



## Service Quality, Customer Satisfaction, and Company Image towards Customer Loyalty At Pt. Gajah Gotra Bali

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### Abstract

The high level of competition causes several companies experiencing business bankruptcy. In the last 6 years, based on data from several Bali Branch Logistics Associations, it shows a decrease in the number of association members. This study aims to analyze and determine the effect of service quality, customer satisfaction, company image on customer loyalty at PT. Gajah Gotra Bali. The research was conducted on 100 employees through interviews and questionnaires. Data were analyzed using the Smart PLS-SEM version 23.0 program. The results showed that service quality has a significant positive effect on customer satisfaction, company image and customer loyalty. Customer satisfaction has a significant positive effect on customer loyalty. Company image has no effect on customer loyalty. Customer satisfaction is able to mediate the service quality relationship to customer loyalty. Company image is not able to mediate the relationship between service quality and customer loyalty.

Keywords: Service Quality, Customer Satisfaction, Company Image, Customer Loyalty.

## 1 | INTRODUCTION

The development of businesses in the freight transportation sector is evident from the high business competition that occurs in the shipping industry. This requires every company engaged in the field of expedition to have a competitive advantage in order to maintain its existence in the increasingly competitive freight industry. The high level of competition has caused several companies to go bankrupt. In the last 6 years based on data from several Bali Branch Logistics Associations,

it shows a decrease in the number of association members, namely in 2014 there were 657 companies, 590 companies (2015), 579 companies (2016), 517

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companies (2017), 459 companies (2018), and 369 companies in 2019. The decrease in the number of association members is due to the existence of an online market place where online shops have their own shuttle service. Only a small proportion of the existing members are able to survive because they have a competitive advantage, as stated by IB Ardana Manuaba, Chairperson of Asperindo Bali 2015-2021.

In realizing the competitive advantage of a company, it can be realized through customer loyalty. Customer loyalty is the highest achievement of long-term consumer commitment in the form of loyal behavior and attitudes towards the company and its products, by consuming regularly and repeatedly so that the company and its products become an important part of the consumption process carried out by consumers (Priasa, 2017). Only customer-oriented companies will survive, because they can provide value better than their competitors to their target customers (Kotler, 2000).

Customer loyalty can be built through increasing customer satisfaction and company image. For companies with customer insight, customer satisfaction is both a goal and a marketing strategy as well as enhancing the company's image in the eyes of consumers (Kotler, 2000).

One of the strategies that companies in a service industry can undertake to maintain customer satisfaction and corporate image is by optimizing the company's service quality (servqual) system. Servqual is a company activity to provide the best service to customers who are satisfied and loyal to use the company's products or services (Putranto, 2016).

Several researchers have conducted research related to service quality, customer satisfaction, company image and customer loyalty. The research results of Aryanto (2017), Pradhana (2015), Setyani (2014), Budiyo (2013), Apriyadi (2017), found that service quality has a positive and significant effect on customer satisfaction. The opposite results are obtained from research Putranto (2016), Qomariah (2012), the quality of service has no effect on customer satisfaction. The results of research by Darmawan (2018), Saputra and Nurcaya (2018), Purnanta and Arifin (2015), Gustianan (2019), found

that service quality has a positive and significant effect on company image. Research results by Pradhana (2015), Henriawan (2015), Maskur et al. (2016), Montolalu et al. (2015), Praman and Rastini (2016), found that service quality has a positive and significant effect on customer loyalty. The opposite results were obtained from research by Ramenusa (2013), Qomariah (2012), Putri (2014), Swanto et al. (2014), service quality has no effect on customer loyalty. The results of research by Darmawan (2017), Henriawan (2015), Qomariah (2012), Putri (2014), Ramenusa (2013) found that customer satisfaction has a positive and significant effect on customer loyalty. The opposite results are obtained from the research of Wibowo and Widikusyanto (2016), Montolalu et al. (2015) stated that customer satisfaction has no effect on customer loyalty. Research results from Putri (2014), Stan et al (2013), Keisidou et al (2013), Kusumawati (2017), Safitri et al. (2016) found that company image has a positive and significant effect on customer loyalty. The opposite result is obtained from the research of Jamaan (2016), Qomariah (2012), that company image has no effect on customer loyalty.

