Theoretical review:

Kotler (2009) defines a service as act or performance that can be offered by one party to another. It is essentially intangible and does not produce a controlling interest in something, production process may or may not relate with physical product. Jasfar (2005) defines service as any action or activity, and not the object, which

can be offered by one party to another, (intangible physical, customers are actively involved in production process and produce no ownership of anything. Lovelock (2007) defines services as an act or performance that create benefits for customers to realize the desired changes in themselves or in name of recipient.

Parasuraman *et al*. (1985) mention five several dimensions or attributes of service quality to be considered because it is closely related each other. First, reliability is the ability to provide the promised service with immediate, accurate and satisfactory. Second, responsiveness is desire and willingness of our employees to help customers and provide service with a response. Third, empathy includes ease in effective communication relationships, personal attention and understanding the customer needs. Forth, assurance includes knowledge, skills, politeness and trustworthy properties owned by employees, free of hazards, risks and doubts. Last, tangible includes physical facilities, equipment, employees and communications proposition.

Lovelock (2007) defines service quality as a long-term cognitive evaluation of customers towards the services delivery of a company. Jasfar (2005) defines the service quality as how the customer responses to services consumed or perceived. Customer assessment on perceived service quality includes several dimensions. Tjiptono (2008) suggests that customer satisfaction is an emotional or cognitive response regarding to focus of product, consumption experience, and response occurred at time of taking, after selection of a service or product, and based on accumulative experience.

Lovelock (2007) explains various levels of customer satisfaction or dissatisfaction after suffering their respective services in accordance with extent to which their expectations are met or exceeded. Customer satisfaction is an emotional state post-purchase. Customer reaction may anger, dissatisfaction, annoyance, neutrality, joy or pleasure.

Kotler (2009) defines satisfaction as feeling happy or disappointed who emerged after comparing the performance (yield) of products thought to expected performance (results). If the performance was below expectations, then the customer is not satisfied. If performance meets expectations, then the customer will be satisfied. Meanwhile, if the performance exceeds expectations, then the customer is very satisfied or happy.

Jasfar (2005) defines customer satisfaction to a service as a comparison between customers' perception by expectations before using the services and service received. If the customer's expectations are exceeded, it means that service has provided an exceptional quality and will also lead to very high satisfaction. Conversely, if the customer expectations are not achieved, then it means the quality of these services do not meet what customers or the company failed to serve its customers. Customers are satisfied if the customer expectations are same with the obtained.

Accessibility provides a measure on performance between land usages with transportation systems. House residents are more interested in accessibility to workplace, schools, shops, health services and recreation areas. Merchants pay more attention to accessibility to customer, while the owner of industry depend on accessibility to labor market and a provider of raw materials, as well as ease transportation (Black, J., 1981). Accessibility indicators include time, distance and transportation costs (Tamin, Ofyar Z., 2000). If a place adjacent to other, the accessibility between these two places are higher, and vis a versa.

2.2. Hypothesis development:
2.2.1. SERVQUAL on customer loyalty through customer satisfaction:
Kotler (2009) explains that customers service at high level will produce a high level of satisfaction, creating more re-purchase to affect the volume of sales. Even they will promote word of mouth to friends and relatives. If the customer perceived service quality is greater than expected, customer was very satisfied. Adversely, customers who perceived service quality lower than expectation will feel disappointed.

Previous studies of Cronin and Taylor (1992); Babakus and Boller (1992); Anderson and Lehmann (1994); Bayhaqi (2006); Olorunniwo and Hsu (2006); Gonzales, *et al*, (2007); Wen (2007); Brown and Lam (2008); Rachel *et al*. (2008); Huang *et al*. (2009); Jannang (2010); Udo *et al*. (2010) and Paul *et al*. (2011) found the service quality can improve customer satisfaction. Furthermore, satisfied consumers can repurchase again, as explained by Fornell *et al*. (1996); Oliver *et al*. (1999); Ganesh *et al*. (2000); Sirdeshmukh *et al*. (2002); Kim *et al*. (2004); Olorunniwo and Hsu (2006); Ernawati and Laksono (2008).

Explanation of previous theories and previous empirical studies suggest a relation between SERVQUAL, customer satisfaction and customer loyalty. Therefore the hypothesis is proposed below.

