The Influence of Price, Quality of Service, Advancement and Customer Satisfaction on Customer Loyalty

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Abstract:- This research was conducted to test and analyze the influence of price, service quality, Advancement, and customer satisfaction on customer loyalty. The growing of e-commerce in present days opens up great opportunities for inter-regional freight forwarding services, both domestic and overseas, to be able to contribute to the delivery process. Delivery services also play an important role in supporting the smooth running of a company's business that requires fast and safe delivery services.Loyal customers have characteristics, among others, making repeated purchases at the same business entity on a regular basis, buying product lines and services offered by the same business entity, informing others about the satisfactions obtained from the business entity, and demonstrating immunity to offers from competing business entities. Customer loyalty is influenced by several supporting factors such as prices that match expectations, the quality of services provided, the accuracy of Advancements, and customer satisfaction with the services offered.The method used in this research is Structural Equation Frameworking (SEM) using the SmartPLS application. The population in this study were consumers of J&T Express Summarecon Bekasi customers as many as 146 respondents. The type of sample in this study was purposive sampling and obtained 108 respondents. The test results show that the price has a absolute and remarkableinfluence on customer loyalty for J&T Express Summarecon Bekasi, advancement has no remarkableinfluence on customer loyalty for J&T Express Summarecon Bekasi, service quality has no remarkableinfluence on customer loyalty for J&T Express Summarecon Bekasi, and customer satisfaction has a absolute and remarkableinfluence on loyalty J&T Express Summarecon Bekasi customers

Keywords:- *Price, Service Quality, Advancement, Customer Satisfaction, Customer Loyalty.*

I. INTRODUCTION

Currently, the industrial revolution 4.0 has reached all areas of life. Including in the logistics industry. For Indonesia, the industrial revolution 4.0 in the logistics sector can be used to get out of the classic problem of high logistics costs. A release issued by the Indonesian Logistics and Forwarders Association (ALFI) in 2019 stated that Indonesia's logistics costs were still the highest in ASEAN. The figure reaches 24% of the Gross Domestic Product (GDP). Compare that to Singapore which is only 8% of GDP.Indonesia has high hopes for reducing logistics costs

from the current digital phenomenon. GrowingbusinessThe rapid development of online e-commerce in recent years is expected to encourage the growing of a more competitive logistics industry. The existence of marketplace sites becomes a virtual meeting place between producers and consumers. From there, a sale and purchase transaction occurs through a preconsiderd system. The rapid growing of e-commerce is always in line with the growing of shipping services. Like two sides of a coin, the extent to which online businesses grow, so will delivery services grow. For example, J&T Express, a shipping service company that focuses on the e-commerce sector, continues to experience a remarkable increase in its fourth year working in shipping services in Indonesia. (Kompasiana, 2019). As far as the phenomena studied in the past five years, growingeconomyin the e-commerce sector, this has grown tremendously because it is supported by the synergy between business actors and delivery services that are running very well. The growing of e-commerce in present days opens up great opportunities for inter-regional freight forwarding services, both domestic and overseas, to be able to contribute to the delivery process. Courier services also play an important role in supporting the smooth running of a company's business that requires fast and safe delivery services.Customer loyalty according to Tjiptono (2011: 481), in Nurmin Arianto (2019) is repeated buying behavior in connection with purchasing certain brands and the same thing repeatedly, perhaps because there is only one brand available, the cheapest brand, and so on. This opinion is in line with Griffin (2005), in Wilujeng Handayani and Euis Soliha (2015) which states that loyal customers have characteristics, among others, making repeated purchases at the same business entity on a regular basis, buying different product lines and services. offered by the same business entity, informing others of the satisfactions obtained from the business entity, and showing immunity to offers from competing business entities. Customer loyalty is influenced by several supporting factors such as prices that match expectations. Price according to Husein Umar (2000) in Ade Syarif Maulana (2016) price is the amount of value that consumers exchange for the benefits of owning or using a product or service whose value is considerd by the buyer and seller through a bargaining process, or is set by the seller for one price. the same for all buyers. The agreed price will be proportional to the quality of service that will be received. According to Rasyid (2017), in Muhammad Rezki, et. al (2019), service quality is the result of customer assessment of how far the difference between expectations and the perceived reality of a service they receive from a service provider (company), both in part and in whole.Advancement according to Sofjan Assauri (2011:264)

in Muhammad Fajar Fahrudin and Emma Yulianti (2015) is an activity carried out to influence customers to create demand for a product or service. In line with the opinion of Rambat Lupiyadi (2013:178) that Advancemental activities not only function as a communication tool between the company and customers, but also as a tool to influence customers in purchasing activities or using services according to their wishes and needs. The success of the Advancement will have an impact on customer satisfaction when using the products or services offered. According to Lovelock (2007: 96) in Nunuk Herawati and Nur Qomariyah (2017) customer satisfaction is a customer's short-term emotional reaction to the performance of certain services.In previous studies that tested prices, service quality, Advancements, customer satisfaction, and customer loyalty, namely Indra Yulianto, et. al (2017) with data collection carried out through questionnaires, showing that price has a absolute and remarkableinfluence on customer loyalty, Risko Putra and Sri Suryoko (2017) with data analysis using path analysis in the SPSS 20.0 program, mentioning that there is an influence of service quality on customer loyalty, Double Firdaus (2018) withthe number of samples is 384 people, suggesting that Advancement directly has a remarkableinfluence on customer loyalty, andDanang Adi Saputro, et. al (2017) with the type of research being explanatory research, stating that the variable customer satisfaction has a remarkableabsoluteinfluence on customer loyalty at the Ogan Malang store.

