THE EFFECT OF SERVICE QUALITY AND TRUST ON CUSTOMER SATISFACTION AND LOYALTY AT PT. AGUNG TOYOTA HARAPAN RAYA PEKANBARU

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ABSTRACT

This study aims to analyze the effect of service quality and trust on customer satisfaction and loyalty at PT. Agung Toyota Harapan Raya Pekanbaru. This research is a quantitative research by distributing questionnaires to respondents. The populations in this study were customers who bought a car and used regular service at PT. Agung Toyota Harapan Raya with a total of 1,478 people. The sample calculation technique used the slovin formula, so the number of samples in this study was 100 people. The sample selection method in this study used the incidental technique, namely the determination of the sample based on chance. The data analysis deployed Structural Equation Modeling (SEM) utilizing SmartPLS 3.0 application. The results of this study indicate that service quality has a positive but not significant effect on customer satisfaction, trust has a positive and significant effect on customer satisfaction, service quality has a positive and significant effect on customer loyalty, trust has a positive but not significant effect on customer loyalty and customer satisfaction has a positive and significant effect on customer loyalty.

Keywords: Service Quality, Trust, Satisfaction, Customer Loyalty

INTRODUCTION

The era of free trade raises the competition level of the business sector into very competitive fight. Moreover, the world has been hit by the COVID-19 pandemic in the last few years until now that caused the development of the global economy paralyzed and lethargic. At the end of 2021 until the beginning of 2022, the rate of Covid sufferers continued to decline but this situation is not good enough for companies to cover the losses they experienced during the pandemic. For that, the company must work hard and have a good strategy to restore performance. The company must be able to determine the right marketing strategy in order to survive and even win the competition and eventually the business goals can be achieved. One of the key factors to win the competition is consumer loyalty.

PT. Agung Toyota Harapan Raya is a company engaged in the automotive sector, specifically car and sparepart sales, and service. PT. Agung Toyota Harapan Raya is a branch of the parent company PT. Agung Toyota. Since the establishment of the branch company until now, its sales have increased almost every year. PT. Agung Toyota Harapan Raya has always tried and innovated to achieve excellent sales from year to year. The following is the annual sales data of PT. Agung Toyota Harapan Raya during 2017 – 2021 periods.

Table 1. The Sales Data of PT. Agung Toyota Harapan Raya for 2017 – 2021 periods

No	Year	Sales Data (in Billion)
1	2017	232,892,400
2	2018	240,664,250
3	2019	238,047,320
4	2020	126,946,500
5	2021	192,688,720

Source: PT. Agung Toyota Harapan Raya, (2022)

Table 1 above showed some findings such as increasing sales from PT. Agung Toyota Harapan Raya in 2018 and 2021. On the other hand, a very drastic decline in sales occurred in 2020 where the decline was more

than 100 billion within 1 year. In addition, based on the sales unit, it was also clear that the decline from 2019 was 1.184 units down to 674 units in 2020. Moreover, 2020 was the lowest sales for the last 5 years. However, there was a high increase sales in 2021 but it was not as high as sales in 2017 and 2018. Overall, sales achievements were fluctuative, that means there were high sales achievements and there were low one. This fluctuating achievement and decline in sales certainly did not just happen for no reason. This could indicate a problem with the customer will to make a purchase, one of which is related to customer loyalty.

Customer loyalty can be interpreted as a behavior and consumer attitudes towards a purchase activity. Oliver (1999) suggested that customer loyalty can be seen as a deep commitment to consistently repurchase the preferred service to the same service provider despite situational influences and marketing efforts done by other competitors. According to Tjiptono and Chandra (2004) a loyal consumer is someone who buys goods or services that meet the following criteria: make regular repeat purchases, buy other products offered by the same provider, recommend the product or service to others regularly.

According to Engel, et al cited by Yulianti, Sjahruddin and Tahir, (2015) stated: "customer satisfaction is an after-purchase evaluation where the chosen alternative is at least equal to or exceeds customer expectations, while customer dissatisfaction emerges if the income results do not meet expectations". High satisfaction leads to high customer loyalty, but the relationship between customer satisfaction (Putra & Renaldo, 2020) and customer loyalty is not proportional (Kotler and Keller, 2009). This is in line with researches conducted by Victor, Jorie and Sumarauw (2015) and Ria Ega Mu'arotun (2022) and several other studies which stated that satisfaction has a significant effect on loyalty. However, the contradictory result was found in a research conducted by Sukmawati (2015) which stated that customer satisfaction has no significant effect on customer loyalty.