H1: SERVQUAL affect on customer loyalty through the customer satisfaction

2.2.2. Accessibility to customer loyalty through customer satisfaction:
Accessibility between these two places is high if a place adjacent to other. However, when a remote place means the accessibility between both is low. In addition to time and distance, cost is also a determining factor of accessibility. Low transport costs to get to a place means high accessibility (Tamin, Ofyar Z., 2000). The ease accessibility to mall can create customer satisfaction because it can reduce transportation costs and time.

Research of Ernawati and Laksono (2008) show that health centers accessibility and equity services create fairly high level of satisfaction, exceeding the expected level of satisfaction in JPKMB by 70%. The findings

were reinforced by Jannang (2010) that accessibility can enhance customer satisfaction. Satisfied consumers can encourage customer loyalty as explained by Ryu *et al*. (2008); Huang *et al*. (2009); Udo *et al*. (2010); Paul *et al*. (2011); Rong and Jun (2011).

Above theories explanation and previous empirical studies suggest a relationship between accessibility, customer satisfaction and customer loyalty. Therefore, the hypothesis is proposed below.

H2: accessibility can affect on customer loyalty through customer satisfaction

III. Research Methods:

The study population is the customer who shops at Ternate Jati Land Mall in 2015. Samples were taken by non-probability with purposive sampling (Cooper and Emory, 1996). The number of samples is calculated by infinite population formula (Daniel and Terrel, 1975) as follows:

$$n = \frac{z^2 pq}{d^2}$$

Description:

n: number of samples

z: z value with α = 0.05, value z = 1.96

p: estimated proportion of visitors to Ternate Jati Land Mall (p = 0.43)

q: 1 - p = 1-0.43 = 0.57

d: an error rate of 0.1

The samples in this study based on the formula are 100 respondents. The sample number 100 is considered good (Ghozali, 2008). Selected respondents are interviewed first and then given a questionnaire. A method of data analysis in this study is GSCA (Generalized Structured Component Analysis).

IV. Data Analysis Results:
4.1. Overview of Respondents:

Table 1: Respondent characteristics are shown

Description			Total (people)	%
Sex	1.	Male	45	45
	2.	Female	55	55
	Total		100	100
Age	1.	15 – 17 years	21	21
	2.	>17 – 21 years	38	38
	3.	>21 – 25 years	25	25
	4.	>25 years	16	16
	Total		100	100
Marriage status	1.	Married	17	17
	2.	Not married	83	83
	Total		100	100
Highest education	1. Senior High School		45	45
	2. Diploma		23	23
	3. S1		25	25
	4. S2		7	7
	Total		100	100
Income per month	1.	< IDR1.000.000	7	7
	2.	IDR 1.000.000 – IDR 2.000.000	23	23
	3.	>IDR 2.000.000 – IDR3.000.000	28	28
	4.	>IDR 3.000.000 – R. 4.000.000	27	27
	5.	>IDR 4.000.000	15	15
	Total		100	100

Sources: Primary data processed, 2015.

Table 1 shows that visitors majority of Ternate Jati Land Mall are young girls, unmarried with last education is senior high school, and the income between two to three million rupiah a month. This indicates that market segment of Ternate Land Jati Mall is unmarried woman.

4.2. Generalized Structured Components Analysis (GSCA):
4.2.1. Evaluation of Goodness of Fit Model and Overall Structural Model:

Examination of overall model can be seen at FIT and Afit values in Table 2 below .

Table 2: Identification Goodness of Fit

Model Fit	
FIT	0.506
AFIT	0.665

GFI	0.905
SRMR	0.000
NPAR	62

Source: Results of analysis GSCA

The analysis results on Goodness of Fit test models with FIT, Afit, GFI and SRMR show that overall model in this study is good and able to explain 66.5% of corrected variance data.