A. Hypothesis Development
- The Influence of Price on Customer Loyalty
  According to Paul A. Pangaila, et. al (2018) price has a absolute and remarkableinfluence on customer loyalty, Erni Setyowati and Wiyadi (2016) stated that price has a absolute and remarkableinfluence on customer loyalty, and Made Caesar Surya Dwi Putra and Ni Wayan Ekawati (2017) state that pricehas absolute and remarkable influence on customer loyalty Vespa motorcycles in the city of Denpasar.
  H1 :Price has a negative influence on Customer Loyalty.
- The Influence of Service Quality on Customer Loyaty
  According to Shinthya Anisa Dewi and Rulirianto (2017) service quality has a absolute and remarkableinfluence on customer loyalty at PT Buana Langgeng Jaya Tulungagung, Kusnanto Darmawan (2018) states that there is an influence of service quality on customer loyalty at Alfamart in Lumajang Regency, and Ida Ayu Inten Surya Utami and I Made Jatra (2015) states that service quality has a absolute and remarkable influence on customer satisfaction at Baruna Sanur Restaurant.
  H2 : Service Quality has a absolute and remarkableinfluence on Customer Loyalty.
- The Influence of Advancement on Customer Loyalty
  According to Rudi Yono, et. al (2019) that Advancement has a absolute and remarkableinfluence on customer loyalty at PT Daya Eika Samudra, Mayroza Wiska (2018) states that Advancement has a absolute and remarkableinfluence on customer loyalty, and Sari

Kartikowati, et. al (2015) mentions that Advancement has an influence on consumer loyalty.
H3 : Advancement has a absolute and remarkableinfluence on Customer Loyalty.
- The Influence of Customer Satisfaction on Customer Loyalty
  According to Fony Pangandaheng (2015) customer satisfaction has a absolute and remarkableinfluence on customer loyalty, Heri Setiawan et. al (2016) stated that customer satisfaction had a absolute and remarkableinfluence on customer loyalty using the Rejo Agung Sukses cooperative service in Semarang, and Bambang and Triyono Arief Wahyudi (2019) stated that there was a remarkable influence between customer satisfaction and customer loyalty.
  H4 :Customer Satisfaction has a absolute and remarkableinfluence on Customer Loyalty.

II. METHODS

In this study, samples were used with non-probability sampling method (non-random sampling) using purposive sampling technique. The number that passed the screening stage was 108 samples. Data was collected by means of questionnaires and literature study. To test the hypothesis using the Structural Equation Frameworking (SEM) analysis technique using Smart-PLS Software.

III. RESULTS

A. Computation Framework Results (Outer Framework)
- **Convergent Validity Results**
  Developed on the results of the Outer Loading Factor, there are several indicators that have a loading factor value that is less than 0.6 and is not remarkable.
- **Discriminant Validity Results**
  *Discriminant Validity*is the value of the cross loading factor that is useful for determining whether the construct has adequate discriminants, namely by comparing the loading value of the intended construct to be greater than the loading value of other constructs. From the results all construct loadings on the intended construct are greater than the loading values for other constructs. So that it can be interpreted that all constructs have adequate discriminants.
- **Composite Reliability Results**
  To consider the reliability of the instrument, the computations used in this study can be identified by the Cronbachs alpha score and composite reliability.

Variable	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Price	0.850	0.882	0.885	0.534
Service quality	0.973	0.975	0.976	0.787
Advancement	0.939	0.940	0.956	0.846
Customer satisfaction	0.873	0.903	0.912	0.724
Customer loyalty	0.912	0.917	0.932	0.694

Table 1: Respondent's Reliability Test Score Results

In general, the value of composite reliability that can be used is at least 0.6 or more with a Cronbachs alpha score above 0.7, it can be concluded that the reliability of this instrument is statistically reliable.