One of the variables that can build and affect loyalty is trust. According to Barner (2003) in Rakhman, Farida and Listyorini (2014) suggested that trust involves a person willingness to behave in a certain way because of the belief that his partner will give according to his expectations and an expectation that other people promises or statements can be trusted. Lupiyoadi (2008) stated that what consumers feel when using goods or services is not just a momentary experience, but as an accumulation of consumer trust from previous experiences to the future one. This statement can be interpreted that trust will have a good impact on consumer loyalty because it is related with the future. However, several researches proved different results such as Victor, Jorie and Sumarauw (2015) and Dagger and Brien (2007) stated that consumer trust has no significant effect on consumer loyalty.

In addition, another factor that influences satisfaction and loyalty is the quality of excellent service provided by the company. An excellent service quality (Jacksen, Chandra, & Putra, 2021) will provide an advantage for the company since the positive value obtained from consumers will bring good feedback to the company. Kotler and Keller (2009) revealed that service is an activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. The quality of service will give impetus to customers to establish a strong bound with the company. This was proved by some researches conducted by Rakhman, Farida and Listyorini (2014) and Lusiana (2015) which stated that service quality has a positive and significant effect on customer satisfaction and loyalty. The same results were also obtained from several researches such as Wicaksono and Santoso (2015) and Sutrisno, Cahyono and Qomariah (2017) which stated that service quality has a positive effect on customer satisfaction and loyalty. However, different results were obtained by a research conducted by Purnama and Hidayah 2019) which stated that service quality has no effect on customer loyalty. In addition, research from Sukmawati (2015) also stated that service quality has no effect on loyalty. Thus, it can be concluded that not all service quality can affect consumer loyalty.

Based on the background that has been stated, statements of problems can be formulated as follows: (1) Is there any effect of service quality on customer satisfaction at PT. Agung Toyota Harapan Raya? (2) Is there any effect of trust on customer satisfaction at PT. Agung Toyota Harapan Raya? (3) Is there any effect of service quality on customer loyalty at PT. Agung Toyota Harapan Raya? (4) Is there any effect of trust on customer loyalty at PT. Agung Toyota Harapan Raya? (5) Is there any effect of customer satisfaction on customer loyalty at PT. Agung Toyota Harapan Raya?

LITERATURE REVIEW

Marketing Management

American Marketing Association (AMA) in Kotler and Armstrong (2018) defined marketing management as the planning, execution, and control of total marketing operations, including the formulation of marketing objectives aimed to create exchanges that meet individual and organizational goals. While Djaslim (2010) stated that

marketing management is the process of planning and implementing the conception, pricing, promotion and distribution of ideas, goods and services to produce exchanges that satisfy individuals and meet organizational goals. Marketing management is important for companies in performing and controlling all company activities to achieve company goals, for sustainability and growth of the company.

Loyalty

Loyalty according to Kotler and Keller (2009) is the long term success of the particular brand that is based on the number of customers who make repeat purchases. This means that the long-term success of a brand is not based on once purchase only, but on how frequent consumers purchase a product/service repeatedly. Customer loyalty is a customer commitment onto a brand, store, supplier based on a very positive attitude and it is reflected in consistently repeat purchases (Tjiptono, 2014).

There are several indicators of customer loyalty according to Kotler and Keller (2009) for instance: Repeat purchase, retention dan referalls.

Customer Satisfaction

Customer Satisfaction based on Kotler and Keller (2009) is feelings of pleasure or disappointment that emerge after comparing perceptions or impressions of the performance or results of a product/service with their expectations. Satisfaction occurs when the consumer first consumes a product or uses a service. The first impression will determine the next perception of customers. If the product or service used is in accordance with expectations, the customer will be satisfied. If it exceeds expectations, the customer will feel very satisfied or happy.

Irawan, (2002) stated that there are three indicators of customer satisfaction, for example: feeling satisfied, purchasing the product frequently and fulfilling customer expectations after purchasing the product.

Trust

According to Mowen and Minor (2002) quoted in Lusiana (2015) stated that customer trust is all knowledge and all conclusions owned made by consumers on objects, attributes and all their benefits. Trust is the expectation held by individuals that one's words can be relied on (Budi Astuti, 2014). Meanwhile, according to Morgan and Hunt quoted by Wicaksono, Santoso (2015) stated that trust is a condition when one of the parties involved in the exchange process believes in the reliability and integrity of the other party.