## 2 | LITERATURE REVIEW

Macel (2003: 192) in the theory of "quality" states that the concept of service quality basically provides a concrete perception of the quality of a service. The concept of Service Quality is one way to increase loyalty because the success of a service action is determined by quality. On another source, Tjiptonono (2001) states that quality is a dynamic condition that influences products, services, people, processes and the environment that meet and exceed consumer expectations. While Kotler (2002: 83) defines service as any activity or action that can be offered by a party to another party which is basically intangible and does not result in any ownership. The production can be linked or cannot be linked to a physical product. The concept of Parasuraman et al. (1988) stated that service quality is a characteristic of service public that is revealed from tangible, reliability, responsiveness, assurance and empathy

## SERVICE QUALITY, CUSTOMER SATISFACTION, AND COMPANY IMAGE TOWARDS CUSTOMER LOYALTY AT PT. GAJAH GOTRA BALI

Priasa (2017: 54), states that quality services must be based on the fact that the service is able to provide satisfaction to its consumers adequate. The more satisfied the consumer feels the service he receives, the more quality the service is seen by the consumer. Tjiptono (2001) found that consumer satisfaction or dissatisfaction is the consumer's response to the perceived discrepancy / disconfirmation between previous expectations (other work norms) and the actual performance of the product that is felt after use. Customer satisfaction is an evaluation of the perceived comparison between product performance and customer expectations and is able to provide satisfaction to consumers at least equal to or exceed customer expectations. The more satisfied the consumer feels the product / service he receives, the more quality the service is seen by the consumer.

According to Kotler and Keller (2009: 388) states that image is the way people perceive or think about a company or its product through an effective identity, namely: (a) Building product character and value proposition, (b) Manifesting character in a prominent or dominant way, (c) Mobilizing emotional strength beyond mental image. According to Jasfar (2009: 184) writes that image is a representation of the assessments of consumers, both potential consumers and disappointed consumers, including other groups related to companies such as suppliers, agents and investors. Meanwhile, according to Kotler, company image is described as an overall impression made in people's minds about an organization. Simamora (2007: 6) states that image is a perception that is relatively consistent in the long term (enduring perception). So it is not easy to form an image, so if it is formed it will be difficult to change it. The image that is formed must be clear and have advantages when compared to its competitors.

In both service and non-service business activities, customer satisfaction is a measure of the success of a company in realizing loyal customers. Loyal consumers or commonly called customer loyalty is the highest achievement of various businesses in realizing the competitive advantage of a company. Dowling et.al in Priasa (2017: 215) emphasizes that Customer Loyalty as a deeply held commitment to re-buy or re-patronize a preferred product or services consistently in the future, causing repetitive

same - brand or same brand-set purchasing despite situational influence and marketing effort having the potential to cause switching behavior. According to Priasa (2017: 217) defines that consumer loyalty is a long-term commitment of consumers that is tangible in behavior and attitudes towards the company and its products, by consuming regularly and repeatedly so that the company and its products become an important part of the consumption process carried out by consumers. . According to Schanaars in Tjiptono (2007), basically, the purpose of business is to create satisfied customers. The creation of customer satisfaction can provide several benefits, including some harmonious relationships between the company and its customers, providing a good basis for repurchasing and creating customer loyalty and forming a word of mouth recommendation. According to Tjiptono (2007), loyalty is a customer commitment to a store, brand or supplier based on a positive attitude which is reflected in the form of consistently repeated purchases.

### 3 | CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Sugiyono, (2013: 93) states that the framework is related to a theoretical explanation of the relationship between the variables to be studied, namely the relationship between the independent variable (exogenous) and the dependent variable (endogenous), including if it involves moderator or variables intervening.

