RESEARCH ARTICLE

# The Influence of Service Quality, Trust and Brand Image toward Customer Satisfaction and its Impact to Brand Loyalty

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## Manuscript Info

## Abstract

The purpose of this study is to analyze the *Influence of Service Quality, Trust and Brand Image toward Customer Satisfaction and its Impact to Brand Loyalty on Low Cost Airlines Industry in Jakarta.* Based on the purpose of the study, hypotheses of this study are *:* 1) Service Quality influences on Brand Loyalty ; 2) Trust influences on Brand Loyalty ; 3) Brand Image influences on Brand Loyalty; 4) Customer Satisfaction influences on Brand Loyalty; 5) Service Quality influences on Customer Satisfaction ; 6) Trust influences on Customer Satisfaction; 7) Brand Image Influences on Customer Satisfaction.

The study design used is a combination of verificative research and descriptive research, while research methods used is survey approach. The study sample is 265 of low cost airlines industry in Jakarta. Sampling technique is done by purposive sampling. The method of analysis uses descriptive statistics average, and Structural Equation Modeling method by using sofware Lisrel 8.8 for hypotheses testing.

The study result based on the descriptive analysis toward the variable used is positive and some are negative. The SEM result analysis toward the hypotheses test based on the emphirical data of 5 hypotheses proven are service quality is proven to be significantly influence the brand loyalty, brand image is proven to be significantly influence brand loyalty, customer satisfaction is proven to be significantly influence brand loyalty, trust is proven to be significantly influence customer satisfaction, brand image is proven to be significantly influence customer satisfaction. There are only two hypotheses result that are not proven that are service quality does not influence customer satisfaction and trust does not influence brand loyalty.

## INTRODUCTION

The operating flight company applies low cost as a market penetration strategy. The growth of low cost airline company in Indonesia identifies the market potential and competency level on low cost airline industry. With this improvement, the new player has more chance to enter the empty market. It will cause the players will be more competitive to fill in the market availability.It is because the deregulation of air carrier Number KM 81/2004, so that there will be more domestic flight company.

Some airlines have financial problems and are stated bankrupt. This condition is caused by the incorrect strategy and planning in marketing business in choosing the planes and flight route (Directorate of Air Carrier Ministry of Transportation, 2010).

The negative service condition on low cost  is far under the customer expectation, often delay, plane crash often happens and passenger complain is often ignored. It makes the trust from the customers to the airline decrease and the image of the low cost  airline is negative. The service performance of the low cost  airline is far from the expectation. Satisfaction that comes from disappointment in interaction with the airline will cause the complaint, even it can cause the switching to other airline. The satisfied customers will come to repurchase in the same airline.

### Identification and Study Framework

Based on the problem identification, the literature review " Is there any influence on Service Quality, Trust, and Brand Image toward Customer Satisfaction and its impact to   Low cost   Brand Loyalty " with the explanation as follow:

[1]  Is there any influence on the service quality  to the brand loyalty of  the Low Cost  Customers  in Jakarta ?

[2]  Is there any influence on the trust  to the brand loyalty of the Low Cost  Customers  in Jakarta ?

[3]  Is there any influence on the brand  image to the brand  loyalty of  Low Cost  Customers in Jakarta ?

[4]  Is there any influence on customer  satisfaction  to the brand  loyalty of  Low Cost     Customers in Jakarta ?

[5]  Is there any influence on the service quality  to the customer satisfaction of  Low Cost  Customers in Jakarta ?

[6]  Is there any influence on the trust  to the customer satisfaction  of Low Cost      Customers in Jakarta ?

[7]  Is there any influence on the brand image to the customer satisfaction of Low Cost    Customers in Jakarta ?

### Literature
### Service Quality

According to Berry, Parasuraman and Zeithaml (1988), service quality is a right strategy tool in competition. Five dimensions of service quality that link specific service characterristic to customer expectations , they are  reliability, responsiveness, assurance,   emphaty and tangibles.

### Trust

According to Ganesan (1994), Trust is a goodness of the company to its customers that focus on service quality, intention and company behaviour in giving service to the customers. Measuring Trust uses three dimensions, which are  benevolence,  credibility and  honesty (Ganesan ,1994; Kumar *et.al* , 1995).

### Brand Image

Brand image is a complete picture that exists in the consumer's mind about the company (Kotler *et.al,*1991). Brand image dimensions are corporate identity, reputation, level of service , and contact person (Chattananon and Lawley , 2004)  .

