The Effect of Service Quality on Customer Loyalty at Post Office (Persero) Pekanbaru Branch

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**Abstract**

This research aim to analyze the effect of service quality towards customer loyalty at Post Office (PERSERO) Pekanbaru branch with collected data by questionnaire and employs multiple linear regression analysis method. Based on the result research found that the equation of multiple linear analysis is \( Y = 15.752 + 0.281 X_1 + 1.146 X_2 + 0.207 X_3 + 1.372 X_4 + 0.635 X_5 \). Its mean that If tangible, reliability, responsiveness, assurance and empathy variables is equal to zero (0), than the customer loyalty is 15.752. The value of coefficient determination (R²) test is 0.383, it showed that the contribution percentage of variable tangible, reliability, responsiveness, assurance and empathy toward customer loyalty is 38.3%, the remaining 61.7% is influenced by other variables. This research suggest to Post office (PERSERO) Pekanbaru Branch to increase their service quality whether in form of tangible, reliability, responsiveness, assurance or empathy in order to increase their number of customer whose loyal to use their service.

**Keywords:** Tangible, Reliability, Responsiveness, Assurance, Empathy, Service Quality and Customer Loyalty

**INTRODUCTION**

The phenomenon of development in delivery goods services industry is very rapidly increase due to increasing consumer demand who use this services, then, also increasing a number of company who offer this service which enter to market to compete each other. In fact, many similar courier services offer their products with varying quality and consumer taste which always changed and emergences of new competitors have an impact to all delivery goods services company to offer their product in the form of diverse services. These conditions make the customer faced with various alternatives of purchase in order to meet their needs, while the company generated a climate of higher competition in getting the consumer demand.

Post Office as a service company in delivery goods cannot be separated from competition in industry because many other companies offering alternative services to meet the customers need such as: TIKI, JNE, Beautiful Cargo, LEX, First Logistics, Beautifully Logistic, Vehicle Logistics, Pandu Logistic, RPX, Light Logistic, GO_SEND &Go_Jek, DAKOTA Express, KDX, Duts Cargo, DHL or other delivery services. So, the post office located in Pekanbaru, or even a post office located throughout Indonesia today is not only engaged in sending a letter but also offering many alternatives to convenience for customers need.

In order to attract a customer, the company should do a lot of effort, one of which is to provide the best services in accordance with customer wishes. This service is intended to provide a firm distinction with other competitor in the same business. Giving good service is expected to attract customers to be loyal to a product offered by a company.

Service quality is not only needed by companies providing educational service, healthcare, and financial. But it also needed by companies providing transportation service, delivery good service and other companies. All of it conducted to achieve the objective of companies. According Lupiyoadi and A Hamdani (2007) state that service quality is reflected on comparison between the level of service delivered by company and the customer’s expectation. Service quality itself has dimensions namely; tangibles, reliability, responsiveness, assurance and empathy.

Post office Pekanbaru branch is a company providing service to the community. The convenience are providing by post office was not spare from development modern technological today. Where everyone does not need to send paper mail to find out information about their relatives who are far away. All of this makes the post office created several newest product to be more desirable community including; sending notes, disbursement of funds (BLSM and scholarships), MLO (delivery of securities, parcel post and other documents), SOPP (electricity payment, payment taps, instalment motors, prepaid payment, payment of subscription TV), special delivery, taxes (VAT, Income tax, UN), retail sales (original stamp duty) and other post office products. From all the above products are the most dominant and most attractive is the express delivery. Because this could delivery by up to 24 hours and can be guaranteed by the Post Office.

According PartuaPramanaHamonanganSinaga (2010) which examine the effect of service quality, customer satisfaction and location on customer loyalty (case study at internet cafe chamber semarang). This result of this research found that service quality, customer satisfaction and location have positive influence and significant weather simultaneously or partially on customer loyalty at internet cafe Chamber Semarang.

Regarding ErnaniHadiyati (2010) which analyze the service quality and its influence on customer loyalty at post office (persero) Lawang. This research use dimension of service quality aretangibles, empathy, reliability, responsiveness and assurance. The result of research found that all variable independent have significance and...
positive influence weather partially or simultanesly on customer loyalty at post office (persero) Lawang.

Based on the background study above, this paper aim to analyze about the effect of service quality on customer loyalty at post office (Persero) Pekanbaru branch. This paper also employs the dimension of service quality are tangible, empathy, reliability, responsiveness and assurance.