There are three indicators of customer trust according to Jafar (2009) for example: ability, benevolence and integrity.

Service Quality

Service quality focuses on efforts to meet customer needs and wants as well as the accuracy of its delivery to balance customer expectations (Tjiptono, 2014). According to the American Society for Quality Control in Lupioyadi (2001) service quality is the overall characteristics of a product or service in terms of its ability to meet specified or latent needs. Service quality is one of the important components in building customer satisfaction (Arif, Komardi, & Putra, 2021) that leads to customer loyalty onto a product or company in general. The better the quality of service provided the higher customer loyalty to the product or company.

According to Lupioyadi, (2001), there are 5 indicators of service quality, for example: Tangible, reliability, responsiveness, assurance, and empathy.

The Relationship among Variables

The Effect of Service Quality on Customer Satisfaction

Service quality is one of the factors that can influence customer satisfaction (Irawan, 2002). An excellent service provided by the company will increase customer satisfaction. Therefore, the company must prioritize an excellent service for the growth and sustainability of the company.

This is in accordance with several researches conducted by Montolalu (2013) and Ambartiasari, Rahman Lubis and Chan (2017) who stated that service quality has a significant effect on customer satisfaction. Moreover, research conducted by Fakhrana (2020) proved simillar result that service quality has a positive effect on customer satisfaction. However, different results are shown by the result of research from Deddy Rakhmad Hidayat (2014) which stated that service quality does not have a significant effect on customer satisfaction.

H₁: Service quality has a positive effect on customer satisfaction at PT.Agung Toyota Harapan Raya.

The Effect of Trust on Customer Satisfaction

Consumer trust is obtained through past experience on a product or service use that is in accordance with expectations. If trust has norms that are in accordance with the quality of the products/ services offered, customers will be satisfied with these products and services (Heri Setiawan, Maria Magdalena, Minarsih, 2016).

This is in accordance with a study conducted by Ambartiasari, Rahman Lubis and Chan, (2017) which stated that trust has a significant positive effect on customer satisfaction. In addition, a research conducted by Budi Astuti (2014) proved similar result that trust has a significant positive effect on satisfaction. However, different result was presented by a research from Lusiana (2015) which stated that there was no significant effect of trust on customer satisfaction.

H2: Trust has a positive effect on customer satisfaction at PT.Agung Toyota Harapan Raya.

The Effect of Service Quality on Customer Loyalty

One indicator of loyal customers is repeat purchases. Customers will make repeat purchases if they obtain a good service quality from the company/seller. A good service quality will provide positive value to the company so that it can bind customers. According to Akbar and Parvez (2009) cited by Wicaksono and Santoso (2015) service quality is one of the factors that influence customer loyalty.

The close relationship between service quality and loyalty can be seen from the result of a research conducted by Afifah (2017) which stated that service quality has a positive effect on customer loyalty. The simillar results were also obtained by Rakhman, Farida and Listyorini (2014) and Montolalu (2013) which stated that service quality has a positive effect on loyalty. However, not all service quality can affect loyalty. This is supported by researches conducted by Sukmawati (2015) and Purnama and Hidayah (2019) which stated that service quality does not have a significant effect on customer loyalty.

H3: Service quality has a positive effect on customer loyalty at PT.Agung Toyota Harapan Raya.

The Effect of Trust on Customer Loyalty

One of the factors that influences customer loyalty is trust according to Robinette S (2001). That is why trust is considered important for companies as it could influence loyalty.

The statement above is in accordance with the result of a research conducted by Ria Ega Mu'arotun (2022) which stated that trust has a significant positive effect on loyalty. The same results are also obtained from the research of Pramana and Rastini (2016) and Rakhman, Farida and Listyorini (2014) which stated that trust has a significant positive effect on loyalty. However, trust does not always have an effect on loyalty. This is proven by a research conducted by Victor, Jorie and Sumarauw (2015) which stated that trust does not have a significant effect on loyalty.

H4: Trust has a positive effect on customer loyalty at PT.Agung Toyota Harapan Raya.