### Customer Satisfaction

According to Oliver (2007), satisfaction is pleasureable  fulfillment that is the satisfying fulfillment of customer's hope. Akbar and Noorjahan (2009), service quality, product quality, promotion and price influence customer satisfaction. Evaluating a complete customer satisfaction that is perceived by the consumers uses dimensions like service quality, product quality,  promotion and price.

### Brand Loyalty

Gremler and Brown (1996) state that brand loyalty shows customer behaviour in doing repurchase activity, having positive attitude and always using the company service. Customer will return to the same airline even though there are many offers from the more superior airline.

Evaluating brand loyalty uses dimensions of cognitive loyalty,  affective loyalty,  conative loyalty,  action loyalty ( Oliver 1,999; Chaudhuri  and Holbrook , 2001 )

### Hypotheses
### The Influence on Service Quality to Brand Loyalty
H1: There is a positive influence on service quality to brand loyalty.
### The Influence on Trust to Brand Loyalty
H2: There is a positive influence on trust to brand loyalty.
### The Influence on Brand Image to Brand  Loyalty
H3: There is a positive influence on brand image to brand  loyalty.
### The Influence on Customer Satisfaction to Brand  Loyalty

H4: There is a positive influence on customer satisfaction to brand loyalty.
**The Influence on Service Quality to Customer Satisfaction**
H5: There is a positive influence on service quality to customer satisfaction
**The Influence on trust to customer satisfaction**
H6: There is a positive influence on trust to customer satisfaction
**The Influence on Brand Image to Customer Satisfaction**
H7: There is a positive influence on brand image to customer satisfaction

**Study Concept**
        In accorandce with the study context, study conceptual model then being made that are the influence of Service Quality, Trust, Brand Image and Customer Satisfaction together with Brand Loyalty and the analysis tool used is SEM with the research object the passengers of Low Cost  Figure 1.
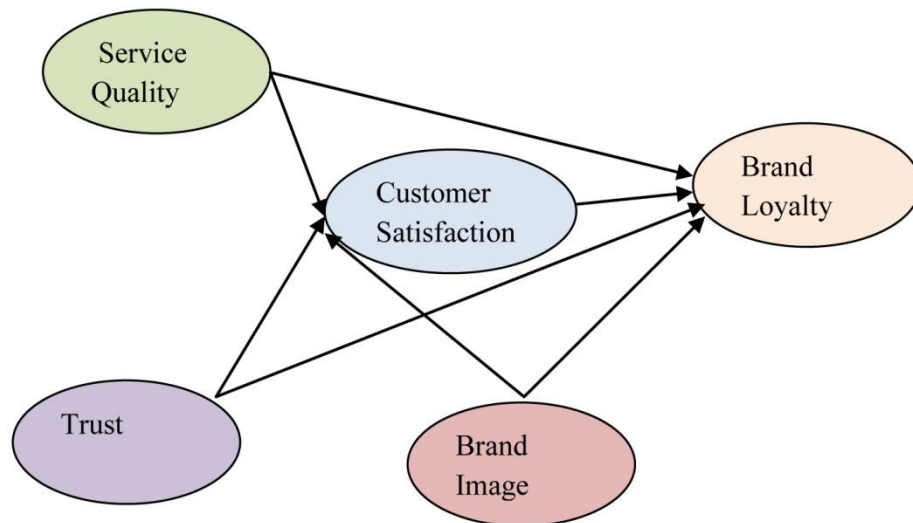


**Study Methodology**
        The design of this study is verificative and descriptive study through quantitative methods and qualitative methods (interview) with a survey approach.  The samples used are 265  respondens, who are consumers of low cost airline industry in Jakarta, Indonesia. Sampling technique with the purpose sampling (Sugiono, 2009) screens the consumers with the consideration that the respondents at least have been using the service of the same company and the same address in this embarkation more than once for the last 6 months.
        The analysis tool that is used to describe the study variables that use descriptive statistics is average and percentage statistics, and for the influence analysis between variables uses Structural Equation Modeling (SEM) analysis with the help of Lisrel 8.8 software.

