

THE EFFECT OF SERVICE QUALITY AND BRAND IMAGE TO IMPROVE THE SATISFACTION AND LOYALTY OF BIGTV CUSTOMERS IN SEMARANG

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ABSTRACT

The problem that happened in this research is the decrease of BIGTV customer loyalty of Semarang which result in customer decision to unsubscribe. This is evident from the increasing number of subscribers who have been subscribed for more than 1 year but unsubscribed in the first half of 2015. So the formulation of this research problem is how to increase customer loyalty BIGTV Semarang and BIGTV Semarang customer decisions to re-subscribe allegedly influenced by the quality service, and brand image. This study aims to analyze the influence of service quality and brand image directly or indirectly to customer loyalty with mediated by satisfaction. Sample selection using purposive sampling. The sample used is 150 people BIGTV Semarang customers. The analysis tool used is structural equation modeling. Based on the results of research, service quality and brand image have a positive effect on satisfaction and loyalty, while satisfaction has a positive effect on loyalty. Based on the fit model test, 7 indicator test result stated that all models have a good fit. So from this, it can be concluded that the model has a good enough fit to predict customer loyalty

Keywords: *service quality, brand image, satisfaction, loyalty, BIGTV Semarang.*

INTRODUCTION

The number of pay TV operators in Indonesia is experiencing rapid development. In 1994 there was only one pay-TV operator, Indovision as the first Pay-TV operator in Indonesia which was satellite-based. Then in 1996, the Pay TV business was enlivened by the presence of Kabelvision, which is cable-based. In the early stages, Kabelvision only served the Jakarta market. Kabelvision is a

subsidiary of Lippo Group owned by Mochtar Riady's family. Until 2007 there were only five players in the subscription television industry who had been operating in the Jakarta area, namely Indovision, Astro, First Media, IM2 and TelkomVision. BIGTV is a pay television service provider that was inaugurated on 9 September 2012, operated by PT. Indonesia Media Televisi and is a subsidiary of Lippo Group.

BIGTV's superiority is that BIGTV has the most HD channels that are 30 HD channels, besides that BIGTV often offers special promos for new customers such as free all channels for 2 months. In addition, in 2012, the English Premier League broadcast rights were monopolized by BIG TV so as to increase its market share. However, with these advantages, it did not make BIGTV loyal customers subscribe to BIGTV as in the phenomenon of BIGTV Semarang customers, as evidenced by the many customers who decided to unsubscribe.

The problem that occurs in this study is the reduction of BIGTV Semarang customer loyalty which results in the customer's decision to unsubscribe (dismantle). BIGTV's target is to retain customers for a long period of time so that customers do not only subscribe during the promotion period. This can be seen from the increase in the number of customers who have subscribed for more than 1 year but unsubscribe in the initial semester in 2016 with an average percentage of 72.01%. So that the formulation of the research problem is how to increase BIGTV Semarang customer loyalty and BIGTV Semarang customer decision to subscribe again. Based on gap research, in previous studies, there are still differences in research results between the influence of service quality and brand image on customer satisfaction and company performance.

Based on the phenomenon and gap research in previous studies, the formulation of the problem in this study is how to increase customer satisfaction and loyalty of BIGTV Semarang customers. The purpose of this study was to analyze the effect of service quality and brand image on customer satisfaction and customer loyalty of BIGTV Semarang.

LITERATURE REVIEW

Effect of service quality on customer satisfaction

Kotler (2009) states that satisfaction is a feeling of pleasure or disappointment that comes from the comparison of the impression of the performance or results of a product and its expectations. Service quality can be interpreted as an effort to fulfill consumer needs and desires as well as the accuracy of delivery in keeping up with consumer expectations (Tjiptono, 2006). According to Tjiptono (2006), if perceived performance exceeds expectations, then the customer will feel satisfied, but if otherwise, the customer will feel dissatisfied. The influence of perceived

performance is stronger than expectations in determining customer satisfaction. Service quality has a significant influence on customer satisfaction. So, a company is required to maximize the quality of its services in order to be able to create the satisfaction of its customers.

H1: Service quality has a positive effect on customer satisfaction.

Brand Image Influence on Customer Satisfaction

According to Kasali (Rahyuda and Atmaja, 2011), a good brand image is intended to keep the company alive and the people in it continue to develop creativity and even provide benefits that are more meaningful to others. Alma (2009), emphasizes that images are formed based on impressions, based on experiences experienced by a person towards something as a consideration for making decisions. Feelings of satisfaction or failure of customers occur after having experience with products and companies that preceded the purchase decision so that it can be concluded that some good brand image is important as an internal resource of the object in determining the relationship with customer satisfaction.

