The Influence of Customer Satisfaction on Customer Loyalty and Marketing Organization Performance Over Outdoor Advertising Companies

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The competition in the advertising industry today is very tight due to the choice of media in advertisement is increasing with their respective advantages. To face this competition, the press advertising cannot rely on sales ordinarily but also a more approach to consumers. In this case, the brand which has an interest over promotion market. Thus, this study aims to determine the effective effect on influence of customer satisfaction with customer loyalty and the performance of marketing organizations over outdoor advertising companies. This research uses quantitative research methods to obtain the result. Here, we distribute a document set of questionnaires to collect data from respondents. The manager of advertising agency has interviewed because they are consultants for brands to carry out promotional strategies in advertising in Jakarta, Indonesia. In this research, we obtain the interviewed respondent around 37 people with positions equivalent to media Manager or Media Director in several advertising agencies. Furthermore, this research is processed using the SmartPLS application to obtain the result. The results of this study indicate that customer satisfaction has a significant effect on customer loyalty and organizational performance for the total effect obtained from organizational performance from the application of customer satisfaction by 34.3% which means significant, because that customer satisfaction must always be considered by the company.

Keywords: Customer Satisfaction, Customer Loyalty, Marketing Organization Performance

1. INTRODUCTION
Companies in the current era of globalization are required to be able to create good products if they want to survive in the current business competition [1]. The number of new competitors that have sprung up with new and different marketing strategies will make the competition even tighter and heated [2]. A company can be a winner in a business competition if the company can attract as many consumers and of course this will provide great benefits for the company, and of course this will provide great benefits for the company, to support this competition requires the right communication tools from the brand to its consumers in this case, namely external communication, namely advertising and promotion [3]. The development of consumer-brand relationships is currently the focus of branding theory in recent years, and brands act as a mechanism to engage buyers and sellers in long-term brand-consumer relationships Algesheimer [4]. The main input of this relationship is the experience of a brand, and the main output of this relationship is brand loyalty, if consumers have a good experience with a particular brand, customer satisfaction will be formed for a brand and will increase loyalty to that brand [5, 6]. In terms of promoting a product of a brand to consumers, proper advertising is needed [7]. The three factors that influence consumer behavior, the first factor is stimuli [8]. Stimuli indicate the acceptance of information by consumers and the process of providing information occurs when consumers evaluate information from advertising and their own experiences, the second factor is personal consumer characteristics, including personality, lifestyle and benefits, for the third factor, namely consumer response, namely the final result of consumer decisions. Because of these three things, giving stimuli to consumers of a brand is important, and the choice of advertising media is also very influential on the goals the brand wants to achieve, brand owners must ensure that promotions carried out through advertising media can be reached and seen by consumers, if This can be achieved by consumers, the level of customer satisfaction will increase.
satisfaction will be achieved, and by achieving customer satisfaction, customers will no longer hesitate to promote their products through these advertising media [9, 10]. One of the advertising media that is still the choice of advertisers i.e. outdoor advertising. Here, outdoor advertising is a method for publishing business products and services through billboards, bus benches, taxis, vehicles, and several other methods, this serves to promote products in specific geographic areas, and this method is one of the oldest forms of advertising ever applied from ancient Rome and Greece [11]. The popularity of outdoor advertising also comes at a time when consumers spend less time at home where outdoor media is consumed more frequently. Today's consumers often travel and spend time and activities outside the home, such as eating out, shopping and doing many other things outside the house with their families [12]. Outdoor media includes outdoor advertising in several forms such as posters, road billboards, transit advertisements, placed on public and private transport vehicles and at bus terminals, train stations, buses and air. It is believed that man spends a third of his life outdoors as well as with the ever-growing development of highways, the increase in circulating cars, the spread of the population to the suburbs and the greater mobility of society. By using this opportunity, the advertising messages carried by this outdoor advertising media is getting bigger [13]. Because outdoor advertising is in the public area, outdoor advertising media definitely reaches the desired target community because it cannot be turned off or removed, people will be exposed to these advertisements whether they like it or not, in this case, outdoor advertising has advantages and a large audience [14]. Want to be caught, the message that is conveyed works based on the principle of advertising, namely frequency because some of the messages remain in the same place for a month or more, passers-by see the same message several times, advertising media placed in a certain place can direct people to the destination to be determined, and can reach targets in a more efficient way, for brands advertising through outdoor media is a very good addition when combined with other media [15]. As an advertising service provider, outdoor media needs to pay attention to the needs and satisfaction of its customers, in this case, the customer in question is brand holders who use media services to promote their products, to maintain customer satisfaction and loyalty today is something that is very complicated and continues to dynamically develop from time to time [16].