## Study Result
**a. Descriptive Analysis**
        The average result describes that respondents consider the service quality, brand image, and brand loyalty evaluated are still problematic while the respondent evaluation on trust and customer satisfaction variable is good.
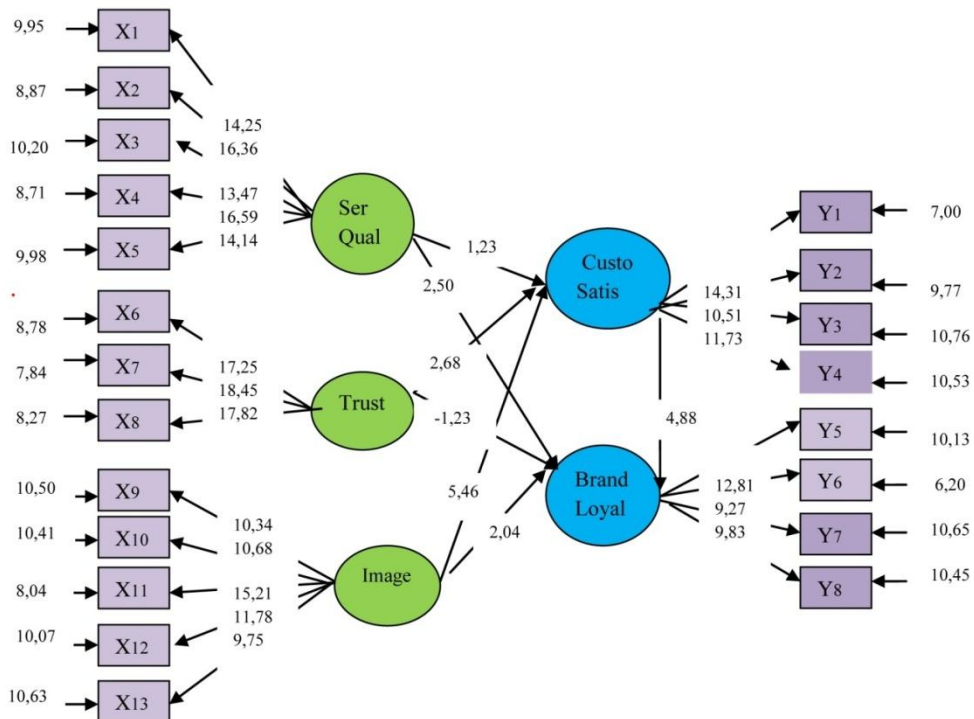**b. Inter-Variable Influence Analysis**
  1. Imperical model (fit) is fitted with the theoritical model (Hair, 2010), the test result of accuracy model shows that from 8 indexes, there are six indexes that has good fit category (*RMSA, RMR, AGFI, NFI, CFI, IFI, RIF*) and two marginal fit indexes ( GFI and AGF ).
  2. The output of the computer on test hypotheses related to the influence of Service Quality, Trust, Brand Image and Customer Satisfaction toward Brand Loyalty can be seen in Figure 2 and  Figure 3.
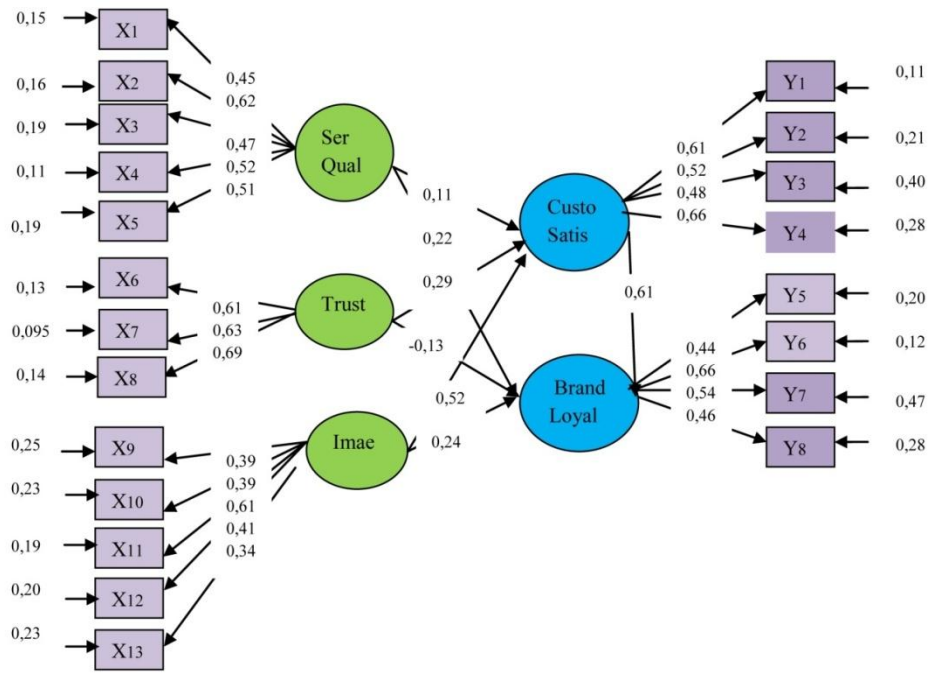
chi-Square = 570.34,   df=179,    P-value = 0.0000. RMSA=0.079
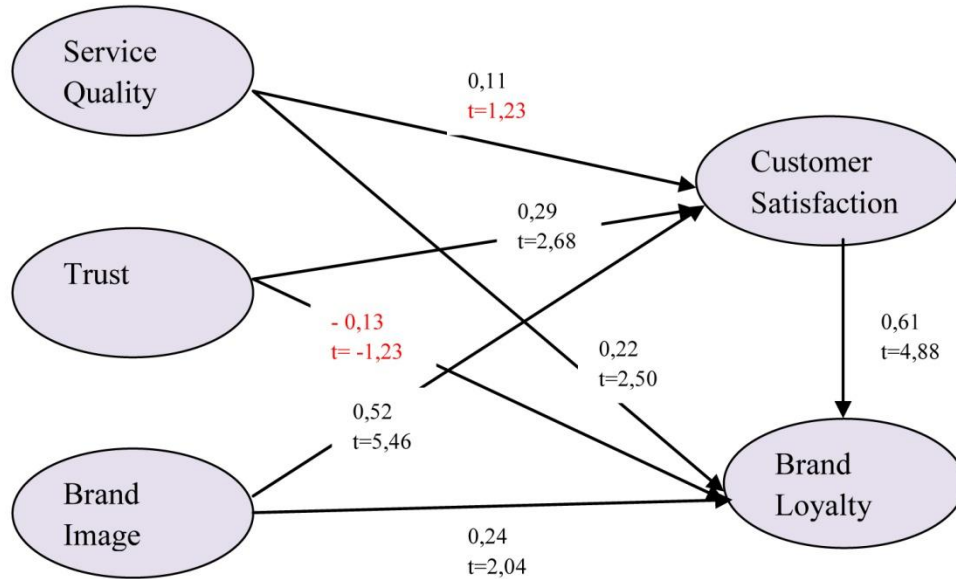Source: computer analysis output

