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Science, Engineering and Social Science Series
ISSN/e-ISSN: 2541 – 0369/2613 – 988X
Vol. 4, No. 2, 2020, Printed in the Indonesia

Determinants of Customer Satisfaction and Customer Loyalty Over City Market Citra Raya

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Trade in Indonesia at the moment cannot be denied if the competition is getting tougher. City Market Citra Raya is traditional markets due to there are transactions between sellers and buyers. City Market Citra Raya here sells a daily necessity needed by consumers with a modern market concept that has facilities that are more in line with other traditional markets. In this study, we use SEM analysis (Structural Equation Model) to analyze customer need. Here, the questionnaire is distributed over 125 correspondents and consisting of a scale of one to five. The results in this study is determining a factors such as company image, service quality and price did not affect the increase in perceived value, customer satisfaction and customer loyalty. However, on the other hand, the perceived value of customer satisfaction and customer loyalty are significant influenced. Thus, in this study shows that sellers must focus on perceived value to get customer satisfaction offered to customer loyalty.

Keywords: Determinants, Customer Satisfaction, Customer Loyalty, Perceived Value, City Market Citra Raya

1. INTRODUCTION

Trade in Indonesia at the moment cannot be denied if the competition is getting tougher. At this time a many people offer the products or services to facilitate one's work or activities. City Market Citra Raya is traditional markets due to there are direct transactions between sellers and buyers. Besides that, at City Market Citra Raya there are various kiosks that sell daily necessities. However, what distinguishes other traditional markets is that this market has a comfortable, clean place, and closed building as well as in modern markets so that consumers feel satisfied and have a loyal attitude towards City Market Citra Raya. Efforts to see customer satisfaction and consumer loyalty are done by looking at several factors such as the corporate image, service quality, price and the perceived value of customer.

The value, image, quality and price significantly influence customer satisfaction in the service sector including financial services [1, 2]. Effect of service quality on customer satisfaction, there is an influence of customer satisfaction on customer loyalty, there is an influence of service quality on customer loyalty.

A satisfaction has a positive effect on loyalty, trust has a positive effect on loyalty, switching barriers have a positive effect on loyalty, familiarity has a positive effect on satisfaction, service quality has a positive effect on trust, and familiarity has a positive effect on trust. Switching costs and a lack of alternative offerings were significant mediators in the relationship between satisfaction and loyalty. This raises the question that further studies of critical factors for satisfaction and loyalty in life insurance must be emphasized and researchers must include various aspects such as quality, image and price to learn perceptual values that can lead to satisfaction and loyalty in Vietnam with insurance user objects [3, 4]. However, this study has never been done at Citra Raya City Market. In general, this study has the objectives (1) Does the company's image have an influence on customer satisfaction and loyalty (2) Does service quality have an influence on customer satisfaction and loyalty (3) Does the price have an influence on customer satisfaction and loyalty (4) What is the value of profit has an influence on consumer satisfaction and loyalty.

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2. METHODOLOGY

A. Corporate Image

Company image is an overall perception of consumers towards a company. The image of a founder is a perception of the overall image of consumers towards individuals who started a company. A corporate image is also a process where customers, creditors, internal and external stakeholders understand the identity or image of an organization which in time builds the brand's good [5, 6]. So a company becomes very conscious to maintain and develop the company's image in the eyes of their stakeholders. The company's image must reflect the company's goals, values and ethics to secure its reputation in a competitive environment. This helps organizations to distinguish corporate image from its competitors by presenting a sense of individuality. Organizational goals and values must be explained in visual and non-visual forms. The visual form consists of symbols such as logos, trademarks, advertisements, and uniforms. Non-visual forms include training methods, procedures and languages. Company image has flexibility and can be influenced by environmental factors. Management must consider the reputation and image of the organization consistently. Today, managers have realized the importance of design for the company, but it is difficult to communicate it in different and different ways from students [7, 8].

B. Service Quality

A service quality is the percentage difference between customer expectations regarding the product and the nature of the experience gained after utilizing services or consuming products [9, 10]. Furthermore, a service quality performance can be offered by one person to another. This performance may be an act that is intangible and does not produce any goods and to anyone.

C. Price

The define prices as a number of bills for a product or service, the number of consumer exchange rates for the benefits of owning or using a product or service. Here, the value or quality of prices is a determinant of customer satisfaction [11].

D. Perceived Value

A Serviced value is reconsidered as a customer's overall assessment of the value of product services based on perceptions of what is received and what is given [12]. The perceived value is also defined as the overall evaluation of consumers for the utility of a product or service based on perceptions of what is received and what is given [13]. Customers sent values can be expressed as the total value offered to customers minus total costs to customers [14]. Thus, marketers must work hard to maintain added value that can satisfy customers for loyalty. The value of customer perception can be determined from

the perspective of money, quality, benefits, and social psychology. Usually, monetary value is said to be produced when less is paid for goods [15].