A several previous studies related to improving marketing performance conducted research on the implementation of appropriate customer satisfaction which can improve marketing performance in the banking industry in Kenya [17, 18] a customer satisfaction and customer loyalty to company business performance in several companies in America [19]. The benefits of implementing customer loyalty in food companies in Nigeria on marketing performance regarding the benefits of implementing customer satisfaction and loyalty on marketing performance [20]. However, until now, throughout the existing literature studies, no one has conducted research on the application, satisfaction and customer loyalty of the performance of marketing organizations in the advertising sector industry in outdoor advertising media in Indonesia, so researchers are interested in conducting research on companies in the media sector industry. Outdoor advertising. Previous research has never been conducted in Indonesia, so researchers will conduct this research in Indonesia. Thus, in this research was conducted with the intention of identifying whether the application of customer loyalty and satisfaction can have a positive influence on the performance of advertising companies and improve the performance of marketing organizations.

2. REVIEW OF THEORY

A. Customer loyalty

Loyalty is a psychological condition related to attitudes towards products. Consumers will form beliefs, determine likes and dislikes, and decide whether they want to buy products [21]. A customer loyalty is defined as purchases made routinely by several people [22]. A loyalty refers to things that are good for a brand and will further make consumers make repeat purchases [23]. Based on the above definition, it can be seen that loyalty is directed to the behavior shown by regular purchases based on decision making. Customers are considered loyal if they shop consistently at a certain place; this can be defined as a condition that requires the customer to make at least two purchases in a certain period of time. An explaining the indicators used in measuring customer loyalty, namely, repurchase, this is the customer's desire to use this service several times [24].

B. Customer satisfaction

Customer satisfaction is related to evaluating a product or service, whether the product and service have met the needs and expectations of customers [25]. The definition of satisfaction refers to the approval or disappointment of a person when comparing their personal opinion with the services they receive [26]. Customer satisfaction assessed through the results of marketing activities and how the company gets success in offering quality products and services. Customer satisfaction comes from the physiology of how to respond to differences in the perception of the gap between expectations before and after customers consume a service or product. Customer satisfaction has been recognized as an important determinant of customer loyalty, providing satisfaction to customers is very important and is the key in creating customer loyalty because the company will get many benefits from achieving high levels of customer satisfaction [27].
C. Marketing Organization Performance
The results of the implementation of marketing strategies from companies to consumers, namely satisfaction, new product success, increased sales and profitability [28]. Thus, a profitability analysis is an assessment to review the effects of various marketing program strategies and their contribution to certain products [29]. The elements described to determine a marketing effectiveness model are marketing strategies and tactics such as programs. Loyalty, then customer impacts, such as customer awareness of the product, customer attitudes and customer experience and marketing assets such as brand equity and customer equity and also market impact namely customer loyalty and financial impact [30]. A marketing performance is the contribution of marketing strategy implementation and value creation to company profits as measured by sales of operating profit and market share [30].

D. Relationship between Customer Satisfaction and Customer Loyalty
A satisfaction can be obtained from what consumers expect [31]. If the expectations are in accordance with what is desired, the customer will be satisfied, customer satisfaction is the foundation needed by a company to retain its customers [32]. A customer who are not satisfied with the services received will not be expected to have a long-term relationship with the company. Therefore, it is important for a company to be able to maintain customer satisfaction well, not only for new customers but customers who are already long time must also be maintained in order to maintain good loyalty with the company. A strong relationship between satisfaction and loyalty. Likewise, customer satisfaction and customer loyalty, is a positive relationship between satisfaction and loyalty [33]. Based on the results of previous research above, the authors propose a third hypothesis as follows:

H3: High customer loyalty will improve the performance of the marketing organization

E. Relationship between Customer Satisfaction and Marketing Organization Performance
Based on research performance of marketing organizations is increased by customer satisfaction and loyalty. Companies that can respond to customer wants, and preferences will surely satisfy customers more than other companies, resulting in more successful business performance [33]. Customer satisfaction has been used as a performance measure in several studies to increased customer satisfaction can improve organizational performance in the long term. Some of the previous studies above prove that high customer satisfaction will lead to higher repurchase rates, customer retention, satisfaction and loyalty which lead to an increase in company revenue [34]. Based on the results of previous research above, the authors propose the fourth hypothesis as follows:

H4: Good customer satisfaction will increase customer loyalty

F. Relationship between Customer Loyalty and Marketing Organization Performance
Customer loyalty is measured through the attitudes and behavior. In addition, loyalty reflects the psychological and emotional attachments that underlie the purchase motives and actions of a person in the future. True to a product is shown when individuals choose to remain company customers even when they are not offered the best quality products and services [34]. Customer loyalty can also be characterized by repeated purchases of a product or service then recommending it to others and defending it from bad comments and always supporting their choice. Based on previous research above, therefore the authors propose the fifth hypothesis as follows:

H5: High customer loyalty will improve the performance of the marketing organization

