

## Building Brand Image and Customer Loyalty: With Service Quality and Customer Satisfaction (Case Study on Giant Citra Raya)

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**Abstract:** The number of customers at Giant Citra Raya over the last five years (2011-2015) has decreased significantly, due to many factors including poor service quality and poor customer care. Likewise Extra Giant Switching Customer behavior has Negative Net Switching, when compared to the three brands (Carrefour, Hypermart and Lotte Mart). This low customer loyalty index is due to poor service quality. The research design is explanatory, where sampling method is a non-probability sample (non-random sample). The sampling technique uses accidental sampling, in which the researcher has the freedom to choose who to meet which can be sampled according to the requirements of the existing population. The method used in this research is survey method. The average customer population is  $2,070,823 / 12/30 = 5752$  per day, with Slovin samples of 152 respondents. Quantitative analysis method with Analytical Path Analysis tool and SPSS tool version 2.33. Prior to the analysis conducted test of questionnaire instrument with validity test and classical assumption. After analyzed with Path Analysis continued with test of determination analysis (R Square), partial test of hypothesis (t test) and simultaneously (F test) with 5% error tolerance level. The result of this research is that Service Quality and Customer Satisfaction have a effect on Brand Image and Customer Loyalty. Brand Image and Customer Loyalty are still influenced by other variables other than Service Quality and Customer Satisfaction, therefore need to do further research.

**Keywords:** Brand Image, Customer Loyalty, Service Quality and Customer Satisfaction.

### INTRODUCTION

#### Background Research

Giant Citra Raya is one of the retail business that has a large business scale in Indonesia. The business environment is always fast changing in tampering with the high competition of the retail sector business forcing retailers to continue to innovate and imitate each other in winning customers to win the competition. -the same kind of retail becomes no longer differentiated.

The current high competitive and competitive business competition leads to customers facing more and more varied product alternatives, prices and quality, so customers will always look for the highest rated value of some Kotler products [1]. Low quality (both service and product) will cause dissatisfaction with customers, such as retail, not only customers who shop in retail but also impact on others. Because disappointed customers will tell at least 15 other people. Consequently, the prospect will make his choice to the competitor [2].

Satisfying customers satisfied with the products or services offered is the main objective of any business, it will have an immediate impact on customers to make repeat purchases and increase purchases [1]. "Brand Image will occur when the value and customer service provided in the retailing experience match or exceed customer expectations [3]". Then satisfied customers may also tell others about their profitable experiences, thus generating positive word of mouth information, thus increasing the company's market share [4].

Table-1 below shows data on the number of visitors Giant Citra Raya continues to decline during the period 2011-2015. That the visitors Giant Citra Raya in the last five years showed a decline, so the management tried to find the cause of the decline in the number of customers whether internal factors or external factors company. The number of customer data Giant Citra Raya last five years is as follows:

**Table-1: Data Number of Visitors Giant Citra Raya**

| No | Year | Actual    | Last Year | % vs Last Year |
|----|------|-----------|-----------|----------------|
| 1  | 2011 | 3.139.818 | -         | -              |
| 2  | 2012 | 2.186.688 | 3.139.818 | -30%           |
| 3  | 2013 | 2.108.299 | 2.186.688 | -4%            |
| 4  | 2014 | 2.073.589 | 2.108.299 | -2%            |
| 5  | 2015 | 2.070.823 | 2.073.589 | -1%            |

Source: Giant Citra Raya (2015).

Top Brand 2014 Survey results to know the behavior of consumer switching in the hypermarket category (such as table 1.2), that: The Switching

Behavior of Existing Giant Customers Tangerang has Negative Net Switching, when compared to the three brands (Carrefour, Hypermart and Lotte Mart).

**Table-2: Behavior of Giant Customer Switching**

| Brand Name | Loyalist | Switching Out | Switching In | Net Switching |
|------------|----------|---------------|--------------|---------------|
| Carrefour  | 91,2 %   | 8,8 %         | 11,4 %       | 2,6 %         |
| Giant      | 79,4 %   | 20,6 %        | 11,3 %       | -9,3 %        |
| Hypermart  | 89,1 %   | 10,9 %        | 16,5 %       | 5,6 %         |
| Lotte Mart | 77,7 %   | 22,3 %        | 27,2 %       | 4,9 %         |

Source: Top Brand Indonesia 2014

Based on the above brand switching, it appears that Carrefour, Hypermart and Lotte Mart is a brand that is predicted to increase the number of visitors in the future. Net switching numbers of the three brands are positive as negative Giant. The number of other brand visitors who will switch to the three brands (switching in) more than visitors of the brand who will switch to another brand (switching out).

Instead, the giant net switching brand is negative. PT Hero Supermarket TBK has an operational standard for switching out visitors to be below 15 percent. With a negative net switching number means Giant must be careful and try to make improvements.