H2: Brand image has a positive effect on customer satisfaction.

Effect of Service Quality on Customer Loyalty

Loyalty to a vendor means it will cause the customer to do more transactions with the vendor. Heskett et al. (Mosahab et al, 2010) stated: "One way to increase customer loyalty is to provide good quality services, which are expected to make customers return to transactions with these vendors". Azizah (2012) stated "How to form loyalty, of course, must begin by providing superior or superior product/service quality, so consumers feel satisfied with the experience of consuming it. Good service quality is the main capital for forming loyalty.

H3: Service quality has a positive effect on customer loyalty.

The Influence of Brand Image on Customer Loyalty

Brand image is a customer's perception and understanding of a product's brand that can be thought, felt, and imagined. According to Poeradisastra (2005), the image of a positive brand can help customers remember it more easily, making it easier to make decisions when making a purchase. The level of satisfaction associated with the brand image of a product is because the level of customer trust in a brand is strongly influenced by the customer's view of the brand's capabilities so that if the customer is increasingly disbelieving with the product's ability, the customer will complain. If the brand image of a product gets better, customer satisfaction will increase.

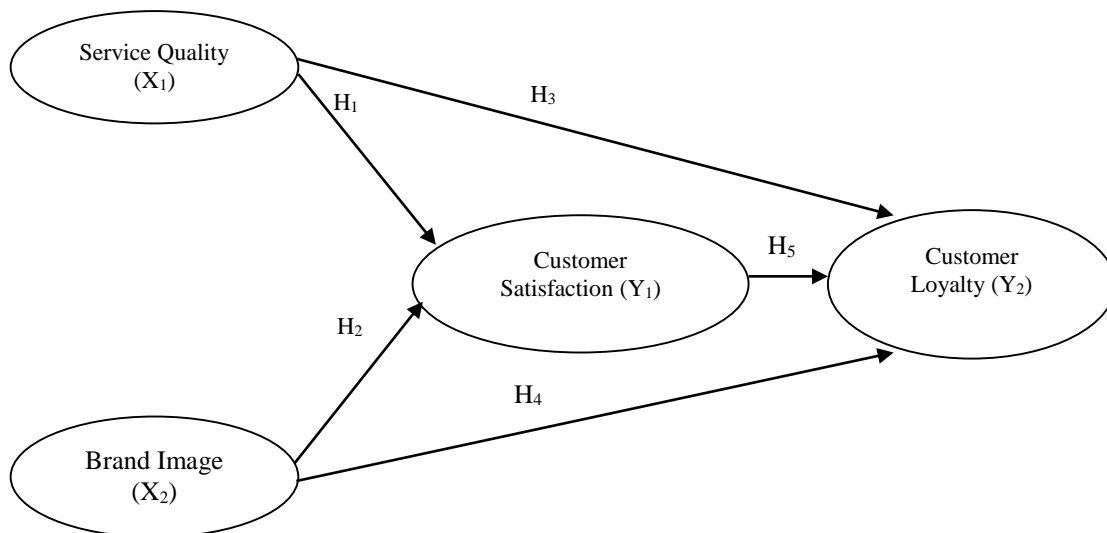
H4: Brand image has a positive effect on customer loyalty.

Effect of Customer Satisfaction on Customer Loyalty

Satisfaction is a feeling of consumers in response to goods or services that have been consumed. According to Tjiptono (2006) states that satisfaction is defined as a series of psychological states that are formed when emotions surrounded by expectations are paired with past consumer feelings about their experiences in consuming. This can mean that customer satisfaction is a comparison between the benefits of a product that is perceived and expected before the product is consumed. Benefits for companies by using the dimensions of customer/customer satisfaction have been revealed in several studies, including evaluating attitudes and information from guests and identifying strengths and weaknesses. Customer/customer satisfaction can be used for positioning strategies that can help companies get niche markets. According to Fornell (Hidayat, 2009), customer/customer satisfaction will be able to influence purchasing behavior, which forms the tendency that satisfied consumers will be loyal.

H5: Customer satisfaction has a positive effect on customer loyalty.

Figure 1
Research Framework



RESEARCH METHOD

This study uses a causal research. Causal research design is used to prove the cause and effect relationship of several variables. Causal research uses a research model that uses independent variables that will influence the dependent

variable on the situation that has been planned (Sugiyono, 2013). Data collection methods used in this study are questionnaire methods.

The population is the sum of all objects (units/individuals) whose characteristics are to be suspected (Ferdinand, 2014). The population of this study was all BIGTV Semarang customers, whose numbers were 1,557 people when researched. To give more direction or to focus on selecting samples that really could represent the population, sampling techniques were used with purposive sampling. In this study, a sample of 150 respondents was obtained.