4.2.2. Indicators Identification of Research Variables:

Table 2: Testing results of variables

Variable	Dimension	Indicator	Weight Estimate
Servqual (X1)	Physical evidence (X1.1)	AVE = 0.563, Alpha = 0.943	
		X1.1.1 Interior Design	0.686
		X1.1.2: Lighting	0.856
		X1.1.3: Decorative	0.682
		X1.1.4: Interior color	0.782
	Reliability (X1.2)	AVE = 0.692, Alpha = 0.730	
		X1.2.1: Boring	0.582
		X1.2.2: Quick service	0.532
		X1.2.3: Relaxed	0.552
		X1.2.4: Stress	0.566
	Responsiveness (X1.3)	AVE = 0.631, Alpha = 0.762	
		X1.3.1: Employee Assistance	0.672
		X1.3.2: Product diversity	0.542
		X1.3.3: Employees responsive	0.782
		X1.3.4: Employees hospitality	0.502
	Assurance (X1.4)	AVE = 0.734, Alpha = 0.717	
		X1.4.1: Skilled 0542	0.542
		X1.4.2: One roof product	0.580
		X1.4.3: Parking	0.549
	Empathy (X1.5)	AVE = 0.673, Alpha = 0.781	
		X1.5.1: Good Communication	0.569
		X1.5.2: Employees attention	0.640
		X1.5.3: Mall cleanliness	0.540
		X1.5.4: New Products	0.542
			Loading Estimate
		AVE = 0.729, Alpha = 0.736	
Accessibility (X2)		X2.1: Strategic location 0950	0.950
		X2.2: Smoothness public transport	0.770
		X2.3: Cost	0.709
		AVE = 0,838, Alpha = 0.825	
Customer satisfaction (Y1)		Y1.1: Physical Evidence	0.509
		Y1.2: Reliability	0.502
		Y1.3: Responsiveness	0.720
		Y1.4: Security	0.819
		Y1.5: Empathy	0.897
		Y1.6: Accessibility	0.501
		AVE = 0.829, Alpha = 0.801	
Customer loyalty (Y2)		Y2.1: Visit again	0.980
		Y2.2: Recommendation	0.718
		Y2.3: Not affected by price increase	0.597

Source: Results of analysis GSCA

SERVQUAL Variable has formative indicators of Weight Estimate value, while accessibility, customer satisfaction and customer loyalty variables has a reflective indicator with Loading Estimate value, as shown in Table 2. The value of weight or loading estimate are greater than 0.50 and all AVE score has a root value greater than the correlation value of other variables and overall alpha value of 0.7. These results indicate that instrument has good discriminant validity and composite reliability.

4.2.3. Hypothesis testing:

Hypothesis testing is done by looking at path coefficient estimated value and value of critical point (CR *) significant at alpha = 0:05, as shown in Table 3.

Table 3: structural Model

Path Coefficients				
	Estimate	SE	CR (t)	Description

Physical evidence → Service quality	0.642	0.704	6.91*	Significant
Reliability → Service quality	0.448	0.798	5.56*	Significant
Responsiveness → Service quality	0.786	1.118	6.7*	Significant
Service quality → Assurance	0.633	0.748	4.85*	Significant
Empathy → Service quality	0.544	0.740	6.74*	Significant
Service quality → Customer satisfaction	0.478	0.352	4.47*	Significant
Accessibility → Customer satisfaction	0.539	0.618	6.31*	Significant
Customer satisfaction → Customer loyalty	0.471	0.463	7.39*	Significant

CR * = significant at .05 level
Source: Results of GSCA analysis

Based on GSCA analysis result, the hypothesis can be described in Figure 1 below.
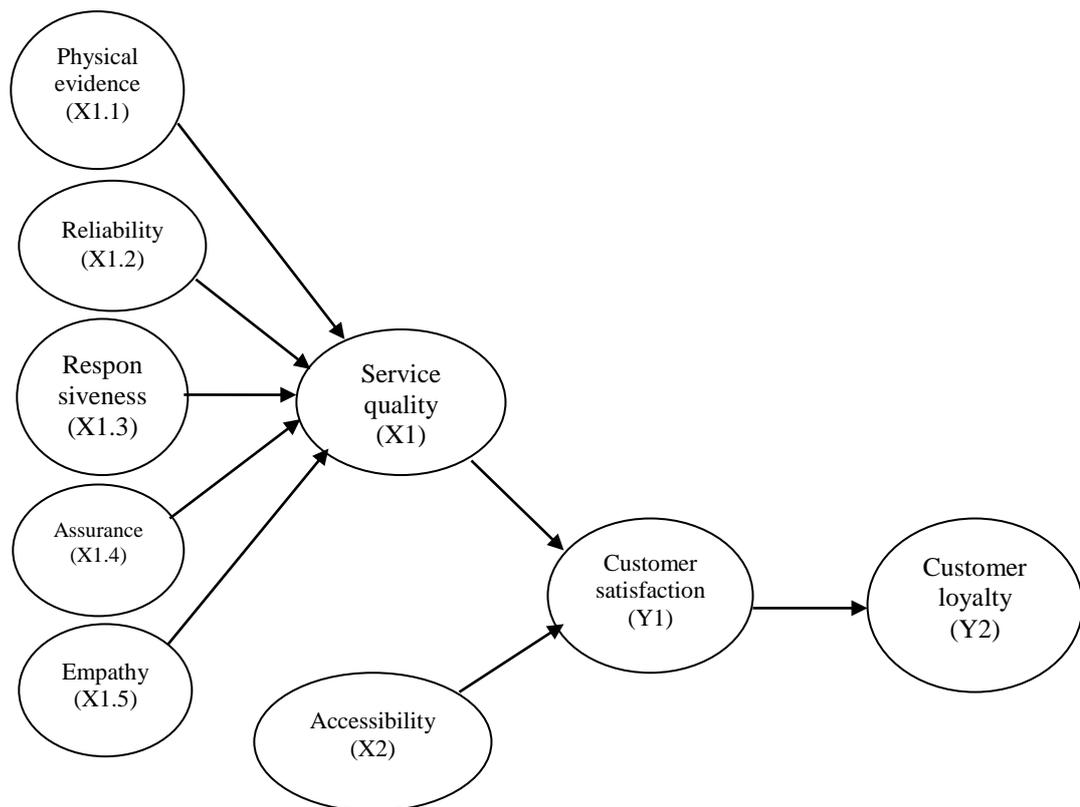
Source: GSCA Analysis Result