In order to improve the net switching figure, Giant Citra Raya must create a close relationship with the customer. Creating strong and close relationships with customers is the dream of all marketers and this is often the key to long-term marketers' success. Customer loyalty can not be obtained easily, to make retail customers loyal in need of satisfaction. Customer satisfaction is a key part of maintaining and enhance the brand image (Giant) and customer loyalty, so that every company is concerned to meet all aspects to build customer loyalty.

Since standing five years ago 2011 Giant Citra Raya got some complaints submitted by customers to the company, The data on the inventory complaints are as follows.

**Table-3: List of Customer Complaints**

| No | Part                  | Complaint  |
|----|-----------------------|--|
| 1  | Service Quality       | Lack of officers, so that when customers need information should seek the officer first. The available sand is insufficient, so the customer must be queued at the time of paying. The sand perceived less friendly by the customer.   |
| 2  | Customer Satisfaction | Due to the poor service provided and the quality of the less-than-qualified products such as for cooking and fruits cooking needs, so that customers are not or less satisfied shopping in Giant. Certain products are often out of stock so customers who specifically want to buy the product feel disappointed. Lack of variety of product types, so customers difficult to compare. Fresh products are sold sometimes less fresh even is not feasible. |
| 3  | Brand Image           | Brand is well known but many new brands so that customers have many choices and cause the brand Giant is no longer a priority, so the number of customers decreased over the last five years   |
| 4  | Customer Loyalty      | Improper service provided and Product Quality is less in the standard keep it causing customers not loyal to Giant Citra Raya  |

Source: Observation results at Giant Citra Raya and previous research (2015).

Management's decision to take care of service quality and product quality is a crucial factor in following up consumer complaints. Management mistakes so far less attention to them so that customers continue to decline. Consumer satisfaction is not only valuable in times of good economic situation, but also in times of poor economy should also pay attention to customer satisfaction.

### Identification of problems

Based on background then it can be identified problem that:

- The decline in the number of customers during the last five years (2011-2015);
- Top Brand 2014 Survey Result to know the behavior of consumer switching in hypermarket category (Table-1), that: The Switching Behavior of Extra Giant Customers of Tangerang has Negative Net Switching, when compared to the three brands (Carrefour, Hypermart and Lotte Mart).
- Lack of officers so that when customers need information. The available cashier is insufficient, so the customer must be queued at the time of payment;
- Brand is well known but many new brands so that customers have many choices and cause the brand Giant is no longer a priority, so the number of customers decreased over the last five years
- Improper service provided and less maintain Service standard cause customers not loyal to Giant Citra Raya.

### RESEARCH PURPOSES

Based on background and problem formulation above, the purpose of this research is to analyze the influence:

- The effect of CRM on Brand Image;
- The Effect of Service Quality on Brand Image;
- The effect of CRM and Service Quality on Brand Image simultaneously;
- The Effect of CRM on Customer Loyalty;
- The Effect of Service Quality on Customer Loyalty;
- The Effect of of Brand Image on Customer Loyalty
- The Effect of CRM and Service Quality to Brand Image and Customer Loyalty simultaneously;

### LITERATURE REVIEW

#### Customer Loyalty

Customer loyalty or customer loyalty retail (customer loyalty) is defined as a loyalty to an object or an institution. Mowen and Minor [5] defines loyalty as a condition in which the customer has a positive attitude towards a brand or institution, has a commitment to the brand or institution, and intends to continue purchasing in the future. Loyalty shows the tendency of customers

to use a certain brand with a high degree of consistency [6].

Kotler, Hayes and Bloom [1] mention Six reasons why an institution needs to gain customer loyalty. First: existing customers are more prospective, meaning loyal customers will provide substantial benefits to the institution. Second: the cost of acquiring new customers is much greater when compared to maintaining and retaining existing customers. Third: customers who already believe in the institution in an affair will believe also in other affairs. Fourth: operational costs are more efficient if they have many loyal customers. Fifth: institutions can reduce psychological and social costs because old customers have had many positive experiences with the institution. Sixth: loyal customers will always defend the institution and even try to attract and advise others to become customers, declare loyalty built with three elements, namely repeat purchase), retention, and referral, or re-transactions, loyal to the institution and recommendations to the institution others.

#### Brand Image

Brand image: Flavian, Torres, and Guinaliu [7] that the measurement of banking image is produced by four elements that can form the banking image, that is access to services, service offered, personal contact, security and reputation, which will be used in this research.