LITERATURE REVIEW

Definition of Service Quality

Service quality is an absolute thing that must be owned by a company or institution that offers quality of service because the service quality offered by company or agency can measure the level of company performance.

According JosepJuran in Lupiyaodi and A. Hamdani (2009) state the quality can be defined as a cost that can be avoided and unavoidable. Which include in the cost that can be avoided such as; cost of failure product, cost of repair product, cost of product improvement and cost of customer complaints. Then, the cost which cannot be avoided such as; operational inspection fees product, process of sampling, the process of sorting, and other quality control activities. Tjiptono (2005) identify ten (10) factors that influence of service quality are;

- Enduring service intensifier
- Personal needs
- Transitory service intensifier
- Perceived service alternatives
- Self perceived services role
- Situational factors
- Explicit services promise
- Implicit services promise
- Word of mouth
- Past experience

Dimension of Service Quality

Regarding Parasuraman in Lupiyaodi and A. Hamadi (2009) state that five dimension of service quality as follows:

Tangible

According Lupiyaodi and A. Hamdani (2009) state that tangible is company ability to show their existence to external parties. Appearance and abilities of physical infrastructure for a reliable company in circumstances surrounding environment is clear evidence of services provided by the service provider. This physical facilities includes buildings, warehouses, equipment and tools used (technology), as well as employee performance.

Reliability

According Lupiyaode and A. Hamdani (2009) state that reliability is the ability of company to provide service as promised, accurate and reliable. The performance should be in accordance with customer expectations, which means the timeliness, the same service to all customers without error, sympathetic attitude, and with high accuracy.

Responsiveness

According Lupiyaodi and A. Hamdani (2009) state that responsiveness is a policy to assist and provide fast service (responsiveness) and right to the customer, with the delivery of clear information. Allowing consumers wait negative perception in service quality.

Assurance

According Lupiyaodi and A. Hamdani (200) state that assurance is knowledge, politeness, and the ability of the company’s employees to gain a trust from customers.

Empathy

According Lupiyaodi and A. Hamdani (2009) state that empathy is a form of sincere concern to individually as a customer in order to understand the customer wants. Where the company are expected to have an understanding and knowledge about customer, understanding customers’ specific needs, and has the operating time which convenient for the customer.

Definition of Customer Loyalty

Customer loyalty is one of the core objectives are pursued in modern marketing. This is due to the loyalty expected will give benefit for company in a long time. Ali Hasan (2008) suggest that the service loyalty is a person who buys regularly and repeatedly, in the sense that the customer is the person who continuously and repeatedly and attended the same place to satisfy the desire to have a product or get a service and pay for a product or service. The loyalty can be achieved through two steps are:

1. The company must have the ability to give satisfaction to the consumers, so that, the consumers get a positive experience, it means re-prioritized the purchase at a previous sale.
2. The company must have a way to maintain a relationship by using strategies forced loyalty so that consumers are willing to conduct repeat purchases.

METHODOLOGY/MATERIALS

Research Design

This research was conducted by survey research in the form of an explanatory and testing hypothesis. While based on explanatory level and variables position, this research includes in quantitative research. This research concerned on the effect of service quality toward customer loyalty at Post Office (PERSERO) Pekanbaru Branch.

Population and Sample

The population of this research is all customers Post Office of Pekanbaru Branch with total 24,462 peoples. A technique of sampling in this research is purposive sampling. This research employs slovin formula as follows:

\[ n = \frac{N}{1 + Ne^2} \]

Note :

\( n \) : size of sample
\( N \) : size of population = 24,463
\( e^2 \) : % inaccuracy in sampling = 10%

\[ n = \frac{24,463}{1 + 24,463 (10\%)^2} \]

\[ n = 24,463 \]

\[ n = \frac{24,463}{245,63} \]

\[ n = 99,59 \text{ or } 100 \text{ Respondents} \]

Data Collection Technique

In order to obtain data and information, researchers employed several data collection techniques which are:

Primary Data
This data was obtained from questionnaire where researcher made the list of question-related to the research problem. Then, the answer of question is expected to found relationship or influence between variable analyzed.

**SECONDARY DATA**

This data was obtained from literature review such as; book, document, newspaper, magazine, journal, internet and others which are still relevant to this research.