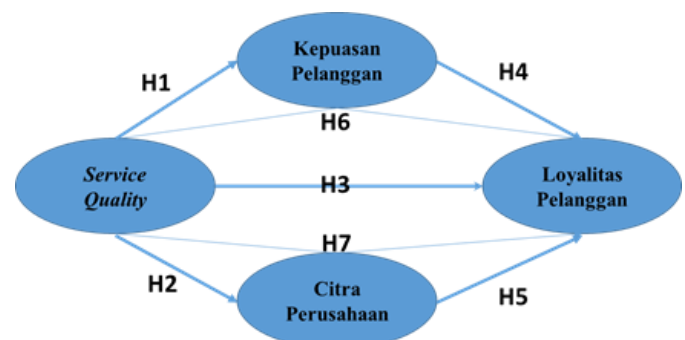


FIGURE 1: Conceptual Framework

Parasuraman, et al (1988), defines the quality of service as perceived comparison between service consumers with the quality of service that consumers expect. If the service received or felt is as expected it means that the quality of service is good and satisfying, but if the service received exceeds consumer expectations, then the quality of service is perceived as very good and quality. Conversely, if the service received is lower than expected, then the quality of service is perceived as poor. According to Parasuraman et al, there are five main dimensions of service quality, namely reliability, responsiveness, assurance, empathy and tangibles.

Kotler & Keller (2009) stated that consumer satisfaction is a feeling of pleasure or disappointment in someone who arises from comparing the perceived performance of a product or result against their expectations. If performance fails to meet expectations, the customer is dissatisfied. If the performance is as expected, the customer will be satisfied. If performance exceeds expectations, customers will be very satisfied or happy. According to Andreassen (1997), consumer satisfaction is influenced by two factors, namely the expectations and experiences felt by consumers. Perceived experience is influenced by consumer perceptions of service quality, marketing mix, brand name and company image.

Soemirat and Ardianto (2010) say image is the way how other parties perceive a company, a person, a committee or an activity. Sutojo (2004) describes image as a public perception of the identity of a company or organization. A person's perception of the company is based on what they know or think about the company concerned.

Customer loyalty has an important role in a company, maintaining them means improving financial performance and maintaining the survival of the company, this is the main reason for a company to attract and retain them (Hurriyati, 2010). Griffin (2005) revealed that loyal customers have the characteristics of making repeated purchases on a regular basis, buying between lines of products and services, referring to others, showing immunity to the pull from competitors.

H1: Service quality has a positive effect on customer satisfaction

H2: Service quality has a positive effect on company image

H3: Service quality has a positive effect on customer loyalty

H4: Customer satisfaction has a positive effect on customer loyalty

H5: Company image has a positive effect on customer loyalty on customer loyalty.

H6: Service quality has a positive effect on customer loyalty

H7: Service quality has a positive effect on customer loyalty through company image.

## 4 | RESEARCH METHOD

The research design is a systematic and logical guideline about what to do in research. This research can be categorized into causal research which aims to determine the causal relationship between variables, Malhotra (2009: 100). This study used a survey method, namely obtaining a sample from the population using a questionnaire as a means of collecting data from respondents.

Data collection techniques are methods used by researchers to obtain valid, reliable and objective data, Sugiyono (2015: 236). In this study, there are several data collection techniques as follows: (a) Observation, carried out using the guidelines that have been prepared. Observation is used to observe and determine service quality, satisfaction, company image and customer loyalty. (b) Interview, conducted to find a phenomenon / problem that must be researched. Interviews were conducted with questions and answers to customers of PT. Gajah Gotra Bali. (c) Questionnaires, by providing a list of questions to respondents. The research instrument is used to take measurements with the aim of producing accurate quantitative data, so each instrument must have a scale of research instruments in the questionnaire method arranged based on indicators that have been described in variable operating tables so that each question to be asked to each respondent can be



# SERVICE QUALITY, CUSTOMER SATISFACTION, AND COMPANY IMAGE TOWARDS CUSTOMER LOYALTY AT PT. GAJAH GOTRA BALI

measured. Table 1

In this study the data were processed and analyzed using analysis techniques Smart PLS-SEM version 23.0 program.