Access to service consists of an indicator of ease in using the service, timeliness of transactions, service convenience, bank operating schedule, and possibility to file a complaint / protest. Services offered consist of an indicator of the availability of the number of products and services, the attractiveness of the products and services offered, the attractiveness of the product of the deposit service, the interest of the loan payment, and the payment of the service charge. Personal contact consists of employee warm-up indicators, individual attention, personal contact, financial advisory assistance, ease of consultation. Security consists of security indicators in transactions, security in saving money, security in data. The reputation of the firm consists of indicators of confidence in banking promises, reputation of services offered, trust in selected banks exceeding other institutions [7].

Ziethaml *et al.*, [8] and Hapzi Ali [9] A favorable and well know image of the Banking quality, satisfaction, and loyalty. That a picture or a favorable image to know the company is an asset to the organization because the image can affect the quality of Banking, satisfaction, and loyalty. The above statement is clear that a good image will increase customer loyalty.

### Service Quality

Quality of service (service quality): as the nature of product appearance and performance is a major part of corporate strategy or institution in order to achieve sustainable advantage, either as a market leader or as a strategy to continue to grow. The superiority of a service product is dependent of the uniqueness or characteristic characteristics and the quality shown by the service, whether it is in accordance with the expectations and desires of consumers [1]. Quality of service centered on efforts to meet the needs and desires of consumers and the accuracy of delivery to balance consumer expectations. Tjiptono [10], service quality is the expected level of excellence and control over the level of excellence to meet consumer desires. Consumers who consume and enjoy the services of the company should determine the quality of services provided. If services received by consumers exceed or equal their expectations, it may be stated that the services provided by the service provider are good or satisfactory and vice versa.

Tjiptono [10] Stating that the quality of service is an attitude or way employees in serving consumers satisfactorily. A company's way of staying competitive is to provide services of a higher quality than its competitors consistently. Consumer expectations are shaped by past experience, word-of-mouth talks conducted by service companies, and then compared.

Lovelock and Wright [11] explain that consumers will assess service quality through five dimensions of service as a benchmark. These five dimensions are:

- Tangible is something that looks or real that is the appearance of employees and other physical facilities such as equipment and equipment that support the implementation of the service.
- Reliability is the ability to provide precisely and correctly the type of service that has been promised to consumers.
- Responsiveness, namely awareness or desire to quickly act to assist consumers in providing services on time.

- Assurance (Assurance), namely knowledge and compensation benefits and the trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer..
- Empathy, is giving special attention to the individual. This dimension of empathy has the characteristics of a willingness to approach, provide protection and effort to understand the wants, needs, and feelings of the consumer.

### Customer Satisfaction

Customer Satisfaction and this context of customer satisfaction According to [12] is that the key to retaining customers is customer satisfaction, where the dimensions of customer satisfaction are: 1) Expectations, customers are satisfied only when the product reality which they have purchased in accordance with or exceeded their expectations. A good product is a product that is able to meet the expectations / expectations of its customers, so that customers will have a positive experience after buying the product; 2) Subjective Disconfirmation, the customer is satisfied if there is no matters or reasons related to subjective product non-conformity; 3) Performance Outcomes, customers are satisfied with the overall performance of the product he purchased and get the optimal benefits in accordance with what he wants.

### Framework

Framework for Thinking to Design the Influence or Relationship between Variables. That of the questioner of this research problem and supported by the results of the research sourced from National and International Journals: 1) [7], and and Malik and Ghafoor [13] Quality has a positive and significant impact on Brand Image and Customer Loyalty; 2) [14], that Service Quality has a positive and significant impact on Brand Image; and; 3) Hapzi Ali & Adjil [15], Kambiz and Safoura [16], that Brand Image has a positive and significant impact on Customer Loyalty.

Based on Research Formulation, Research Objectives, Literature Review, Past research and research road map, this research framework for the period of 3 years (multi year) is like picture 1 below.

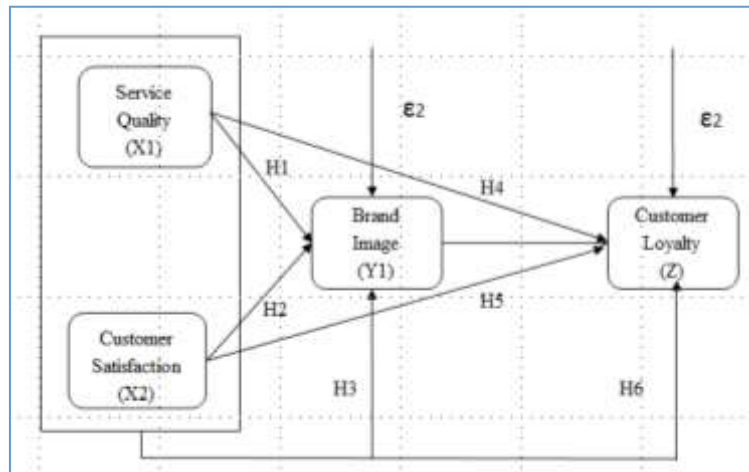


Fig-1: Conceptual Framework

**Hypothesis**

Based on the research objectives, the research hypothesis is as below:

- CRM effect on Brand Image;
- Service Quality effect on Brand Image;
- CRM, and Service Quality effect on Customer Loyalty simultaneously;
- CRM effect on Customer Loyalty;
- Service Quality effect on Customer Loyalty;
- Brand Image effect on Customer Loyalty;
- CRM and Service Quality affect on Brand Image and Customer Loyalty simultaneously;

**RESEARCH METODE**

**Objects and Research Instruments**

This research was conducted by Giant Citra Raya, with case study on customer of Giant Citra Raya Tangerang. Giant Citra Raya is a branch that is under the coordination of Regional V Jakarta 3 area of Jakarta beautiful cottage consisting of 12 units of micro office. This research will be done for three Academic Year (TA), starting from FY 2015/2016 until FY 2017/2018, or from October 2016 to September 2018. The instrument used is a questionnaire using a *likert* scale with a score of 1-5 expressed starting from the most negative, neutral to the most positive.

**Methods and Analysis Tools**

Method of analysis of this research is quantitative method and its analysis tool with Path Analysis followed by determination analysis (R Square), Partial test of hypothesis (t test) and simultaneous (F test) with alpha 5 percent (0,05). Before the analysis with Path analysis first in the test instrument (questionnaire) with validity and reliability

test as well as classical assumptions. SPSS version 22.0 analysis tool.

Path analysis is a statistical technique used to test the relationship or influence between variables. Path analysis is one of the analytical tools developed by Sewall Wright [17, 18]. Wright developed a method for knowing the direct and indirect effects of a variable, in which there are exogenous variables and endogenous variables.

Service Quality, Product Quality and Customer Satisfaction as independent variable, Brand Images as intervening variable and Customer Loyalty as dependent variable. To test the intervening variable is used path analysis method, as an extension of multiple linear regression analysis.

Path analysis method can be described as in Figure-1 above with the equation of structure and sub-path structure as below:

$$Y = Py_{X1}.X1 + Py_{X2}.X2 + \epsilon_1$$

$$Z = Pz_{X1}.X1 + Pz_{X2}.X2 + Pzy.Y + \epsilon$$

Description: X1 = Service Quality (Servqual); X2 = Customer Satisfaction; Y = Brand Image; Z = Customer Loyalty; and ε = epsilon (other factors that affect).

**RESULTS AND DISCUSSION**

**Research result**

**Substructure Line Analysis 1**

To find out whether service quality and customer satisfaction affect the brand image, done by using path analysis (path analysis) by using software tool SPSS version 21.0. The results of the first substructure path analysis as follows:

**Table-4: Coefficients Regression Service Quality dan Customer Satisfaction on Brand Image**

| Model |                          | Coefficients <sup>a</sup>   |            |                           | t      | Sig. |
|-------|--------------------------|-----------------------------|------------|---------------------------|--------|------|
|       |                          | Unstandardized Coefficients | Std. Error | Standardized Coefficients |        |      |
|       |                          | B                           |            | Beta                      |        |      |
| 1     | (Constant)               | 21.526                      | 3.277      |                           | 6.568  | .000 |
|       | X1_Service_Quality       | .596                        | .055       | .648                      | 10.886 | .000 |
|       | X2_Customer_Satisfaction | 1.414                       | .339       | .248                      | 4.175  | .000 |

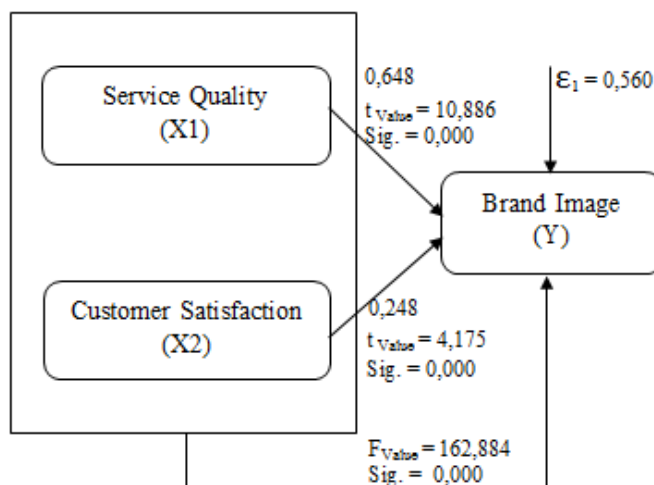
a. Dependent Variable: Y\_Brand\_Image

Statistically the output of the above coefficients table obtained the following equation.

$$Y = Py_{x_1} \cdot X_1 + Py_{x_2} \cdot X_2 + e_1$$

$$Y = 0,648 \cdot X_1 + 0,248 \cdot X_2 + e_1$$

The result of the above equation is inserted into the picture of structural equation as below:



**Fig-2: Results of Line Sub Structure Analysis 1**

**Hypothesis Testing First**

- H0: Service Quality has no effect on Brand Image
- H1: Service Quality has an effect on Brand Image

From the result of path analysis as shown in Figure-1 we get the value of t value of variable X1 10,886, with significance level 0.000, because the level of significance is more <0.05 (0.000 <0.05) it can be concluded that Service Quality has an effect on brand image. Based on the explanation H0 is therefore rejected and H1 accepted, it means Service Quality effect on brand image.