The Effect of Customer Satisfaction on Customer Loyalty

In general, satisfaction has contributed to a number of crucial aspects, such as creating customer loyalty, increasing company reputation, reducing price elasticity, reducing future transaction costs, and increasing employee efficiency and productivity (Tjiptono, 2008). Customer satisfaction will lead consumers to make repeat purchase which is one indicator of loyalty. If the perceived performance exceeds customer expectations, the customer will become a loyal customer (Rakhman, Farida and Listyorini, 2014). However, the effect of satisfaction on loyalty is not absolute, which means that satisfaction does not always have an effect on customer loyalty.

The statement above is supported by the results of several studies conducted by Rivai and Wahyudi (2017) and Sutrisno, Cahyono and Qomariah (2017) which showed that satisfaction has a significant positive effect on loyalty. In addition, the same result was obtained by a research from Montolalu (2013) which stated that there was a positive effect of satisfaction on customer loyalty. However, different result was presented by Sukmawati's research, (2015) which stated that satisfaction has no significant effect on loyalty.

H5: Customer satisfaction has a positive effect on customer loyalty at PT.Agung Toyota Harapan Raya.

Theoritical Framework

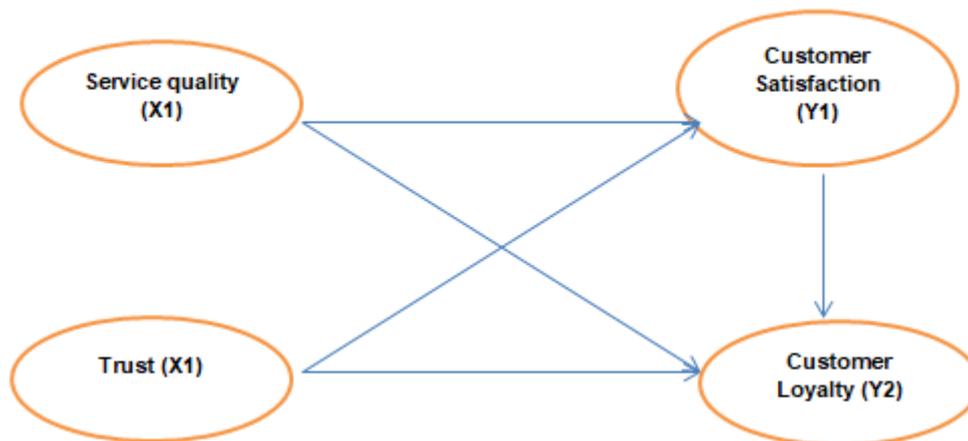Based on the discussion above, the theoretical framework of this study would be described as follows:

Figure 1. Theoritical Framework

RESEARCH METHODOLOGY

Population and Sample

The object of this study is the customer who has bought a car and performed regular service at PT. Agung Toyota Harapan Raya. The total customer population of PT. Agung Toyota Harapan Raya until 2021 was 1,478 customers spread in almost all cities/regencies in Riau province, but still dominated by customers from Pekanbaru city. Meanwhile the sample here is part of the number and characteristics taken from population (Sugiyono, 2014). The sample calculation technique used the slovin formula, so the number of samples in this study is 100 people. The sample selection method in this study used the incidental technique, meaning that the determination of the sample based on chance/incidental.

Type of Study and Data Source

This research is a quantitative research that deployed statistical analysis techniques to answer the research hypothesis. There were 2 (two) data sources used in this study, namely: (1) Primary Data, according to Sekaran, (2006) primary data is a data source that refers to information obtained from the first hand (person) by researchers relating to variables of interest for the specific purpose of the study. The technique used to collect the data was distributing questionnaires to respondents. (2) Secondary Data, it is a source that does not directly provide data to data collectors, for example through other people or through documents (Sugiyono, 2014). Secondary data collected in this study were obtained using previous studies, books, journals, literature or internet sites related to research.

Technique of Data Collection

This study utillized three types of techniques to collect data, for instance: (1) Documentation, according to Sugiyono, (2015) documentation is a record of the past events in the form of writing, pictures or monumental works of someone. (2) Interview, it is required to obtain primary data for research needs. The interview was conducted directly to respondents, such as customers who have been set and related to the problem under study. (3) Questionnaire, according to Umar (2013) questionnaire is a collection of data by providing or distributing a list of questions/statements to respondents in order to collect data from their answers. This list of written statements or questions was distributed to respondents who were the samples of this study.