**Figure** 2. Measurement Model Influence Line Coefficient

chi-Square = 570.34,   df=179,    P-value = 0.0000. RMSA=0.079

1870

Source: computer analysis output

**Figure 3.** T-Count Measurement Model Influence

Source:   computer analysis output
**Figure 4.  Study Result Structural Model**

3.   Direct Influence, Indirect Influence, Total Influence
     The calculation of direct influence, indirect influence, total influence on Table 1.

| No | Influence | Intervening Variable | Direct Influence | Indirect Influence | Total Influence |
|----|-----------|---------------------|------------------|--------------------|-----------------|
| 1 | Service Quality Brand Loyalty | Customer Satisfaction | 0,22 | 0,11 x 0,61= 0,0671 | 0,2871 |
| 2 | Trust Brand Loyalty | Customer Satisfaction | -0,13 | 0,29 x 0,61= 0,1769 | 0,0469 |
| 3 | Brand Image Brand Loyalty | Customer Satisfaction | 0,24 | 0,52 x 0,61= 0,3172 | 0,5572 |

Source: Analysis Result


**Research Result**
a.    Descriptive research result shows repondents' evaluation is negative toward the items of  research  variables
      and this needs to be corrected, namely are :

   1.  The service quality of airline such as responsive airline personel serves by the standard, promo tickets are
       guaranteed available, check-in crew and departure lounge attendant that has empathy for the passengers,
       this is still considered negative and needs to be fixed, to meet the need and desires of  the customers.

2.  Customer truts in low cost of airline as the items: the employees work process can convince passengers to get satisfaction and fit the standards, employees have adequate disclosure with passengers during check-in and in the cabin, and employees convey accurate and punctual information

3.  Low cost brand images as the item of corporate identity has been proven successful through services provided, the company service is consistently ethical and respect the laws and other rulers, services offered have met expectations, the appearance of the aircraft cabin is attractive, the atmospere in the cabin is fun and personal contact  performed has fitted the expectations and gives positive influence on the brand image.

4.  Customer satisfaction such as the skills, responsiveness and emphaty of the officers on field, discount ticket, promotional frequency and ticket prices.

5.  Brand loyalty such as the items of: the customer is happy and proud to use Low cost airline, customer has intention to use Low cost although the ticket price is too expensive and has to adjust the departure schedule and is willing to recommend Low cost to other people.

## Conclusion

The conclusion of this study is hypotheses test based on the emphirical data is proven to be significant. There are only two that are not proven which are trust does not influence the brand loyalty of Low cost  and service quality does not influence the customer satisfaction.

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