**Second Hypothesis Testing**

- H0: Customer Satisfaction has no effect on Brand Image
- H1: Customer Satisfaction effect on Brand Image

From the result of path analysis as shown in Figure-1 we get the value of t value of variable X2 4,175, with significance level 0.000, because the level of significance is more <0.05 (0.000 <0.05) it can be concluded that Customer Satisfaction effect on brand image. Based on the explanation H0 is therefore rejected and H1 accepted, it means Customer Satisfaction effect on brand image.

**Third Hypothesis Testing**

- H0: Service Quality and Customer Satisfaction has no effect on Brand Image
- H1: Service Quality and Customer Satisfaction have an effect on Brand Image

From the result of path analysis as shown in Fig-1, the value of F count is 162,884 with p-value probability 0.000, because the significance level is much more <0.05 (0.000 <0.05) Therefore H0 is rejected and H1 is accepted, so it can be concluded that the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted it means that the variable of Service Quality and Customer Satisfaction together significantly influence the brand image variable. Where the contribution of Service Quality and Customer Satisfaction to the brand image of 68.6%, while the rest of 31.4% influenced by other variables that are not included in this model.

**Substructure Line Analysis 2**

To know whether independent variable that is Service Quality, Customer Satisfaction, and brand image influence to Loyalty, done by using path analysis (path analysis) by using tool software SPSS version

21.0. The results of the first substructure path analysis as follows:

**Table-5: Coefficients Regression Service Quality, Customer Satisfaction, and Brand Image on Loyalty**

| Model |                          | Coefficients <sup>a</sup>   |                           |      | t     | Sig. |
|-------|--------------------------|-----------------------------|---------------------------|------|-------|------|
|       |                          | Unstandardized Coefficients | Standardized Coefficients | Beta |       |      |
|       |                          | B                           | Std. Error                |      |       |      |
| 1     | (Constant)               | 1.452                       | .636                      |      | 2.284 | .024 |
|       | X1_Service_Quality       | .028                        | .013                      | .188 | 2.248 | .026 |
|       | X2_Customer_Satisfaction | .535                        | .061                      | .576 | 8.758 | .000 |
|       | Y_Brand_Image            | .210                        | .014                      | .229 | 2.503 | .013 |

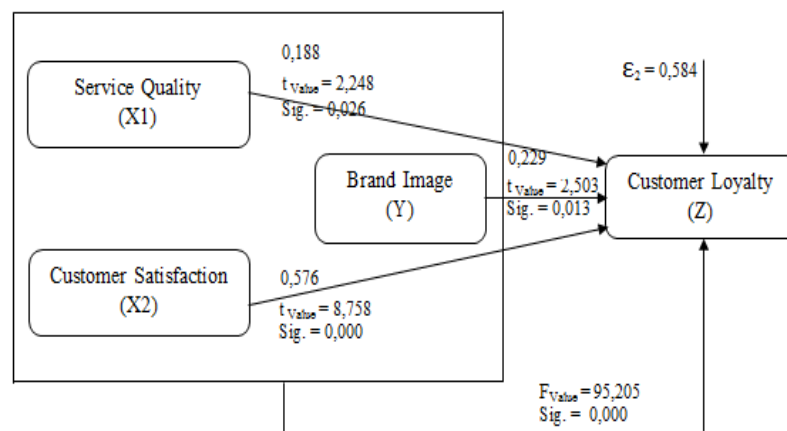
Dependent Variable: Z\_Loyalty

Statistically the output of the above coefficients table obtained the following equation.

$$Z = Pz_{X1} \cdot X_1 + Pz_{X2} \cdot X_2 + Pzy \cdot X_3 + e_2$$

$$Z = 0,188.X_1 + 0,576.X_2 + 0,229.Y + e_2$$

The result of the above equation is inserted into the picture of structural equation as below:



**Fig-3: Results of Analysis of Sub Structures Path 2**

**Hypothesis Testing Fourth**

H0: Service Quality has no effect on Loyalty  
 H1: Service Quality affects Loyalty

From the result of path analysis as shown in Figure-2, the value of t count variable X1 is 2,248, with significance level equal to 0,026, because the level of significance level more <0.05 (0.026 <0.05) it can be concluded that Service Quality has an effect on to Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, meaning Service Quality affect Loyalty.