Technique of Data Analysis

Descriptive Analysis

Descriptive analysis method is a statistic used to analyze data by describing the data that has been collected as it is without any intention to draw conclusions that apply to public or generalization (Sugiyono, 2014). The purpose of this analysis is to systematically describe the facts and characteristics of the object under study. The descriptive analysis used in this study contains a discussion of the respondent characteristics associated with respondent responses.

SEM-PLS Test Analysis

The PLS model test performed in this study was: (1) Validity Test, is a test to measure the accuracy of research instruments or questionnaires. The questionnaire is stated valid if the questions or statements can reveal something that will be measured by the questionnaire. The accuracy value of the questionnaire can be measured using the correlation coefficient. The questionnaire is stated good and valid, if the correlation coefficient is > 0.3 (Ghozali, 2011). (2) Reliability Test, is a questionnaire test conducted whose aim to measure the consistency of respondent answers. The reliability test was performed by using the Cronbach alpha statistical test. The questionnaire is considered reliable if the Cronbach alpha value is 0.70 (Ghozali, 2011). (3) Multicollinearity Test (VIF), multicollinearity test is done by looking at the VIF value. The value must be less than 5, because if it is more than 5 it indicates the existence of multicollinearity between constructs (Ghozali and Latan 2015). (4) R Square test, the coefficient of determination (R Square) is a way to assess how much endogenous constructs can be explained by exogenous constructs. The value of the coefficient of determination (R Square) is expected to be between 0 and 1. R Square values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak.

RESULT AND DISCUSSION

Descriptive Analysis

Table 2. Table of Respondent Characteristic

Characteristic	Category	Frequency	Percentage	Total
Gender	Male	62	62%	100%
	Female	38	38%	
Age	< 20 y.o	7	7%	100%
	20 - 30 y.o	35	35%	
	31 - 40 y.o	33	33%	
	41 - 50 y.o	16	16%	
	> 50 y.o	9	9%	
Educational Background	Senior High	18	18%	100%
	Diploma	32	32%	
	Under Graduate (S1)	42	42%	
	Post Graduate	8	8%	
Occupation	College students	5	5%	100%
	Housewife	9	9%	
	Private sector employee	23	23%	
	Entrepeneur	21	21%	
	State Civil Apparatus	42	42%	
Income	< 5 million	9	9%	100%
	5 - 10 million	54	54%	
	11 - 20 million	26	26%	
	> 20 million	11	11%	

Source: Processed Data, 2022

The data from the table above showed that the most dominant respodents based on the gender category were male with a total of 62%. While based on the age category, this study wass dominated by respondents aged 20-30 years. This shows that customers at PT. Agung Toyota is in the productive working period. Then, the educational background of respondents showed that the undergraduate education dominated with a total of 42%.

Afterward, characteristics of respondents based on occupation were dominated by state civil apparatus (ASN) with a total of 42%. Then, the characteristics of respondents based on income were dominated by respondents who earned 5 – 10 million with a total of 54% and followed by respondents who earned 11 – 20 million, or 26%. The conclusion that can be drawn from the data above is that customers of PT. Agung Toyota Harapan Raya have a good level and economic income. This is definitely very important for the company to provide good service so that in the days, weeks, months, or years ahead customers prefer to be regular customers of the company.

Data Validity and Reliability Test

Table 3. Data Validity and Reliability Test

Variable	Question Item	Corrected Item-Total Correlation (>0.3)	Average Variance Extracted (AVE) (>0.50)	Validity	Cronbach's Alpha (>0.60)	Composite Reliability (CR) (>0.70)	RELIABILITY
Cutomer Loyalty (Y2)	Y2.11	0.492	0.718	Valid	0.846	0.844	Reliable
	Y2.12	0.729		Valid			
	Y2.21	0.707		Valid			
	Y2.22	0.462		Valid			
	Y2.31	0.780		Valid			
	Y2.32	0.647		Valid			
Customer Satisfaction (Y1)	Y1.11	0.365	0.554	Valid	0.690	0.778	Reliable
	Y1.12	0.407		Valid			
	Y1.21	0.373		Valid			
	Y1.31	0.659		Valid			
	Y1.32	0.432		Valid			
Trust (X2)	X2.11	0.618	0.727	Valid	0.874	0.888	Reliable
	X2.12	0.798		Valid			
	X2.13	0.810		Valid			
	X2.21	0.701		Valid			
	X2.22	0.633		Valid			
	X2.31	0.540		Valid			
Service Quality (X1)	X1.11	0.621	0.686	Valid	0.928	0.916	Reliable
	X1.12	0.582		Valid			
	X1.13	0.624		Valid			
	X1.14	0.615		Valid			
	X1.15	0.711		Valid			
	X1.16	0.703		Valid			
	X1.17	0.662		Valid			
	X1.18	0.642		Valid			
	X1.19	0.595		Valid			
	X1.21	0.565		Valid			
	X1.23	0.539		Valid			
	X1.31	0.508		Valid			
	X1.32	0.333		Valid			
	X1.33	0.491		Valid			
	X1.34	0.619		Valid			
	X1.41	0.608		Valid			
	X1.42	0.636		Valid			
	X1.51	0.674		Valid			
	X1.52	0.593		Valid			
	X1.53	0.609					
	X1.54	0.692		Valid			

