
Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

Effect of Service Quality on Satisfaction and Loyalty Empirical Study of UMS Library Users**Zida Anis Kurlila¹, Anton Agus Setyawan¹**¹Universitas Muhammadiyah Surakarta

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***E-mail:** b100190510@student.ums.ac.id**ABSTRACT**

Purpose -The crisis of interest in reading is a reason that requires libraries to maximize their role. This is done by paying attention to the quality of service that will create customer satisfaction and make them behave loyally towards the library.

Methodology -In this study, data collection was carried out using the accidental sampling survey analysis method. Through distributing questionnaires to 200 respondents who have used the library services of the Muhammadiyah University of Surakarta.

Results -In this study, the results obtained (1) service quality variable has an effect on customer satisfaction, (2) customer satisfaction has an effect on customer loyalty, (3) service quality has an effect on customer loyalty. The implications of this study explain that library management and further research in the field of management.

Keywords : service quality, customer satisfaction, and customer loyalty

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INTRODUCTION

Having critical understanding and reasoning, broad-minded, and proficient are the benefits of a high public interest in reading, but in reality the public's interest in reading is very low (Mansyur, 2019). The crisis of interest in reading that occurs in Indonesian society requires libraries to maximize their role as well as possible in order to increase public interest in reading. Whether we realize it or not, in fact the library itself is a part of human life that involves all human components, especially for those students in tertiary institutions. In an effort to realize quality education, each tertiary institution must maintain the quality of the library as a source of information and learning resources (Twum et al., 2022).

Service is an important part of business continuity, so that service must be in the form of a good perception in the minds of consumers (Cronin & Taylor, 1992). In this case, the library is considered as a business that provides services for library users, called customers (Zeithaml, 1988). Service quality will have an impact in two directions, namely to consumers or users and business organizations (Seth et al., 2005).

Like libraries at other tertiary institutions, Muhammadiyah University of Surakarta also has a variety of service options, as written on the university's official website, it is written that the services provided by the library include: library member registration, Activation, Making Library Member Cards (KAP), correspondence, Submission of Scientific Work, Journal Access.

With the diversity of forms and quality of service, satisfaction is one of the important goals of creating good quality service for the use of university libraries. Satisfaction is defined as a form of user or customer response which is very important for business owners, this is because satisfaction will lead the business to a more developed level (Ali et al., 2021).

Consumer behavior that is formed from the quality of university library services leads to how user loyalty is formed. Loyalty itself is very important for business, because with loyalty, the business being run can occupy a superior position compared to competitors (Ali et al., 2021). With this, the existence of the university library is expected to continue and increase its function so as to create loyalty from university library users.

The purpose of this study was to examine the effect of service quality, customer satisfaction and customer loyalty. It is hoped that this research will form a reference or study for further research, as well as encourage each service provider to create better services.

LITERATURE REVIEW AND HYPOTHESIS**Loyalty to Service Providers**

Loyalty is a phenomenon where consumers choose to continue with the service provider (Tariq Khan, 2013). Loyalty is defined as a relative attitude that arises from the user or consumer which creates a repetition attitude towards something (Dick & Basu, 1994). The concept of loyalty to service providers has several constructs which are mentioned as follows: 1. Service providers create customer loyalty bonds, 2. Service loyalty values tend to be greater, 3. Loyalty practices generate high interaction values thereby increasing risk. Dimensions of service provider loyalty include behavioral and attitudinal loyalty that leads to consumer practices in repeat purchases, and cognitive loyalty that focuses on the consumer's point of view (Gremler & Brown, 1996). Loyalty refers to how consumers make repeated purchases or use of services, as well as actions to recommend services to others.

Service Quality and Customer Satisfaction

Quality is a series of attributes that are selected based on accurate and precise measurements (Rowland, 2001). Even quality is defined into 5 parts, namely:

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1. Transcendent which states that quality is a subjective assessment related to the concept and goes beyond measurement.
 2. Product-based quality is defined as an objective measurable variable
 3. User-based quality which is defined as objective satisfaction by users
 4. Manufacture-based quality is meant as conformity to certain terms and specifications
 5. Value-based quality is defined as something that is positively related to cost
- Even so, quality is still defined as a concept that is difficult to define, because it is based on the subjective value of users (Lagrosen, Seyyed-Hashemi, and Leitner 2004).

Service is also defined as an intangible activity where there is interaction between the user and the provider in order to get a solution to a problem (Edvardsson, Gustafsson, and Roos 2005). Service quality is an overall customer assessment of the services provided by related parties. It can also be interpreted as a company's ability to meet the desires and expectations of its customers. Service quality is also interpreted as a comparison between customer expectations and actual reality (Ramseook-munhurrin, Lukea-bhiwajee, and Naidoo 2010).