**Fifth Hypothesis Testing**

H0: Customer Satisfaction has no effect on Loyalty  
 H1: Customer Satisfaction has an effect on Loyalty

From the result of path analysis as shown in Figure-2, it can be seen that the value of t arithmetic variable X2 is 8,758, with significance level equal to 0.000, because the level of significance is more <0.05 (0.000 <0.05) it can be concluded that Customer Satisfaction influence Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, it means Customer Satisfaction effect on Loyalty.

**Testing the Sixth Hypothesis**

H0: Brand Image has no effect on Loyalty  
 H1: Brand Image affect Loyalty

From the result of path analysis as shown in Figure-2 we get the value of t value of Brand Image variable is 2,503, with significance level equal to 0,013, because the level of significance is more <0.05 (0.013 <0.05) it can be concluded that Brand Image influence Loyalty. Based on the explanation H0 is therefore rejected and H1 accepted, means that Brand Image effect on Loyalty.

**Testing of the Seventh Hypothesis**

H0: Service Quality, Customer Satisfaction and Brand Image have no effect on Loyalty.  
 H1: Service Quality, Customer Satisfaction and Brand Image affect Loyalty.

From the result of path analysis as shown in Figure-2, the value of F\_count is 95,205 with p-value probability 0.000, because the level of significance is much more <0.05 (0.000 <0.05) Therefore H0 is rejected and H1 is accepted, so it can be concluded that the null hypothesis (H0) is rejected and the alternative

hypothesis (H1) is accepted it means that the variable of Service Quality, Customer Satisfaction and Brand Image together significantly influence the Loyalty variable. Where the amount of contribution Service Quality, Customer Satisfaction and Brand Image to Loyalty of 65.9%, while the rest of 34.1% influenced by other variables that are not included in this model.

## DISCUSSION

### **Influence Service Quality on Brand Image.**

From hypothesis testing conducted by using partial test (t test), known Service Quality has a positive and significant impact on Brand Image. The results of this study show the same results with research conducted by [7], where the results of his research showed there is a significant relationship between service quality with image bank. Furthermore [13] also suggests the same thing if service quality has a positive relationship to the brand image. In addition, Normasari, Kumadji and Kusumawati, Stan, Caemmerer and Jallet [19], and Zikmund, William G. 2003 [20], in Hapzi Ali [14] found if service quality had an influence which is positive and significant to the company image.

This means that if the company wants to improve the brand image of the company through service quality, the company can fix the Tangible which is the appearance of the employees and other physical facilities such as equipment and equipment that support the implementation of the service. Then Reliability (Reliability) is the ability to provide precisely and correctly the type of service that has been promised to consumers. Next Responsiveness (Responsiveness), namely awareness or desire to quickly act to help consumers in providing services on time. Next Assurance (Assurance), namely knowledge and courtesy of compensation and trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer. And the last Empathy (Empathy), is giving special attention to the individual. This empathy dimension has the characteristics of a willingness to approach, provide protection and effort to understand consumer wants, needs, and feelings.

### **Influence of Customer Satisfaction on Brand Image**

From hypothesis testing conducted by using partial test (t test), known Customer Satisfaction has a positive and significant impact on Brand Image. The results of this study support the results of research conducted by Normasari, Kumadji and Kusumawati [19], where the results showed if customer satisfaction has a significant effect on corporate image. This explains if Giant Citra Raya able to give a sense of satisfaction to its customers, then the satisfaction that will be realized with the stronger brand image in the minds of consumers. If the brand image is stronger then it will lead to a stronger confidence that is perceived by consumers in using the products they buy.

This means that if the company wants to improve its brand image through Customer Satisfaction, the company must be able to give satisfaction to the customer that the product they bought is able to fulfill 1) the expectation / expectation of the customer, so that the customer will have positive experience after buying the product; 2) Subjective Disconfirmation, the customer is satisfied if there is no matters or reasons related to subjective product non-conformity; 3) Performance Outcomes, customers are satisfied with the overall performance of the product he purchased and get the optimal benefits in accordance with what he wants.

### **Influence Service Quality and Customer Satisfaction on Brand Image**

Service Quality and Customer Satisfaction together have a positive and significant impact on brand image. This shows if Giant Citra Raya is able to implement Service Quality well, and able to improve Customer Satisfaction together, it will be able to improve the image of Giant Citra Raya in the form of Access on Service, Service offered, Personal contact, Security, and Reputation [7].

In good quality service retail reflects all dimensions of offerings that generate benefits for customers. While customer satisfaction is a very important thing must be considered by the company. Because of this satisfaction will be realized with the stronger brand image in the minds of consumers. If the brand image is stronger then it will lead to a stronger confidence that is perceived by consumers in using the products they buy. And if the brand image in the minds of consumers getting stronger, will cause the stronger confidence that is perceived by consumers in using the products they buy.