**DATA QUALITY TEST**

1. Validity Test
2. Reliability Test
3. Normality Test

**CLASSIC ASSUMPTION TEST**

1. Multi-collinearity Test
2. Auto Correlation Test
3. Heteroskedasticity Test

**Hypothesis Test**

The testing hypothesis in this research employs multiple linear regressions. The dependent variable customer loyalty (Y), Independent variables is s (X1) . Multiple linear regressions Equation:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \]

Note:
- Y = Dependent Variable (Customer Loyalty)
- X1 = Dependent variable (Tangible)
- X2 = Dependent variable (Reliability)
- X3 = Dependent variable (Responsiveness)
- X4 = Dependent variable (Empathy)
- a = Constanta
- b1 and b2 = Regression Coefficient
- e = Error

**RESULT AND FINDING**

**Data Quality Test**

For data quality of this research employ validity test, reliability test, normality test and also classic assumption test consist on; multi-collinearity test, auto correlation, and heteroskedasticity test.

| Testing Method | Analysis |
|----------------|----------|
| Pearson method | All variables were recognized to be valid as they correlated with total score more than 0.30. |

**Table 1. Validity test**

| Test | Method | Analysis |
|------|--------|----------|
| Cronbach alpha technique | All data had 0.6 values which means data instruments according to reliability test could be accepted. |

**Table 2. Reliability**

| Testing Method | Analysis |
|----------------|----------|
| Regression Coefficient | All variables were recognized to be valid as they correlated with total score more than 0.30. |

**Table 3. Normality Test**

| Testing Method | Analysis |
|----------------|----------|
| Kolmogorov-Smirnov test (K-S) | From statistic test result it could be stated that those data were normally distributed as significance value was > 0.05 |

**Table 4. Multi-collinearity Test**

| Testing Method | Analysis |
|----------------|----------|
| Tolerance and variance inflation (VIF) value | From analysis result, it could be concluded that all independent variables used in this research passed multi-collinearity symptom test because all independent variable have VIF value was higher than 10 (<10) |

**Table 5. Auto Correlation Test**

| Testing Method | Analysis |
|----------------|----------|
| Durbin-Watson | D-W Statistic value was 1.723. This value situated between -2 and +2, which means it could be concluded that there were no positive and also negative autocorrelation occur in this research. |

**Table 6. Heteroskedasticity Test**

| Testing Method | Analysis |
|----------------|----------|
| Park Test | Significance value for all independent variable is more than 0.05. It could be concluded that there were no heteroskedasticity. |

**Hypothesis Test**

**T TEST (PARTIAL)**

| No | Independent Variable | tobs | ttab | Sig |
|----|----------------------|------|------|-----|
| 1  | Tangible             | 2.098| 1.975| 0.047|
| 2  | Reliability          | 4.139| 1.975| 0.000|
| 3  | Responsiveness       | 3.051| 1.975| 0.003|
| 4  | Assurance            | 2.033| 1.975| 0.044|
| 5  | Empathy              | 3.153| 1.975| 0.000|

Sources: primary data (processed)

Based on the above table it can be interpreted as follows:

1. The significance of T test value for tangible variable is 0.047. As significance value was smaller than 0.05, it could be concluded that tangible variable have significance influence on customer loyalty. Then, H0 is rejected and Ha is accepted.
2. The significance of T test value for reliability variable is 0.000. As significance value was smaller than 0.05, it could be concluded that reliability variable have significance influence on customer loyalty. Then, H0 is rejected and Ha is accepted.
3. The significance of T test value for responsiveness variable is 0.003. As significance value was smaller than 0.05, it could be concluded that responsiveness variable have significance influence on customer loyalty. Then, H0 is rejected and Ha is accepted.
4. The significance of T test value for assurance variable is 0.044. As significance value was smaller than 0.05, it could be concluded that assurance variable have significance influence on customer loyalty. Then, H0 is rejected and Ha is accepted.
5. The significance of T test value for empathy variable is 0.000. As significance value was smaller than 0.05, it could be concluded that empathy variable have significance influence on customer loyalty. Then, H0 is rejected and Ha is accepted.