## RESEARCH RESULTS AND DISCUSSION

### Descriptive Analysis of Respondents Table 2

**TABLE 2:** Description of respondents based on Gender

No.	Gender	Number of Respondents	Percentage (%)
1	Male	82	82%
2	Female	18	18%
Total		100	100%

Table 2 shows that the number of male respondents was 82 people or 82% and more than 18 female respondents or 18%. It can be said that most respondents in this study were male. Table 3

**TABLE 3:** Description of Respondents based on Age

No.	Age	Number of Respondents	Percentage (%)
1	> 30 years	20	20%
2	31 - 40 years	31	31%
3	41 - 50 years	36	36%
4	> 50 years	13	13%
Total		100	100%

In Table 3 table 3 it can be seen that the largest group of respondents aged 41 - 50 years, as many as 36 people or 36%, while the smallest group came from > 50 years, amounting to 13 people or 13%. Respondents aged less than 30 years amounted to 20 people or 20%, then respondents aged 31 - 40 years amounted to 31 people or 31%. Table 4

Table 4 shows the results of grouping of respondents who made deliveries at PT. Gajah Gotra Bali is mostly carried out by individuals, namely 40 people

**TABLE 4:** Description of Respondents based on Customer Category

No.	Customer Category	Number of Respondents	Percentage (%)
1	Person	40	40%
2	Distributors	26	26%
3	Non-Distributors	34	34%
Total		100	100%

or 40%, and at least 26% is done by Distributors, as well as respondents from Non Distributor representatives as much as 34%.

**TABLE 5:** Description of Respondents based on the type of goods sent

No.	Type of Goods	Number of Respondents	Percentage (%)
1	Printed goods	22	22%
2	Fresh food	5	5%
3	Consumer Goods	9	9%
4	Others	64	64%
Total		100	100%

Based on Table 5 it can be stated that the grouping of types of goods sent by respondents is dominated by other types of goods (such as cloth, iron, household appliances, clothes, plants, electronics and others) as much as 64%, while 22% for printed goods consumer goods, 9% for and goods. fresh food only 5% for a little sent via PT. Gajah Gotra Bali Table 6

### Evaluation of Measurement Model (Outer Model) Table 7

Based on Table 7 of the output AVE show that value AVE for Service Quality for 0586, Customer Satisfaction for 0710, Corporate image for 0677 and Loyalty Customers are 0.651, all of which have a value greater than 0.05, so it is said that the PLS model in this study meets the discriminant validity requirements of the

### Model Reliability Test Table 8

**TABLE 6:** Description of Respondents based on Volume

No.	Shipment Volume	Number of Respondents	Percentage (%)
1	<10 kg	37	37%
2	> 10 kg - 50 kg	30	30%
3	> 50 kg	33	33%
Total		100	100%

**TABLE 7:** Value Average Variance Extracted (AVE)

variable	Average Variance Extracted (AVE)
Service Quality	0.586
Customer Satisfaction	0.710
Corporate image	0.677
Customer Loyalty	0.651

**TABLE 8:** Reliability

Latent Variables	Cronbach's Alpha	Composite Reliability
Service quality	0.823	0.876
Customer satisfaction	0.796	0.880
Company image	0.840	0.893
Loyalty customers	0.732	0.848

Source: primary data, 2020

Based on Table 8 indicators analysis results show that all constructs have good reliability, are accurate and consistent, appear to meet the requirements with the values composite reliability and cronbach's alpha for each latent construct of more than 0.7. Table 9

Based on Table 9 indicators (X1.3) with the value of loading largest 0.802. This indicates that customer complaints are handled quickly is a major determinant of service quality when customers decide to ship goods through PT. Gajah Gotra Bali. Indicator (X1.1) has the value of loading smallest 0.708, this indicates that service support facilities really need to be improved to optimize service quality. All indicators are reflected significantly by this concept.

Table 10

Based on Table 10, the indicator (X2.2) with the value is loading largest 0.858. This indicates that the overall customer satisfaction feeling to the services of PT. Gajah Gotra Bali is the main determinant of customer satisfaction when the customer decides to send goods through PT. Gajah Gotra Bali. Indicator (X2.1) has the value of loading smallest 0.813, this indicates that the handling of customer complaints needs to be maximized to increase customer satisfaction.