### **Service Quality Influence on Loyalty**

From hypothesis testing conducted by using partial test (t test), known Service Quality has a positive and significant influence on Loyalty. The results of this study show similar results with research conducted by [21] where the results of his research showed that service quality consisting of direct evidence, reliability, responsiveness, assurance and attention, proved to have a significant effect, either simultaneously or partially on customer loyalty. Furthermore [22] also suggests the same thing if Service quality dimensions: form, reliability, and empathy are significantly related to customer satisfaction. While the responsiveness and the guarantee is not significant or related to customer loyalty. Hafez and Muhammad [23], Kheng, Mohamad, Ramayah, and Mosahab [25], Long, Khalafinezhad , Ismail and Rasid [26], Lin and Sun [27], Normasari, Kumadji and Kusumawati [19], Stan, Caemmerer and Jallet [20]; and Zikmund, William G 2003, in Hapzi Ali [14], which finds if service quality has a positive and significant impact on customer loyalty.



This means that if the company wants to increase loyalty through service quality, the company can fix the Tangible which is the appearance of the employees and other physical facilities such as equipment and equipment that support the implementation of the service. Then Reliability (Reliability) is the ability to provide precisely and correctly the type of service that has been promised to consumers. Next Responsiveness (Responsiveness), namely awareness or desire to quickly act to help consumers in providing services on time. Next Assurance (Assurance), namely knowledge and courtesy of compensation and trust of employees. The warranty dimension has the characteristics of compensation to provide service, courtesy, and respect for the consumer. And the last Empathy (Empathy), is giving special attention to the individual. This empathy dimension has the characteristics of a willingness to approach, provide protection and effort to understand consumer wants, needs, and feelings.

#### **The influence of Customer Satisfaction on Loyalty**

From hypothesis testing performed by using partial test (t test), known Customer Satisfaction has a positive and significant influence on Loyalty. The results of this study support the results of research conducted by Hafez and Muhammad [23], where the results showed if customer satisfaction has a significant effect on customer loyalty. Furthermore Kheng, Mohamad, Ramayah, and Mosahab [25] argued that high customer satisfaction positively affects customer loyalty. In addition [22, 27, 28, 19, 20] in his research also suggested if customer satisfaction positively affects customer loyalty.

This means that if the company wants to increase Loyalty through Customer Satisfaction, the company must be able to give satisfaction to the customer that the product they bought is able to fulfill 1) the expectation / expectation of the customer, so that the customer will have positive experience after buying the product; 2) Subjective Disconfirmation, the customer is satisfied if there is no matters or reasons related to subjective product non-conformity; 3) Performance Outcomes, customers are satisfied with the overall performance of the product he purchased and get the optimal benefits in accordance with what he wants.

#### **The effect of Brand Image on Loyalty**

From hypothesis testing conducted by using partial test (t test), known Brand Image has a positive and significant influence on Loyalty. The results of this study support the results of research conducted by Neupane [29], Normasari, Kumadji and Kusumawati [20], Stan, Caemmerer and Jallet [20], where the results show if brand image is influential significant to customer loyalty.

This means that if the company wants to increase Loyalty through Brand Image, the company should be able to form the image of the company through 1) Access to service, with indicator ease in using the service, the timeliness of operational hours, service convenience, and fast in handling customer complaints. 2) Service Offered, with indicator of availability of complete product number, product attraction offered, friendly employees, and good service. 3) Personal Contact with friendly employee indicator, employee can answer customer questions with courtesy and easy, give relation to customer, employee understand customer requirement, and employee easy to consult. 4) Security, with indicators Employees can generate confidence after the information in can, there is a sense of security in the transaction, and Employees are very polite. 5) Reputation, with indicator provides a complete and modern shopping facilities, attractive interior design, as well as a promotion price sure good.

#### **Influence Service Quality, Customer Satisfaction, and Brand Image to Loyalty**

Service Quality and Customer Satisfaction together have a positive and significant effect on loyalty. This shows that if Giant Citra Raya is able to implement Service Quality well, and able to improve Customer Satisfaction together, it will be able to increase customer loyalty Keep shopping at Giant Citra Raya although transaction fee rises, Alert to relatives, neighbor excess Giant Citra Raya, and It's been satisfied and do not want to keep shopping even though many other stores.

Service in today's retail world is so rapidly both technological innovations, products and services. What customers really want from a retail company, its size, its popularity, or its ability to promote the prizes it provides, is all done solely to provide excellent service quality in order to provide customer satisfaction to increase customer loyalty. But the increasing number of customers often leads to a decrease in service quality. The growing number of subscribers when not offset by improved quality of Human Resources (HR) will frustrate customers for the services provided. Therefore, it is highly demanded for retail companies to be able to optimize services in providing satisfaction to customers so that customers will be always loyal to the company.