Source: Processed Data, 2022

The table above showed that all statements used to measure variables in this study such as Customer Loyalty (Y2), Customer Satisfaction Y1), Service Quality (X1), and Trust (X2) showed the corrected item-total

correlation value above 0.3 which means valid. The validity of the statement or questionnaire is also indicated by the Average Variance Extracted (AVE) value which was overall greater than 0.50 (AVE > 0.50).

While all the variables used in this study had Cronbach's Alpha values that were greater than 0.60. Then, the reliability is indicated by the Composite Reliability value which was greater than 0.70. From table 3, it can be seen that all variables have Cronbach Alpha and CR values that were greater than 0.60 and 0.70. This means that all variables in this study are reliable.

The Multicollinearity Results and Coefficient of Determination (R2)

Table 4. The Multicollinearity Results and Coefficient of Determination (R2)

	Multicollinearity		Coefficient of Determination (R2)		
Variable	**Customer Satisfaction**	**Customer Loyalty**	**R Square**	**R Square Adjusted**	**Relationship**
Customer Loyalty (Y2)			0.472	0.455	Weak
Customer Satisfaction (Y1)		1.159	0.137	0.120	Weak
Trust (X2)	2.107	2.186			
Service Quality (X1)	2.107	2.128			

Source : Processed Data, 2022

The table above showed that the VIF value of all variables was less than 10 (VIF < 10), meaning that there was no multicollinearity in this study. The test result of the coefficient of determination or R square showed that the value of R2 Adjusted for customer loyalty wass 0.455. It means that exogenous variables can affect endogenous variables by 45.5% and the remaining of 54.5% was influenced by other variables. The Adjusted R2 value of customer satisfaction was 0.120. It means that exogenous variables in this study can affect endogenous variables by 12% and the remaining of 88% was influenced by other variables.

The Result of Hypothesis Test
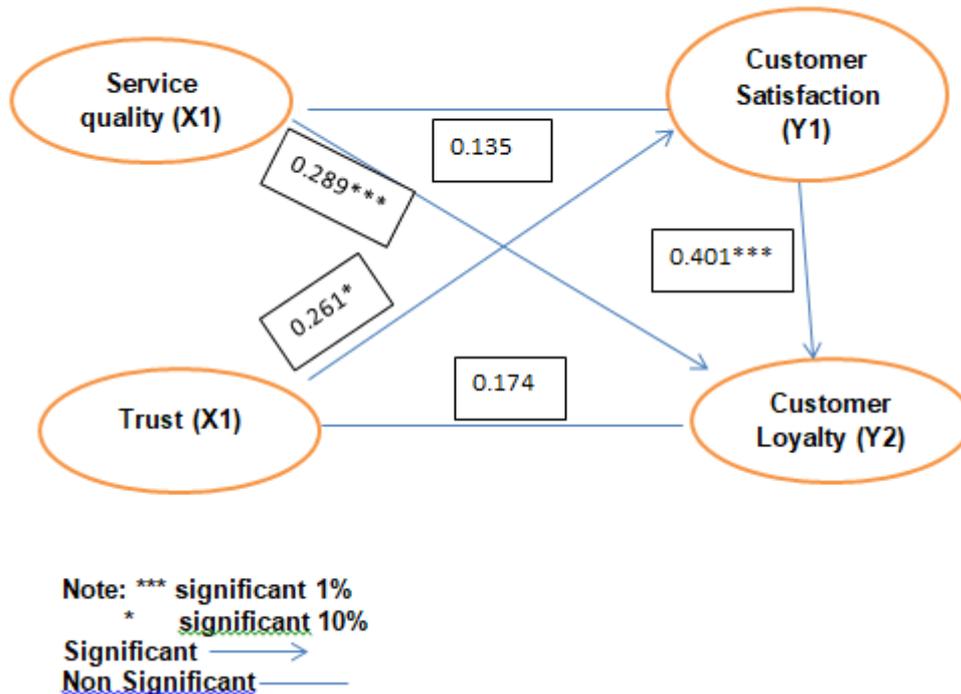
Table 5. The Result of Hypothesis Test