Based on Table 11, the indicator (X3.2) with the value is loading largest 0.863. This indicates that the safety and comfort of PT. Gajah Gotra Bali is the main determinant of the company's image when consumers decide to ship goods through PT. Gajah Gotra Bali. Indicator (X3.1) has a value loading smallest 0.740, indicating that its characteristics need to be increased to maintain the company image in the eyes of customers

Based on Table 12, the indicator (Y1) with the value is loading largest 0.828. This indicates that customers of PT. Gajah Gotra Bali is willing to make regular repeat purchases. This is a major determinant of customer loyalty when a customer decides to send goods through PT. Gajah Gotra Bali. Indicator (Y3) has the value of loading smallest 0.789, this indicates that the customer of PT. Gajah Gotra Bali is still indicated to use other shipping services, this needs to be improved to maintain customer loyalty. All indicators are reflected significantly by this concept.

### Model Structure Testing (Inner Model)

In Table 13, the t-statistic (t-test) for the variables of service quality on customer satisfaction obtained a value of 7.462 is greater than t-table ( $7.462 > 1.985$ ), and the significance t-count is 0.000 less than 0.05 ( $0.000 < 0.05$ ) and the path coefficients have a positive value of 0.586, so the first hypothesis can be concluded that service quality (X1) has a direct effect on customer satisfaction (X2) with an error tolerance of 5%, then the results above H1: accepted.

In Table 14, the results of t-statistics (t-count) for the variable service quality on company image obtained a value of 21.712 greater than the t-table value ( $21.712 > 1.985$ ), and the significance of t-

count is 0.000 less than 0.05 ( $0.000 < 0.05$ ), and the path coefficients have a positive value of 0.757, so the second hypothesis can be concluded that service quality (X1) has a direct effect on company image (X3) with an error tolerance of 5%, then from the results above H2: accepted

In Table 15, the results of t-statistics (t-count) for the variable service quality on customer loyalty obtained a value of 3.019 greater than the t-table value ( $3.019 > 1.985$ ), and a significance of t-count is 0.003 less than 0.05 ( $0.003 < 0.05$ ), and the path coefficients have a positive value of 0.326, so the third hypothesis can be concluded that service quality (X1) has a direct effect on customer loyalty (Y) with an error tolerance of 5%, then from the above results H3: accepted.

In Table 16, the results of t-statistics (t-count) for the variable customer satisfaction on customer loyalty obtained a value of 4.425 which is greater than the t-table value ( $4.425 > 1.985$ ), and the significance of the t-count is 0.000 is smaller than 0.05 ( $0.000 < 0.05$ ), and the path coefficients have a positive value of 0.476, so the fourth hypothesis can be concluded that customer satisfaction (X2) has a direct effect on customer loyalty (Y) with tolerance. 5% error, then from the above results H4: accepted.

In Table 17, the results of the t-statistic (t-count) for the corporate image variable on customer loyalty obtained a value of 0.788 smaller than the t-table value ( $0.788 < 1.985$ ), and the significance of the t-count is 0.424 is greater than 0.05 ( $0.424 > 0.05$ ), while the path coefficients have a positive value of 0.090, so the fifth hypothesis can be concluded that company image has no direct effect on customer loyalty because it is not significant at 0.05 (5%) and the value of t-count  $<$  t-table, then from the results above H5: rejected.

In Table 18, the results of t-statistics (t-count) for the variable service quality on customer loyalty through customer satisfaction obtained a value of 3.693 greater than the t-table value ( $3.693 > 1.985$ ), and the significance of t-count is 0.000 less than 0.05 ( $0.000 < 0.05$ ) while the path coefficients have a positive value of 0.279, so the sixth hypothesis can be concluded that service quality (X1) also has an indirect effect on customer loyalty. (Y) through

customer satisfaction (X2) with an error tolerance of 5%, then from the above results H6: accepted.

In Table 19 the results of the t-statistic (t-count) for the variable service quality on customer loyalty through corporate image are obtained a value of 0.783 smaller than the t-table value ( $0.783 < 1.985$ ), and the significance of t-count is 0.434 greater than 0.05 ( $0.434 > 0.05$ ), while the path coefficients have a positive value of 0.069, so the seventh hypothesis can be concluded that service quality (X1) has no indirect effect on customer loyalty. (Y) through the company image (X3) with an error tolerance of 5%, then from the above results H7: rejected.