#### **CONCLUSION AND SUGGESTION**

##### **CONCLUSION**

This study aims to examine the effect of Service Quality and Customer Satisfaction variables on brand image, Service Quality and Customer Satisfaction to customer loyalty, and the influence of brand image on customer loyalty. Based on the results of data analysis and discussion that has been done can be drawn some conclusions, namely:

- There is a positive and partially significant effect of the Service Quality variable on the brand image. The results of this study indicate that the variable Service Quality has a positive and significant impact on brand image through factors such as Tangible, Reliability, Responsiveness, Assurance and Empathy. The biggest factor that encourage the creation of brand image is Reliability factor (Reliability). It can be interpreted that the higher the customer perception on the reliability dimension of reliability in delivering service as promised, quick in handling customer service problem, employee welcome arrival with smile and greetings, open-close on time, and good service maintained. So this will be followed by the stronger brand image Giant Citra Raya.
- There is a positive and significant influence partially from Customer Satisfaction variable to brand image. The results of this study indicate that Customer Satisfaction variables have a positive and significant impact on brand image through factors such as Happy, Satisfied, and In accordance with expectations. The biggest factor that encourages the creation of brand image is a factor of Pleasure. It can be interpreted that the higher the perception of customer on dimension of pleasure, in the form of Happy with service of Giant Citra Raya as a whole, then this will be followed also the strength of image brand Giant Citra Raya.
- There is a positive and significant influence simultaneously from Service Quality and Customer Satisfaction variable to Brand Image. Where variable Service Quality has more dominant influence in creating brand image of Giant Citra Raya than Customer Satisfaction variable.
- There is a positive and significant influence partially from Service Quality variable to customer loyalty. The results of this study indicate that the variable Service Quality has a positive and significant impact on customer loyalty through factors such as Tangible, Reliability, Responsiveness, Assurance and Empathy. The biggest factor that encourages the creation of customer loyalty is the factor Reliability (Reliability). It can be interpreted that the higher the customer perception on the reliability dimension of reliability in delivering service as promised, quick in handling customer service problem, employee welcome arrival with smile and greetings, open-close on time, and good service maintained. So this will be followed by customer loyalty to Stay shopping at Giant Citra Raya although transaction costs are up.
- There is a positive and significant influence partially from Customer Satisfaction variable to customer loyalty. The results of this study indicate that Customer Satisfaction variable has a positive and significant influence on customer loyalty through factors such as Happy, Satisfied, and In

accordance with expectations. The biggest factor that encourages the creation of customer loyalty is the corresponding factor. It can be interpreted that the higher the perception of customers on dimensions accordingly, meaning in accordance with customer expectations, then this will be followed also by increased customer satisfaction in shopping and do not want to keep spending even though many other competitors.

- There is a positive and significant influence partially from the brand image variable to customer loyalty. The results of this study indicate that the brand image variable has a positive and significant impact on customer loyalty through factors such as Access to service, Service offered, Personal contact, Security, and Reputation. The biggest factor that encourages the creation of customer loyalty is Personal contact. It can be interpreted that the higher the customer perception of the personal contact dimension of employee friendliness, individual attention, personal contact, consultation assistance, and ease of consultation. So this will be followed by customer loyalty to Stay shopping at Giant Citra Raya although transaction costs are up.
- There is a positive and significant influence simultaneously from the variable Service Quality and Customer Satisfaction to customer loyalty. Where Customer satisfaction variables have a more dominant influence in increasing the loyalty of the customer than the Service Quality variable.

### **Suggestions**

#### **Practically Suggestions**

Based on the above conclusions can be submitted suggestions to the management of companies and academics as follows:

- To improve the quality of its services, the company needs to conduct continuous evaluation. Because based on the results of surveys conducted known to date in Coverage and surrounding areas there is no competitor as big and complete as Giant Citra Raya that makes customers become loyal. It is dangerous to have competitors as large and equally complete, or even more.
- To improve customer satisfaction and brand image Giant Citra Raya must ensure the products that customers buy is really a quality product, and can be used maximally and in accordance with expectations, pay attention to the best service as promised.
- To enhance brand image, employees of Giant Citra Raya must maintain an approach with their customers to maintain good relationships built between the two parties.

#### **Academic Suggestions**

In further research, researchers can research with other variables that are not in carefully such as

purchasing decisions, price, promotion, human, physical evidence, process and purchasing power. Besides, it can also be meticulously with analytical techniques apart from regression equations, so that more accurate results can be obtained that can add or complement the results of existing research. Finally hopefully the results of this research can help retail companies and the like in increasing sales in today's fast-changing business environment.

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