Customer satisfaction is an evaluation of the differences felt before and after the performance or product. Satisfaction is important in consumer perceptions about how a company can improve performance for the better (Hanif, Hafeez, and Riaz 2010). Customer satisfaction is divided into five dimensions which are mentioned as follows:

1. Tangibility: is a physical form in the form of equipment
2. Reliability: measuring the extent to which service providers can fulfill promises with the best results that can be provided
3. Responsiveness: defined as the willingness of service providers to provide services to consumers according to specific needs
4. Assurance: a measure of the ability of service providers to ensure trust and confidence in customers
5. And empathy: concern that can be in the form of attention that consumers get from service providers (Hsu et al., 2014).

Considered important because customer satisfaction can strengthen the positive value of services and service providers. In addition, satisfaction can also be used by service providers as a cheap means of promotion (Pizam & Ellis, 1999). Service quality in fact has a positive influence on customer satisfaction from the services provided (Khaola, 2015). In fact, service quality is stated to have a significant positive impact on customer satisfaction (Wang & Shieh, 2006).

H1 :Service quality affects customer satisfaction

Consumer Satisfaction and Consumer Loyalty

Satisfaction is also intended as a temporary decision based on the customer's experience of a service (Mosahab et al., 2010). The importance of knowing customer satisfaction is an effort to improve the brand in the future, so that customer satisfaction is formed when service providers can fulfill what consumers expect. In addition, satisfaction is very important because evaluating customer satisfaction can create strong services, and in the long run will have a positive impact on the long-term relationship between service providers and customers (Hanif et al., 2010).

Customer loyalty is referred to as a marketing force, this is because customers are quite informative in recommending other potential customers, so with this it can be seen that loyalty will provide profitability to the company or service provider (Zakaria et al., 2014). Loyalty has two important dimensions which are described as follows:

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1. The behavioral dimension considers the behavior of consumers who make repeat purchases from time to time.
2. Attitude dimension where there is intention to repurchase and recommend services to other parties (Kandampully & Suhartanto, 2000).

Factors that influence customer loyalty are very diverse, but there are efforts used to classify the factors that affect customer loyalty, including the following:

1. The psychological state of the customer
2. Emotions and situations
3. Marketing mix
4. environmental conditions
5. Service provider
6. Created communication (Vilkaite-Vaitone & Skackauskiene, 2020).

In fact, it is known that customer satisfaction is proven to affect consumer loyalty (Hallowell, 1996).

H2 :Consumer satisfaction affects consumer loyalty

Service Quality and Loyalty

Service quality is functionally related to the output of a service process delivered to consumers. There are also three dimensions of service quality written as a form of interaction, physical, and the quality of the company or service provider. Whereas in the customer perspective, the customer will see the quality of service from the point of view of output and process results (Caruana et al., 2000). Strategically service quality is used as a differentiator and an effort to maintain competitive advantage (Mosadeghrad, 2014)

It is known that service quality has an impact on customer preferences to make repeat purchases or recommend services to others (De Ruyter et al., 1998). Service quality is considered to have a slightly greater influence on the relationship with customer loyalty (Saura et al., 2008). However, it turns out that in measurement it is known that service quality has an effect on loyalty which results from customer satisfaction (Caruana et al., 2000)

H3 :Service quality affects consumer loyalty

METHOD

This study uses a quantitative approach with the aim of testing the hypotheses that have been determined. In this study using the accidental sampling survey method by distributing questionnaires to respondents. The population in this study were users of the Surakarta Muhammadiyah University library who had used library services. This study used 14 indicators and 200 samples were taken. The questionnaires distributed contained several items consisting of questions about the identity of the respondents and questions related to the research variables. Then the data is processed using Smart PLS analysis.

RESULT AND DISCUSSION

Table 1.Test Reliability in Latent Variables

Variables	Composite Reliability
SQ	0.933
CS	0.857
CL	0.880

Source: Data Processing, 2023

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From table 1, it can be seen that all latent variables have a value greater than 0.70 so that this research model meets composite reliability. With this, the instrument or questionnaire used in this study is stated to be able to measure consistently from time to time using the same measuring instrument, then, after testing the validity and reliability of all latent variables, produce valid and reliable results.