### Determination Test

**TABLE 20:** Tests of determination (R<sup>2</sup>)

Variable	R-Square
Customer Satisfaction	0.344
Company Image	0.573
Customer Loyalty	0.632

Calculation results for each endogenous latent variables in Table 20 shows that the value of R<sup>2</sup> is in the range 0.344 to 0.632 value. Based on this, the calculation result of R<sup>2</sup> shows that it is moderate.

### Analysis of Q<sup>2</sup>

Value of Q<sup>2</sup> structural model testing is carried out by looking at the value of Q<sup>2</sup> (predictive relevance). To calculate Q<sup>2</sup> can use the formula:

$$Q^2 = 1 - (1 - R_1^2) (1 - R_2^2) (1 - R_3^2)$$

$$Q^2 = 1 - (1 - 0.344) (1 - 0.573) (1 - 0.632)$$

$$Q^2 = 1 - 0.103081216$$

$$Q^2 = 0.896918784$$

The Q<sup>2</sup> calculation results show that the Q<sup>2</sup> value is 0.896918784. According to Ghazali (2014), the value of Q<sup>2</sup> can be used to measure how well the observed value is generated by the model and also its parameter estimates. The Q<sup>2</sup> value greater than 0 (zero) indicates that the model is said to be good enough, while the Q<sup>2</sup> value less than 0 (zero) indicates that the model has less predictive relevance. In this research model, the construct or endogenous latent variable has a value of Q<sup>2</sup> that is greater than 0 (zero) so that the predictions made by the model are considered relevant.

The statistical results of the t-test for the variable service quality on customer satisfaction obtained a t-value value of 7.462 with a significance level of 0.000, because the significance is less than 0.05 ( $0.000 < 0.05$ ), and the coefficient value has a positive value of 0.586, then This study succeeded in proving the first hypothesis which states that "service quality has a significant positive effect on customer satisfaction".

The statistical results of the t-test for the service quality variable on the company image obtained a t-value of 21.712 with a significance level of 0.000, because the significance is less than 0.05 ( $0.000 < 0.05$ ), and the coefficient value has a positive value of 0.757, then This study succeeded in proving the second hypothesis which states that "Service quality has a significant positive effect on company image".

The statistical results of the t-test for the service quality variable on customer loyalty obtained a t-value of 3.019 with a significance level of 0.003, because the significance is less than 0.05 ( $0.003 < 0.05$ ), and the coefficient value has a positive value of 0.326, then This study succeeded in proving the third hypothesis which states that "Service quality has a significant positive effect on customer loyalty".

The statistical results of the T-test for the variable customer satisfaction on customer loyalty obtained a T-value of 4.425 with a significance level of 0.000, because the significance is less than 0.05 ( $0.000 < 0.05$ ), and the coefficient value has a positive value of 0.476, then This study succeeded in proving the fourth hypothesis which states that "customer satisfaction has a significant positive effect on customer loyalty".

The statistical results of the t-test for the variable company image on customer loyalty obtained a t-value of 0.788 with a significance level of 0.431, because the significance is greater than 0.05 ( $0.431 > 0.05$ ), and the coefficient value has a positive value of 0.090, then This study proves the fifth hypothesis which states that "company image has no effect on

customer loyalty".

The magnitude of the indirect effect and testing the significance can be seen in the PLS specific indirect effects by obtaining a t-statistic value of 3.693, this value is greater than the normal curve value of 1.981 ( $3.693 > 1.981$ ), with a significance level of 0.000, because the significance is smaller than 0, 05 ( $0.000 > 0.05$ ), and the coefficient value has a positive value of 0.279 (error tolerance of 5%), this study has succeeded in proving the sixth hypothesis which states that "customer satisfaction is able to mediate the effect of service quality on customer loyalty".