E. Customer Satisfaction

A customer satisfaction is formulated as a post-purchase evaluation, where the perception of the performance of selected products and services meets or exceeds expectations before buying [16]. If perceptions of performance cannot meet or exceed expectations before buying, dissatisfaction occurs. In the concept of customer satisfaction there are two elements that influence, namely expectations and performance. The definition of customer satisfaction is also known as the key to achieving goals in the service environment, it develops around meeting and exceeding customer needs and demands [16].

F. Customer Loyalty

Buy or use repeatedly a product or service at a time, and get an attitude towards a product or service or a company that provides the product or service [17]. Simply, the customer loyalty is a behavior in purchasing. The loyal customers are relatively less interested in moving to competitors even though there are price increases and these consumers will use more than those who are not loyal.

G. Hypothesis Development

Hypothesis 1 (H₁) = Perceived value directly related to company image, service quality, and price.

The first hypothesis is related to the relationship between perceived value, company image, service quality, and price tag. The empirical literature in Vietnam shows the perceived value turns out to correlate with corporate image, service quality, and price [18]. Here, we obtain Citra Raya's City Market Consumers in Indonesia have perception of customer value will be influenced by customer perceptions of image, service quality, and price.

Hypothesis 2 (H₂) = Customer satisfaction is directly related to corporate image, service quality, price, and perceived value.

The second hypothesis is related to the relationship between customer satisfaction, corporate image, service quality, price, and perceived value [19]. Customer satisfaction is obtained by significantly influenced over company image, service quality, price, and perceived value. Thus, in the context of Citra Raya City Market Consumers in Indonesia we obtain customer satisfaction will be significantly influenced by corporate image, service quality, price, and perceived value.

Hypothesis 3 (H₃) = Customer loyalty is directly related to customer satisfaction and indirectly related to corporate image, service quality, price, and perceived value.

The third hypothesis relates to the relationship between customer loyalty, corporate image, service quality, price, perceived value, and customer satisfaction. Customer loyalty was found to be correlated with customer satisfaction, and customer satisfaction is obtained as mediator of the relationship between corporate image, service quality, price, and perceived value [20]. The author hopes that, in the context of Citra Raya's City Market Consumers in Indonesia, customer loyalty will be directly affected by customer satisfaction, and indirectly influenced by corporate image, service quality, price, and perceived value. Based on the description above, the research model can be described as follows (see Figure 1).

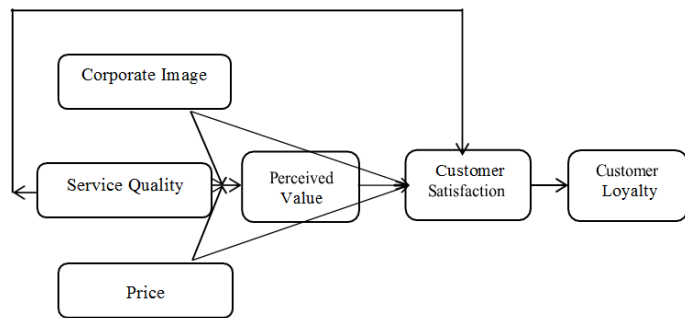


Figure 1. Research model in Citra Raya's City Market Consumers

H. Structural Equation Model (SEM)

In this study, we use 6 variables such as company image, service quality, price, profit value, customer satisfaction and customer loyalty. Here, we use SEM analysis (Structural Equation Model) to assess a population and sample for all consumers of City Market Citra Raya. Sample size was determined using a reference developed by experts over the samples number = $n \times 5$. Furthermore, we distributed the questionnaire for 125 correspondents and the scale carried out in this study uses a Likert scale consisting of a scale of one to five.

The study has conducted a pre-test of 30 respondents using 2 methods, namely: validity test with reliability test. In the corporate image variable there are 5 statements, the results of the pre-test are KMO above 0.50 and there is 1 invalid statement so that only 3 statements are used. Furthermore, on the variable quality of service is 22 statements, the results of the pretest there are only 9 statements that are valid and can be used. There are 4 statements from the results of the pre- test all statements are valid and can be used. However, after pretesting there is 1 invalid statement so only 3 statements are used. Variable customer satisfactions there are 3 statements from the results of the pre-test all statements are valid and can be used. Variable consumer loyalty has 3 statements from the results of the pre-test all statements are valid and can be used.

3. RESULT AND DISCUSSION

The analysis of the structural model carried out has the aim of examining the relationship between latent variables in the research model, these results are also used to test hypotheses. This match test is carried out on the coefficient of structural equations with a significance level of 0.05, and then the value of t of the structural equation must be > 1.96 (See Figure 2 and Table I).