DATA ANALYSIS AND DISCUSSIONS

Table 1
Regression Weights Full Model

			Estimate	S.E.	C.R.	P	Label
KPEL	<---	KP	.247	.045	5.457	***	par_9
KPEL	<---	CM	.714	.051	13.964	***	par_10
LP	<---	KPEL	.719	.073	9.789	***	par_11
LP	<---	CM	.203	.063	3.229	.001	par_12
LP	<---	KP	.086	.038	2.282	.022	par_13

Table 2
Goodness of Fit Indexes for Full Model

No	Indicator	Value	Cut-off	Result
1	Chi Square (CMin),p	0,053	> 0,05 (5%)	<i>Fit</i>
2	GFI	0,911	> 0,90	<i>Fit</i>
3	NFI	0,978	> 0,90	<i>Fit</i>
4	RFI	0,970	> 0,90	<i>Fit</i>
5	IFI	0,996	> 0,90	<i>Fit</i>
6	CFI	0,996	> 0,90	<i>Fit</i>
7	RMSEA	0,039	< 0,080	<i>Fit</i>

Hypothesis Testing

Hypothesis testing is done by looking at the significance value of each variable to see the effect of independent variables on the dependent variable. If the significance value is <0.05, then the hypothesis that there is an influence of the independent variable on the dependent variable can be accepted.

Hypothesis 1

Based on the significance value shown in the picture above, it can be said that service quality (0,000) has a positive effect on customer satisfaction. So that it can be said that hypothesis 1 states that service quality influences customer satisfaction can be accepted. This result is in accordance with the research of Haryanto (2013), and Zain (2013) which states that service quality has a positive effect on customer satisfaction.

Hypothesis 2

Based on the significance value shown in the picture above, it can be said that the brand image (0,000) has a positive effect on customer satisfaction. So that it can be said that hypothesis 2 states that brand image affects customer satisfaction is accepted. This result is consistent with the research of Sondoh et al (2007), and Kurniawati et al (2014) which states that brand image has a positive effect on customer satisfaction.

Hypothesis 3

Based on the significance value shown in the picture above, it can be said that service quality (0.022) has a positive effect on customer loyalty. So that it can be said that hypothesis 3 states that service quality influences customer loyalty is accepted. This result is consistent with the research of Azizah (2012), and Zain (2013) which states that service quality has a positive effect on customer loyalty.

Hypothesis 4

Based on the significance value shown in the picture above, it can be said that the brand image (0.001) has a positive effect on customer loyalty. So that it can be said that hypothesis 4 states that brand image influences customer loyalty is accepted. These results are consistent with the there search of Sondoh et al (2007) and Azizah (2012) which states that brand image has a positive effect on customer loyalty.

Hypothesis 5

Based on the significance value shown in the picture above, it can be said that customer satisfaction (0,000) has a positive effect on customer loyalty. So that it can be said that hypothesis 5 states that customer satisfaction influences customer loyalty can be accepted. This result is in accordance with the research of Sondoh et al (2007), Azizah (2012), Zain (2013), Kurniawati et al (2014) and Yesenia and Siregar (2014) which state that customer satisfaction influences customer loyalty.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of the research that has been done, it can be concluded as follows: (1) Service quality has a positive effect on customer satisfaction; (2) Brand image has a positive effect on customer satisfaction; (3) Service quality has a positive effect on customer loyalty; (4) Brand image has a positive effect on customer loyalty; and (4) Customer satisfaction has a positive effect on customer loyalty.

Suggestions

Based on the conclusions stated above, some suggestions can be given and are expected to be useful for the progress of the company. The suggestions are: (1) The service quality of the company is good enough because based on the results of the questionnaire answers to service quality indicators that show that the majority of respondents stated that the quality of BIGTV Semarang services is in the high category. Service quality can be further enhanced by trying to increase responsiveness to consumer complaints. Consumer complaints should be responded to well, quickly and precisely so that consumers are satisfied and want to be loyal to BIGTV; (2) BIGTV brand image is currently quite good because it is based on the results of questionnaire answers for brand image indicators which show that most respondents stated that BIGTV Semarang brand image is in the high category. To further enhance BIGTV's image, companies should pay more attention to company promotion. This can be done by further expanding the promotion range and frequency. In addition to improving customer satisfaction, it is recommended that there be an adjustment between promotion and the reality so that consumers believe in the company's promise; and (3) The implication of these two results is that BIGTV should be able to pay attention to price factors also to increase customer satisfaction and loyalty. BIGTV should be able to make price adjustments to BIGTV's quality, this can be done by benchmarking with other cable TV service providers to determine the price that is considered appropriate for consumers.

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