The magnitude of the indirect effect and testing the significance can be seen in the results of the PLS specific indirect effects by obtaining a t-statistic value of 0.783, this value is smaller than the normal curve value of 1.981 ( $0.783 < 1.981$ ), with a significance level of 0.434, because the significance is greater than 0, 05 ( $0.434 > 0.05$ ), and the coefficient value has a positive value of 0.069 (error tolerance of 5%), this study successfully proves the seventh hypothesis which states that "company image is unable to mediate the effect of service quality on customer loyalty".

## 5 | CONCLUSIONS AND RECOMMENDATION

The results of the first research show that partially service quality (service quality) has a significant positive effect on customer satisfaction at PT. Gajah Gotra Bali. This means that the better the quality of service received by customers, the more customer satisfaction will be affected. These results are supported by previous studies that service quality also affects customer satisfaction. The results of the second study show that partially service quality has a significant positive effect on the corporate image of PT. Gajah Gotra Bali. This means that the increasing quality of service provided by PT. Gajah Gotra Bali will be accompanied by an increase in the Company's Image in the eyes of its customers.



## SERVICE QUALITY, CUSTOMER SATISFACTION, AND COMPANY IMAGE TOWARDS CUSTOMER LOYALTY AT PT. GAJAH GOTRA BALI

This result is also supported by previous studies that service quality affects company image.

Whereas in the results of the third study, the researcher found that partially service quality has a significant positive effect on customer loyalty. This means that the increasing quality of service provided by PT. Gajah Gotra Bali to its consumers will have an impact on increasing customer loyalty. This result is also supported by previous studies that service quality affects customer loyalty. The fourth research result, customer satisfaction has a significant positive effect on customer loyalty partially. This means that the increasing customer satisfaction of PT. Gajah Gotra Bali will be followed by increasing customer loyalty. This proves that the entire service is in accordance with customer expectations or expectations so that it affects customer loyalty. This result is also supported by previous studies that customer satisfaction affects customer loyalty.

The fifth research result is that company image has no effect on customer loyalty. This means that customer loyalty will decrease along with the decline in the company's image owned by PT. Gajah Gotra Bali, and vice versa. So the less the company's image in the eyes of customers, the customer loyalty decreases. These results are supported by previous studies that company image affects customer loyalty. The results of the sixth study indicate that customer satisfaction is able to mediate the relationship between service quality and customer loyalty at PT. Gajah Gotra Bali. This identifies that customer satisfaction can underwrite the influence of service quality on customer loyalty so that the better the quality of service (service quality) provided to consumers, will increase customer satisfaction PT. Gajah Gotra Bali and has an impact on increasing customer loyalty.

The seventh research result, shows that the company image is not able to mediate the service quality relationship to customer loyalty PT. Gajah Gotra Bali. This identifies that the company image cannot explain the influence of service quality on customer loyalty so that the less service quality provided by PT. Gajah Gotra Bali will weaken the company's image that is embedded in the minds of customers, which will have an impact on decreasing customer loyalty of PT. Gajah Gotra Bali.

PT. Gajah Gotra Bali should rejuvenate various office equipment to support the smooth running of office administration activities which are updated. In connection with the very rapid development of information technology and its impact on changes in consumer behavior, PT. Gajah Gotra Bali follows existing developments, and improves service quality while taking into account priorities. Given the intensity of the departure of goods to Lombok is so high that it should be PT. Gajah Gotra Bali prioritizes truck reserves or distribution fleets to anticipate things that might become obstacles to service to consumers. Periodically, training in the use of technology is required for employees of PT. Gajah Gotra Bali in supporting the smooth delivery process which demands speed and accuracy of information and quality of service. (1–50)

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# SERVICE QUALITY, CUSTOMER SATISFACTION, AND COMPANY IMAGE TOWARDS CUSTOMER LOYALTY AT PT. GAJAH GOTRA BALI

**TABLE 1:** Research Variables and VariableOperational Definition

Service Qual-ity(X1)	Service quality is an effort to fulfill customer needs and desires as well as the accuracy of its delivery in balancing customer expectations.	Tangibles Reliability Responsiveness Assurance Empathy
Cus-tomer Satis-faction (X2)	Customer satisfaction is an evaluation of the perceived comparison between product performance and expectations desired by customers and able to provide satisfaction to consumers at least equal to or exceed customer expectations.	No complaints or complaints are resolved Feelings of customer satisfaction on the overall service conformity with customer expectations / expectations
Corpo-rate Image (X3)	Corporate Image is the way people perceive or think about the company or its products through effective identity	1. 1. 2. 2. 3. 3. 4. 4.
Cus-tomer Loyalty (Y)	Customer loyalty is a situation where consumers have a positive attitude towards a product or service and accompanied by a consistent repurchase pattern.	1. 1. 2. 2. 3. 3.