**F TEST (SIMULTAN)**

**Table 8. F test (Simultan)**

| Model | Sum of Squares | DF | Mean Square | F | Sig. |
|-------|----------------|----|-------------|---|------|
| Regression | 14.048 | 2 | 7.024 | 68.740 | .000* |
| 1 Residual | 9.912 | 97 | .102 | | |
| Total | 23.960 | 99 | | | |

Sources: primary data (processed)

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Based on table above found that $F_{sig.}$ value is 0.000 < 0.05. Its indicate that $F_{calc}=68,740 > F_{table}=3.232$. Its mean that tangible, reliability, responsiveness, assurance, and empathy variable have significant influence simultaneously on customer loyalty. We conclude that $H_0$ is rejected and $H_a$ is accepted.

**Multiple Regression Analysis Result**

**Table 9. Regression Coefficients**

(See appendix – A for table)

From table above we obtain the following multiple regression models:

$$Y = 15,752 + 0.281X_1 + 1.146X_2 + 0.207X_3 - 1.372X_4 + 0.635X_5 + \epsilon$$

Remarks:
1. Constants as of 15.752 mean it tangible (X1), reliability (X2), responsiveness (X3), assurance (X4), and empathy (X5) were zero (0), then customer loyalty (Y) in the amount of constants (15,752)
2. Regression coefficient of tangible variable is 0.281. If others variable is zero (0) and tangible variable increase 1 point, so the customer loyalty will increase 0.281 point.
3. Regression coefficient of reliability variable is 1.146. If others variable is zero (0) and reliability variable increase 1 point, so the customer loyalty will increase 1.146 point.
4. Regression coefficient of responsiveness variable is 0.207. If others variable is zero (0) and responsiveness variable increase 1 point, so the customer loyalty will increase 0.207 point.
5. Regression coefficient of assurance variable is -1.372. If others variable is zero (0) and assurance variable increase 1 point, so the customer loyalty will decrease -1.372 point.
6. Regression coefficient of empathy variable is 0.635. If others variable is zero (0) and empathy variable increase 1 point, so the customer loyalty will increase 0.635 point.
7. The value of coefficient determination ($R^2$) test is 0.383, it showed that the contribution percentage of variable tangible, reliability, responsiveness, assurance and empathy toward customer loyalty is 38.3%, the remaining 61.7% is influenced by other variables such as product quality, customer satisfaction or switching barrier.
8. The value of $R$ is 0.619. It means 61.9% of customer loyalty is influenced by tangible (X1), reliability (X2), responsiveness (X3), assurance (X4), and empathy (X5) variable. Remaining 38.1% is influenced by other factors such as quality product, customer satisfaction or switching barrier.

**CONCLUSION**

1. There is significance influence between tangible, reliability, responsiveness, assurance and empathy variable towards customer loyalty weather partially (t test) or simultaneously (f-test).
2. The value of coefficient determination ($R^2$) test is 0.383, it showed that the contribution percentage of variable tangible, reliability, responsiveness, assurance and empathy toward customer loyalty is 38.3%, the remaining 61.7% is influenced by other variables such as product quality, customer satisfaction or switching barrier.
3. Suggestion, the post office Pekanbaru branch should improve their service quality weather in the form of tangible, reliability, responsiveness, assurance or empathy dimension in order to increase their customer loyalty. In the hope, many people will choose post office pekanbaru to deserve customer demand.
4. Further research, it is necessary to conduct another research related on customer loyalty at post office Pekanbaru branch which another variable such as product quality, customer satisfaction or location, not only focused in service quality.

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**APPENDIX – A**

**Table 9. Regression Coefficients**

| Independent Variable | Unstandardized Coefficients | Standardized Coefficients | T       | Sig. | R     | R Square |
|----------------------|-----------------------------|---------------------------|---------|------|-------|----------|
|                      | B               | Std. Error | Beta |       |       |          |
| Customer Loyalty     | (constant)      | 15,752     | 7,245 | 2,036 | .045  | .619*    | .383     |
| Tangible             | .281            | .133       | .175  | 2,121 | .037  |          |          |
| Reliability          | 1.146           | .252       | .705  | 4,590 | .000  |          |          |
| Responsiveness       | .207            | .150       | .120  | 1.388 | .168  |          |          |
| Assurance            | -1.372          | .292       | -652  | -4.352| .000  |          |          |
| Empathy              | .635            | .253       | .308  | 2,372 | .020  |          |          |

Sources: Primary data (processed)