G. Research Methods
This study uses quantitative research methods, and researchers distribute a set of questionnaires to collect data from respondents. The data collected will be analyzed statistically using the SEM PLS software package, this study uses inferential statistical analysis methods to obtain the results to be studied, the analysis tool used in this study is the Likert scale using a ranking system where respondents will show how strongly they agree with a statement or disagree. The advertising company CityVision in Jakarta, Indonesia was chosen for the object of this research because the advertising media that City Vision currently has is a branding station and with the collaboration between private company PT KAI, CityVision has an exclusive contract to place advertisements on the Jabodetabek and National train stations in Indonesia. In addition, for other media, CityVision has media assets located in the premium area of Jabodetabek, including the Sudirman Central, Pondok

Figure 1. Thinking Framework
Indah, and Mega Kuningan areas. The subjects of this study consisted of City Vision consumers, namely employees of an advertising agency in Jakarta with a minimum position as a brand manager in the agency company, and a working period of more than five years in the advertising sector, with details of 17 media managers and 2 media directors from local agencies, 15 media managers and 3 media directors from multinational agencies, they became research subjects because they had experience in advertising spending activities. They are expected to be familiar with various advertising spending activities in City Vision and will help this research to find better service perceptions by City Vision, a total of 37 survey forms were distributed.

F. Measurement
Measurements in this study on the customer loyalty variable with six statements, on the measurement of customer satisfaction variables and four statements, the last for the marketing organization performance variables with five statements [34, 35]. In this study the data obtained from distributing questionnaires were processed using a measurement scale with the Likert scale method. On the Likert scale, the method used uses five alternative answers, namely; a score of 5 highly agree (SS); a score of 4 agreed assessment (S); score three assessment between agree and disagree; a score of 2 for assessment of disagree (TS) and a score of 1 for assessment of strongly disagree (STS). This study uses confirmatory factor analysis to test the validity by assessing the factor loading. The small factor loading value indicates that the factor analysis cannot be used, because the correlation between pairs of variables cannot be explained by other variables. If the factor loading value is below 0.5, then factor analysis cannot be used or accepted. At the same time, the acceptable factor loading value is with a minimum value limit of 0.5 [36, 37]. Reliability test with alpha Cronbach value 0.6-0.79, which means that reliability is accepted, whereas if the Cronbach alpha value is 0.8-1.0 then reliability is considered good [38, 39].

3. RESULTS AND DISCUSSION
In this study, we use Structural Equation Modeling (SEM-PLS) of Variable Customer Relationship Management (CRM), Customer Satisfaction, Customer Loyalty and Marketing Organization Performance to obtain the result. Here, the SEM-PLS was designed to obtain fit model with tested model from observation data (respondent). Figure 2 shows SEM-PLS path diagram model in this study.

From the picture above, information is obtained that the model tested consists of 1 exogenous latent variable, namely Customer Relationship Management (CRM). And three endogenous latent variables, namely Customer Satisfaction (KP), Organizational Performance (KO) and Customer Loyalty (LP). Of all the types of variables and their dimensions will be tested using the SEM method using SmartPLS 3.0 software, as shown in the picture above.

A. Outer Model Analysis
Evaluation of the reflective indicator model includes examining: (1). individual item reliability, (2). internal consistency or construct reliability, and (3). the average variance extracted and (4)—discriminant validity. The first three measurements are categorized into convergent validity.

B. Convergent Validity
Convergent validity measures the amount of correlation between constructs and latent variables. In evaluating convergent validity from checking individual item reliability, it can be seen from the standardized loading factor value. Standardized loading factor describes the magnitude of the correlation between each measurement item (indicator) and its construct. The value of loading factor> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct. In empirical research experience, the loading factor value> 0.7 is said to be ideal, meaning that the indicator is said to be valid in measuring its construct.
### C. Discriminant Validity

Discriminant validity of the reflective model is evaluated through cross-loading, then the AVE value is compared with the square of the correlation value between constructs (or comparing the square root of AVE with the correlation between its constructs). The cross-loading measure is to compare the correlation of the indicator with its constructs and constructs from other blocks. If the correlation between the indicator and its construct is higher than the correlation with other block constructs, this shows that the construct predicts the size of their block better than other blocks. Another measure of discriminant validity is that the root AVE value must be higher than the correlation between constructs and other constructs or that the AVE value is higher than the square of the correlation between constructs. From the results of the cross loading analysis, it appears that there is no discriminant validity problem in the model formed (see Table II).

#### Table II. Summary of Statistical Calculation Results

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#### Table II. Summary of Statistical Calculation Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Customer Satisfaction (CS)</th>
<th>Organization Performance (OP)</th>
<th>Customer Loyalty (CL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross Loading</td>
<td>0.511</td>
<td>0.571</td>
<td>0.511</td>
</tr>
</tbody>
</table>

From the table above, it can be seen that the square root value of AVE ("yellow" block) is greater than the correlation between constructs and other constructs. So it can be concluded that there is no problem of discriminant validity in the model formed.