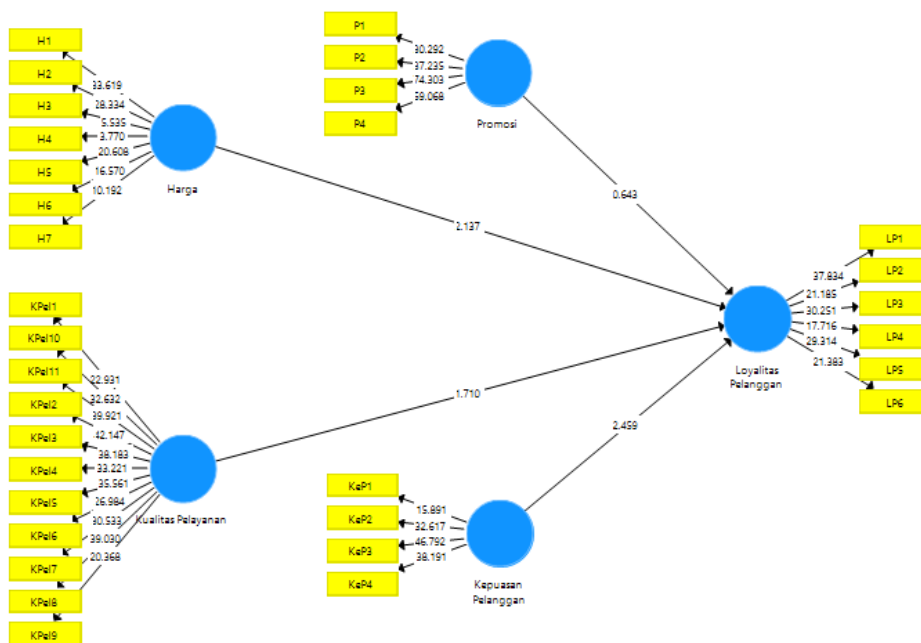*B. Computation Framework Test Results (Inner Framework)*

Fig. 1: Computation Framework

In assessing the framework with PLS, it begins by looking at the R-square for each dependent latent variable. Table 2 is the result of R-sqaure estimation using smartPLS Professional Editions.

Variable	R Square	R Square Adjusted
Customer loyalty	0.601	0.586

Table 2: Respondent's R-Square Value

Table 2 shows the R-sqaure value for the customer loyalty variable, a value of 0.601 or 60.1% is obtained, which means that the customer loyalty variable can be influenced by the independent variable.

C. Hypotesis Test
The basis used in examine the hypothesis is the value contained in the output result for inner weight. Table 3 provides estimation outputs for structural framework examine.

Influence	Original Sample (O)	Sample mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Price -> Customer loyalty	0.230	0.233	0.108	2,137	**0.033**
Service Quality -> Customer loyalty	0.214	0.206	0.125	1,710	**0.088**
Advancement -> Customer loyalty	0.069	0.068	0.107	0.643	**0.520**
Customer Satisfaction -> Customer loyalty	0.347	0.355	0.141	2,459	**0.014**

Table 3: Influence Between Variables – Results For Inner Weights

In this case, the bootstrapping method is applied to the sample. Examine with bootstrapping is also intended to minimize the problem of abnormal research data. The results of the bootstrapping test from the Smart PLS analysis are as follows:

- Hypotesis Examine 1 (The Influence of Price on Customer Loyalty)

The results of examine the first hypothesis show the relationship between price and customer loyalty as shown in table 3 which shows the original value (O) which is the path coefficient of 0.230 with a T statistic of 2.137. This value is greater than the value of t table (1.960). So that it can be interpreted that the price has a absolute and remarkableinfluence on customer loyalty.

- Hypotesis Examine 2 (The Influence of Service Quality on Customer Loyalty)

The results of examine the second hypothesis show the relationship between service quality and customer loyalty as shown in table 3 showing the original value (O) which is the path coefficient of 0.214 with a T statistic of 1.710. This value is smaller than the value of t table (1.960). So it can be interpreted that service quality has no remarkableinfluence on customer loyalty.

- Hypotesis Examine 3 (The Influence of Advancement on Customer Loyalty)

The results of examine the third hypothesis show the relationship between Advancements and customer loyalty as shown in table 3 showing the original value (O) which is the path coefficient of 0.069 with a T statistic of 0.643. This value is smaller than the value of t table (1.960). So that it can be interpreted that the Advancement has no remarkableinfluence on customer loyalty.

- Hypotesis Examine 4 (The Influence of Customer Satisfaction on Customer Loyalty)

The results of examine the fourth hypothesis show the relationship between customer satisfaction and customer loyalty as shown in table 3 showing the original value (O) which is the path coefficient of 0.347 with a T statistic of 2.459. This value is greater than the value of t table (1.960). So that it can be interpreted that customer satisfaction has a absolute and remarkable influence on customer loyalty.

IV. CONCLUSION

Data processing in this study is intended to consider the influence of price, service quality, Advancement, and customer satisfaction on customer loyalty at J&T Express Summarecon Bekasi. Developed on the results of research from several tested variables, the following conclusions can be drawn:

- Price has a absolute and remarkable influence on customer loyalty.
- Service quality has no remarkable influence on customer loyalty.
- Advancement has no remarkable influence on customer loyalty.
- Customer satisfaction has a absolute and remarkable influence on customer loyalty.

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