Hypothesis	**Variable Relationship**	**Original Sample (O)**	**T Statistics (|O/STDEV|)**	**P Values**	**Result of Hypothesis**
H1	Service Quality_X1 -> Customer Satisfaction_Y1	0.135	0.935	0.350	Positively Insignificant
H2	Trust_X2 -> Customer Satisfaction_Y1	0.261	1.886	0.060	Positively Significant
H3	Service Quality_X1-> Customer Loyalty_Y2	0.289	2.887	0.004	Positively Significant
H4	Trust _X2 -> Customer Loyalty_Y2	0.174	0.480	0.140	Positively Insignificant
H5	Customer Satisfaction _Y1-> Customer	0.401	4.480	0.000	Positively Significant

Source : Processed Data, 2022

Table 5 showed that the P value of the relationship between service quality and customer satisfaction was 0.350 and it was greater than 0.05 (P value < 0.05) and the t-value was 0.935 that was less than t table 1.985 (t count < t table). This means that service quality has no significant effect on customer satisfaction. Then, the P value of the relationship between trust and customer satisfaction was 0.060 and it was less than 0.10 (P value > 0.10) and the t-value was 1.886, that was greater than t table 1.290 (t count > t table). This means that trust has a significant positive effect on customer satisfaction. In addition, the P value of the relationship between service quality and customer loyalty was 0.004 and it was less than 0.05 (P value < 0.05) and the t-value was 2.887, that

was greater than t table 1.661 (t count > t table). This means that service quality has a significant positive effect on customer loyalty. Then, the P value of the relationship between trust and loyalty was 0.140 and it was greater than 0.05 (P value > 0.05) and the t-value was 1.480, that was smaller than t table 1.985 (t count < t table). This means that trust has no significant effect on customer loyalty. Finally, the P value of the relationship between customer satisfaction and customer loyalty was 0.000 and it was smaller than 0.05 (P value < 0.05) and the t-value was 4.480, that was greater than t table 1.661 (t count > t table). This means that customer satisfaction has a significant positive effect on customer loyalty.

The following model (figure 2) is based on the data from table 5 and the analysis of hypothesis test:

Source: Processed Data, 2022

Figure 2. The Result of Hypothesis Test

Discussion of Research Results

The Effect of Service Quality on Customer Satisfaction

The result of research that has been performed using the Smart PLS test tool indicates that service quality does not have a significant effect on customer satisfaction at PT. AGUNG TOYOTA Harapan Raya Pekanbaru

The Toyota car, which is a very well-known car product, is an affordable commodity in the community. This has made Toyota as one of the most favourite choice for public.

The result of this study is in line with a research conducted by Deddy Rakhmad Hidayat (2014) which showed that service quality has no significant effect on customer satisfaction. However, the opposite result was shown by Ambartiasari, Rahman Lubis and Chan (2017) which stated that there is a significant effect between service quality and customer satisfaction.

The Effect of Trust on Customer Satisfaction

The result of this study shows that trust has a significant effect on customer satisfaction at PT. AGUNG TOYOTA Harapan Raya Pekanbaru. This indicates that if the higher trust offered to consumers will affect the pleasure and satisfaction of customers. Maintaining Trust is one of the important factors that must be prioritized in order to keep consumer trust and happiness. PT. Agung Toyota is a car dealer that is very committed to keep consumers comfortable and happy in using their products and services. In addition, consumers today are very selective in choosing the products and services they want to use.

This result is in accordance with a study conducted by Fakhrana (2020) which stated that trust has an effect on customer satisfaction. However, a different result was presented by Lusiana (2015) which stated that trust does not have an effect on customer satisfaction.

The Effect of Service Quality on Customer Loyalty

The result of this study shows that service quality has a significant effect on customer loyalty at PT. AGUNG TOYOTA Harapan Raya Pekanbaru. This indicates that if the higher service quality offered to consumers will affect customer loyalty at PT. Agung Toyota Harapan Raya.