Table 2.Result of T-Statistics and P-Values

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDV)	T Statistics (O/STDV)	P Values
SQ => CS	0.829	0.829	0.032	26,221	0.000
CS => CL	0.264	0.252	0.135	1950	0.052
SQ => CL	0.474	0.484	0.124	3,826	0.000

Source: Data Processing, 2023

The T statistic test is a test conducted to find out how far the influence of the independent variable is in explaining the dependent variable. The significance level used by the T-Statistics and P-Values is 5%, so if the significance value is less than 0.05, it has a significant effect. The test results in table II show that the service quality variable has a significant effect on customer satisfaction, the customer satisfaction variable has significant effect on customer loyalty, and last for service quality variable has a significant effect on customer loyalty.

Table 3.Indirect Effects

	Specific Indirect Effects
X=>Z=>Y	0.218

Source: Data Processing, 2023

In table III it can be seen that the variable customer satisfaction mediates between the service quality and customer loyalty variables with a value of 0.218.

Frameworks

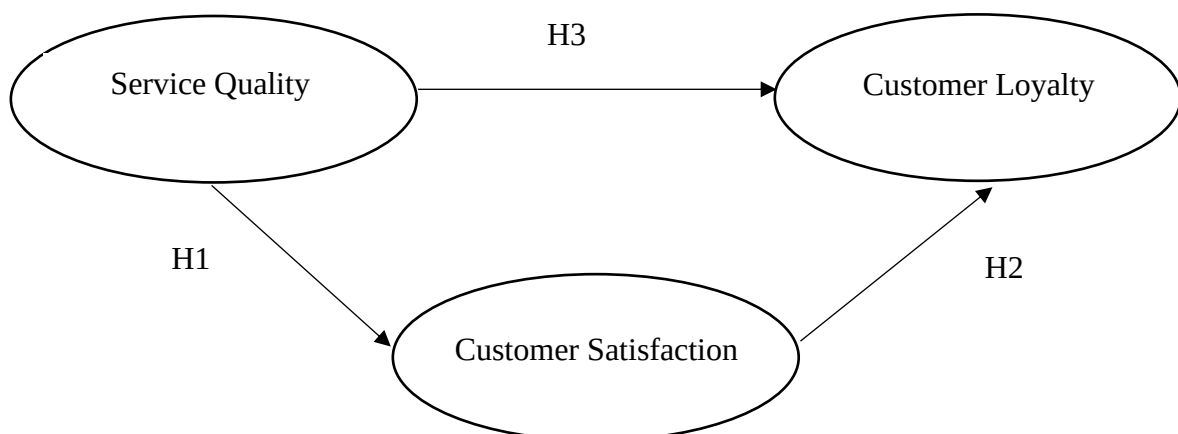


Figure 1. Model analysis

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In the analysis model image above, it can be seen that variable X is service quality, variable Y is customer loyalty, and variable Z is customer satisfaction

DISCUSSION**Explanation of Discussion 1**

The Effect of Service Quality Variables on Customer Satisfaction

Based on the results of the research conducted, it can be seen that service quality has a positive and significant effect on customer satisfaction. So the results of the hypothesis test are in the t-test table with a result of $0.000 < 0.050$. Then this shows that the quality of service is able to meet customer satisfaction. Then there is a high probability that a repeat purchase will occur. This is in accordance with previous research conducted by (Wang & Shieh, 2006) by title The Relationship Between Service Quality and Customer Satisfaction: the Example of CJCU Library.

Explanation of Discussion 2

The Effect of Customer Satisfaction Variable on Customer Loyalty

Based on the results of the research conducted, it can be seen that customer satisfaction has a positive and significant effect on customer loyalty. So the results of the hypothesis test are in the t test table with the results of 0.052. Then this shows that customer satisfaction affects customer loyalty. This is in accordance with previous research conducted by (Hallowell, 1996) by title The Relationships of Customer Satisfaction, Customer Loyalty, and Profitability: An Empirical Study.

Explanation of Discussion 3

The influence of service quality variables on customer loyalty

Based on the results of the research conducted, it can be seen that service quality has a positive and significant effect on customer loyalty. So the results of the hypothesis test are in the t test table with the results of $0.000 > 0.050$. then this shows that service quality affects customer loyalty. Then there is a high probability that a repeat purchase will occur. This is in accordance with previous research conducted by (Caruana et al., 2000) by title Service Quality and Satisfaction – The Moderating Role of Value.

IMPLICATIONS

This research is implied as library management and further research in the field of management.

CONCLUSION

This study examines the effect of service quality on customer satisfaction with significant positive results, customer satisfaction on customer loyalty with significant positive results, and tests service quality on loyalty which results in the form of significant positive results. From the empirical research that has been conducted at the Muhammadiyah University Surakarta library, it can be concluded that all hypotheses have been fully supported. It is hoped that with this research, it can become a reference or study for further research, especially in the field of management by taking into account the limitations that exist in this study as an effort to improve the results of further research.

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