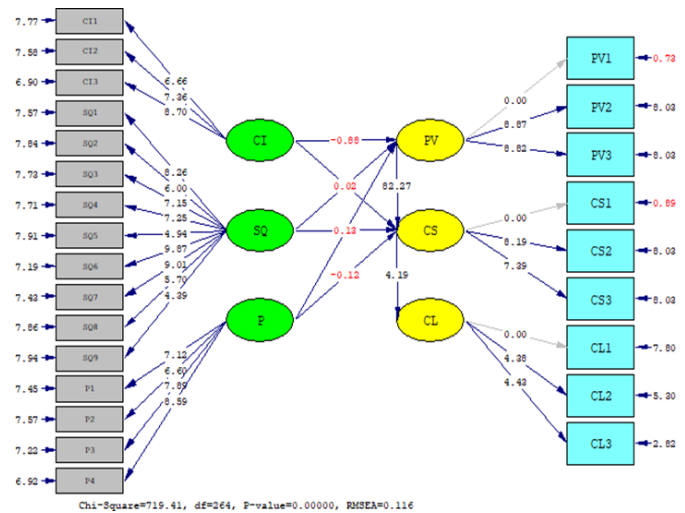


Figure 2. Path diagram T Values

Table I. Testing of Structural Model Relations

Hypothesis	Statement	Value - t	Information
H1	Corporate Image influences Perceived Value	-0.88	Not supported
H2	Corporate Image influences Customer Satisfaction	0.02	Not supported
H3	Service Quality has an effect on Perceived Value	0.02	Not supported
H4	Service Quality influences Customer Satisfaction	0.13	Not supported
H5	Price affects the Perceived Value	0.13	Not supported
H6	Price affects Customer Satisfaction	-0.12	Not supported
H7	Perceived Value influences Customer Satisfaction	82.27	Supported
H8	Customer Satisfaction has an effect on Customer Loyalty	4.19	Supported

In this study, we obtain the results over Hypothesis 1 (H1), that the results of the analysis are not supported by data which means that corporate image does not affect perceived value. Corporate image is one of the important things to attract consumers so that consumers who come have the value of profits from the corporation. Hypothesis 2 (H2), shows the analysis are not supported by the results of this study because in the results of this study the value of the t-value is below 1.96. So, in this research, corporate image does not affect customer satisfaction. Hypothesis 3 (H3), the perceived value was influenced by service quality, but in this study the opposite was the case where service quality and perceived value were not supported. In Hypothesis 4 (H4), that in this study service quality has no effect on customer satisfaction.

Although the results of this study are contradictory in the previous study this is also supported from previous studies and no significant effect on service quality in his research. In Hypothesis 5 (H5) and Hypothesis 6 (H6), Price does not affect the Perceived value or Customer Satisfaction. In Hypothesis 7 (H7), Perceived value directly influences customer satisfaction. The more a consumer feels he has the advantage of shopping, the consumer will feel more satisfied. Therefore, a seller must continue to be able to fulfill their needs so that consumers continue to feel satisfied shopping there. Hypothesis 8 (H8), Customer satisfaction affects Customer loyalty. This means that more consumers feel satisfied shopping at City Market, consumers will continue to be loyal to shop there. Basically the purpose of a sales person is to want profit. One way to increase profits is by making consumers continue to shop loyal there. Consumers will act loyal if consumers continue to feel satisfied shopping at City Market Citra Raya.

4. CONCLUSION

This study examines the determinants of factors such as corporate image, service quality, and price for perceived value, customer satisfaction and also consumer loyalty at City Market Citra Raya. But in this study the determinants such as corporate image, service quality and also price did not affect perceived value, customer satisfaction and customer loyalty. However, in this study perceived value significantly increases satisfaction with consumers. In addition, customer satisfaction also significantly influences customer loyalty. The more consumers have the advantage of shopping at City Market Citra Raya, the consumers will feel satisfied. Every consumer feels satisfied so has the opportunity to increase loyalty to consumers This study has several limitations which are taken into consideration for further research. This study uses a questionnaire as a measurement tool to collect respondents' data as needed. However, the questionnaire used has limitations such as bias in filling out questions. There is a possibility that the respondents did not fill out the truth or only filled in based on the ideal conditions expected and not the actual conditions that were happening. This can cause the measurements used not to describe the variables significantly. In addition, the limitations of the number of samples and variables that affect customer satisfaction and influence consumer loyalty and the amount of analysis led to research not being able to dig deeper into what determinants can influence consumer satisfaction and consumer loyalty.

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Received: 30 January 2020, Accepted: 26 March 2020