Loyalty is one of the goals of the marketing process in which the company wants to create sustainable customers in using the products and services that have been offered. PT Agung Toyota Harapan Raya as one of the leading car dealers in Indonesia, including in Pekanbaru, does not necessarily feel satisfied with what they have achieved. Apart from targeting the general public as their consumers, PT Agung Toyota Harapan also aims the civil servants apparatus as their potential targets since they have a guaranteed income.

The research related to the effect of service quality on loyalty has been performed by Rakhman, Farida and Listyorini (2014) which showed that service quality has a significant effect on customer loyalty. However, the result of this study is contradictory with research conducted by Purnama and Hidayah (2019) which showed that service quality has no effect on customer loyalty.

The Effect of Trust on Customer Loyalty

The result of this study showed that trust has no effect on customer loyalty at PT. AGUNG TOYOTA Harapan Raya Pekanbaru. This indicates that the trust strategy built by the company has not worked well so that it does not affect customer loyalty.

A strategy to build trust for every company is essential to win the hearts of customers. This means that the trust that is built will have an impact on the achievement of the company goals globally. Customer trust that has been built will help the company in retaining consumers. There are several things that can be done to earn trust, including employee care for customers, employee honesty, openness, etc.

The result of this study is in accordance with previous researches conducted by Rivai and Wahyudi (2017) and Ambartiasari, Rahman Lubis and Chan (2017) which stated that trust has no significant effect on customer loyalty. On the other hand, a different result was presented by Afifah (2017) who stated that trust has a significant effect on customer loyalty.

The Effect of Customer Satisfaction on Customer Loyalty

The result of this study shows that satisfaction has a positive effect on customer loyalty. This means that the higher consumer satisfaction of PT. Agung Toyota Harapan Raya will make customer loyalty better, and vice versa. The result of hypothesis test indicates that customer satisfaction has a significant effect on customer loyalty.

Customer satisfaction is the customer attitude towards their expectations of a product or service. If their expectations match with what they feel or get, then the satisfaction will have an impact on the loyal attitude of the customer.

This is in accordance with previous researches conducted by Sutrisno, Cahyono and Qomariah (2017) and Wicaksono and Santoso (2015) which stated that customer satisfaction has a significant effect on customer loyalty. However, some studies performed by Sukmawati (2015) and Lusiana (2015) proved different results which stated that customer satisfaction does not have a significant effect on customer loyalty.

CONCLUSION

The conclusions that can be drawn based on all hypotheses tests are as follows: (1) Service quality has no effect on customer satisfaction at PT. Agung Toyota Harapan Raya Pekanbaru. This means that service quality given cannot affect customer satisfaction. (2) Trust has a significant positive effect on customer satisfaction. This means that the trust strategy built by PT Agung Toyota Harapan Raya can increase customer satisfaction. (3) Service quality has a significant positive effect on customer loyalty at PT. Agung Toyota Harapan Raya. This means that service quality given by the company that includes all aspects in service quality such as reliability, responsiveness, certainty and empathy can affect loyalty. (4) Trust has no effect on customer loyalty. This means that trust strategies built by the company such as employee openness, honesty, good ethics, politeness, and so forth have not been implemented properly so that they cannot increase customer loyalty. (5)

Customer satisfaction has a significant positive effect on customer loyalty at PT. Agung Toyota Harapan Raya. This means that customer satisfaction that grows from consumers will affect the level of consumer loyalty.

There were several limitations experienced by researchers in conducting this research such as: The distribution of questionnaires through google form was not effective as it could not be monitored properly causing the questionnaires collection took longer time. The result of the study also showed that the value of r square was weak so that further researches are suggested to find other variables that have a greater impact on job satisfaction and teacher performance.

There are two suggestions taken from this research, for instance: For the company, it is suggested that PT. Agung Toyota Harapan Raya improves the strategy of service quality and company trust in order to increase customer satisfaction and loyalty. There are several aspects that need attention on the improvement strategy of company trust and service quality such as; first, build an honest attitude/culture to all employees. Second, improve overall service to customers. Third, improve the service system for goods so that they are ready faster so that customers don't have to wait too long. For academics, the results of this study can be used as a reference for further researchers to develop this research by considering other variables that can affect customer satisfaction and loyalty, such as relationship marketing, company image, and so forth.

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