Fig. 1: Model of analysis result

H1 of SERVQUAL affects on customer loyalty through customer satisfaction is proven. Similarly, H2 of accessibility affects on customer loyalty through customer satisfaction is proven. This means that employees are with better service and smooth accessibility to mall can improve customer satisfaction and repurchase.

4.3. Discussion and Conclusions:
The first hypothesis which states that SERVQUAL affect on customer loyalty through customer satisfaction is proven. Services that meet consumer expectations can make consumers feel satisfied and will repurchase, recommend to others to buy, and not sensitive to price increases. This is reinforced by actual conditions that respondents considered the service quality of employees has been good, especially response to consumer demand. In addition, Ternate Jati Land Mall also have bright lighting, place to relieve the boredom, and providing a wide range of products.

The results of this study are theoretically consistent and reinforce the concept of Kotler (2009) that service quality is addressing the needs and desires of customers, and precise services delivery to offset customer expectations. When the service quality received is consistent with customer's expectation, the perceived service

quality is good and satisfactory. If the service quality exceeds the customers' expectations, service quality is perceived as ideal and customers are very satisfied.

This study findings are consistent with previous empirical studies of Gonzales, *et al*, (2007); Wen (2007); Brown and Lam (2008); Rachel *et al.* (2008) that service quality of employees can make consumers feel satisfied. Furthermore, Bayhaqi (2006); Olorunniwo and Hsu (2006); Ryu *et al*. (2008); Huang *et al*. (2009); Udo *et al*. (2010); Paul *et al*. (2011); Rong and Jun (2011) explain that satisfied consumers tend to repurchase.

The second hypothesis of accessibility affect on customer loyalty through customer satisfaction is proven. Accessibility to Ternate Jati Land Mall has been well perceived by consumers. This is evidenced by strategic location of Ternate Jati Land Mall. It can be reached by private vehicles or public transportation, so the transportation cost is relatively cheap.

This study result is consistent and reinforces the concept of Tamin and Ofyar (2000) that accessibility is high when time and costs required to get to destination is relatively low. It also strengthen the results of previous research of Ernawati and Laksono (2008); Jannang (2010) that accessibility can improve customer satisfaction.

The conclusion of this study is SERVQUAL and accessibility can encourage consumer loyalty through customer satisfaction. Responsiveness of mall employees and strategic location can contribute to create high customer satisfaction repurchase, recommend to family, neighbor and friends, and not affected by price increase.

4.4. Theoretical and Practitioners Implications:

The results develop the theory of consumer behavior, especially related to SERVQUAL, accessibility, customer satisfaction and loyalty. SERVQUAL and accessibility can increase loyalty through customer satisfaction, both in services and manufacturing.

Furthermore, this study results become input to improve the brand strategy management and encouraging the brand loyalty. Brand strategy means to include product prices in according to performance, design and model of product, thus the product brand will give a good image to consumer to repurchase. The practical implications of this concept is Manager of Ternate Jati Land Mall should provide a good services in form of non-formal education as meetings by providing knowledge on how to serve customers, greeting and offering the products, look attractive.

4.5. Weaknesses and Recommendations for Future Research:

This study does not include the workplace spiritual variable that may to have a strong effect to provide a service quality. Future research should include workplace spiritual in model.

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