**TABLE 9:** Testof measurement model Service quality

Code	Indicator	Original Sample	Standard Error	T-Statistical	P- Value
X1.1	Tangibles	0.708	0.059	12.070	0.000
X1.2	Reliability	0.762	0.051	14.872	0.000
X1.3	Responsiveness	0.802	0.045	18.006	0.000
X1.4	Assurance	0.796	0.046	17,395	0,000
X1.5	Empathy	0.756	0.051	14,927	0,000

**TABLE 10:** CustomerSatisfaction Measurement Model Test

Code	Indicators	Original Sample	Standard Error	T Statistic	P- Value
X2.1	No complaints / grievances resolved	0,813	0,040	20.409	0,000
X2.2	feeling satisfied customers on the overall services	0.858	0.033	26.029	0.000
X2.3	Services according to customer expectations or expectations	0.857	0.031	27.539	0.000

**TABLE 11:** Test of the Measurement Model for Company Image

Code	Question	Original Sample	Standard Error	T-Statistical	P-Value
X3.1	(Personality) Company characteristics	0.740	0.062	11.974	0.000
X3.2	(Reputation) Security and convenience of service users	0.863	0.036	23.969	0.000
X3.3	(Value) Values owned by the company	0.843	0.028	30.228	0.000
X3.4	(Corporate identity) Easy corporate identity known to the public	0.839	0.036	23.558	0.000

**TABLE 12:** Test Customer Loyalty Measurement Model

Code	Questions	Original Sample	Standard Error	T-Statistic	P-Value
Y1	Make purchases repeat regularly	0.828	0.038	21.796	0.000
Y2	Recommend to others	0.802	0.051	15.709	0.000
Y3	Shows immunity to the pull of competitors	0.789	0.039	20.460	0.000

**TABLE 13:** Structural Model Test and Hypothesis 1 Testing

Effect of	Original Sample	Standard Error	T-Statistics	Sig.
Service Quality -> Customer Satisfaction	0.586	0.079	7.462	0.000

**TABLE 14:** Structural Model Test and Hypothesis 2 Testing

Effect of	Original Sample	Standard Error	T-Statistics	Sig.
Service Quality -> Company image	0.757	0.035	21.712	0.000

**TABLE 15:** Structural Model Test and Hypothesis 3 Testing

Effects of	Original Sample	Standard Error	T-Statistics	Sig.
Service Quality -> Customer Loyalty	0.326	0.108	3.019	0.003

**TABLE 16:** Structural Model Test and Hypothesis 4 Testing

Effects of	Original Sample	Standard Error	T-Statistics	Sig.
Customer satisfaction -> Customer Loyalty	0.476	0.108	4.425	0.000

**TABLE 17:** Structural Model Test and Hypothesis 5 Testing

Effects of	Original Sample	Standard Error	T-Statistics	Sig.
Company image -> Customer Loyalty	0.090	0.115	0.788	0.431

**TABLE 18:** Structural Model Test and Hypothesis 6 Testing

Effects of	Original Sample	Standard Error	T-Statistics	Sig.
Service Quality -> Customer Satisfaction -> Customer Loyalty	0.279	0.076	3.693	0.000

# SERVICE QUALITY, CUSTOMER SATISFACTION, AND COMPANY IMAGE TOWARDS CUSTOMER LOYALTY AT PT. GAJAH GOTRA BALI

**TABLE 19:** StructuralModel Test and Hypothesis 7 Testing

Effects of	Original Sample	Standard Error	T- Statistics	Sig.
Service Quality -> Company image -> Customer Loyalty	0.069	0.087	0.783	0.434