### D. Hypothesis Test

Hypothesis testing is done by looking at the probability value and the t-statistic. For probability values, the p-value with $\alpha = 5\%$ is less than 0.05. The t-table value for $\alpha = 5\%$ is 1.96. So that the criteria for acceptance of the hypothesis is when the t-statistic (count) > t table (see Table III).

#### Table III. Summary of Structural SEM Model Computation Results

<table>
<thead>
<tr>
<th>No</th>
<th>Latent Exogenous Variable</th>
<th>Coefficient (b)</th>
<th>t Value</th>
<th>P Value</th>
<th>Test Result (alpha =5%)</th>
<th>R^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Customer Satisfaction (KP)</td>
<td>-0.285</td>
<td>2.099</td>
<td>0.036</td>
<td>Significant</td>
<td>0.174</td>
</tr>
<tr>
<td>2</td>
<td>Customer Satisfactio (KP)</td>
<td>0.571</td>
<td>2.836</td>
<td>0.005</td>
<td>Significant</td>
<td>0.343</td>
</tr>
<tr>
<td>3</td>
<td>Customer Loyalty (LP)</td>
<td>0.087</td>
<td>2.415</td>
<td>0.025</td>
<td>Significant</td>
<td>0.175</td>
</tr>
</tbody>
</table>

From the results of the convergent validity (individual item reliability) analysis in the table above, it appears that all factor loading values of each indicator are > 0.5 so it can be concluded that there is no convergent validity (individual item reliability) problem in the model that was formed. After we evaluate the individual item reliability through the standardized loading factor value, the next step is to look at the internal consistency reliability of Cronbach's Alpha and Composite Reliability (CR) values. Composite Reliability (CR) is better at measuring internal consistency than Cronbach's Alpha in SEM because CR does not assume the same boot of each indicator. Cronbach's Alpha tends to underestimate construct reliability (internal consistency reliability) than Composite Reliability (CR).

From the table above, it shows that the entire construct has a Cronbach's alpha value and composite reliability above 0.600. Therefore, there is no problem with convergent validity (internal consistency reliability) in the model that was formed. AVE describes the amount of variance or variety of manifest variables that can be had by latent constructs. Thus, the greater the variance or variety of manifest variables that can be contained by the latent constructs, the greater the manifest variable representation of the latent constructs. AVE for a criterion in assessing convergent validity. A minimum AVE value of 0.5 indicates a good measure of convergent validity. That is, the latent variable can explain an average of more than half the variance of the indicators. The AVE value obtained from the sum of the factor loading squares divided by the error. Apart from being seen from the loading factor value, convergent validity can also be seen from the average variance extracted (AVE) value. In this study, the AVE value of each construct was above 0.500. Therefore, there is no convergent validity problem (internal consistency reliability_AVE) in the model that is formed.
From the table above, it can be explained that the estimation results of the effect of Customer Satisfaction (KP) on Customer Loyalty (LP) have a path coefficient of -0.285 and the effect is significant. This is evidenced by the t value obtained by Social Media Marketing Characteristics (KPMS) of 2.099 which is greater than t table 1.96. In addition, the p-value generated by customer loyalty of 0.036 is smaller than $\alpha = 5\%$. The estimation results of the effect of Customer Satisfaction (KP) on Organizational Performance (KO) have a path coefficient of 0.571. Where the influence is significant, this is evidenced by the t count which obtained customer satisfaction of 2.836, greater than t table 1.96. Besides, the p-value generated by organizational performance is 0.005 smaller than $\alpha = 5\%$. The estimation result of the effect of Customer Loyalty (LP) on Organizational Performance (KO) has a path coefficient of -0.087, and the effect is significant. This is evidenced by the t count which shows the organizational performance of 2.415 which is greater than t table 1.96 besides that the p-value generated by the organizational performance of 0.025 is smaller than $\alpha = 5\%$.

All of them occur from a direct effect and are stated to be significant based on the previous explanation. In this study there are results that show that good customer satisfaction will improve the performance of marketing organizations. An effect of customer satisfaction on improving the performance of marketing organizations, in advertising companies there are many elements that need to be considered by the company in order to provide satisfaction for customers including product prices and product quality, with many competitors currently providing good price and quality. Considerations of advertisers to promote their products in the company, and if we can provide good results for advertisers, maintain, give trust to them when promoting their products, then when they need promotions for their products advertisers will not hesitate to use outside media space as a promotional medium for its products, in addition to this to be able to improve and maintain customer satisfaction, cooperation from various divisions in the company is needed, because customer satisfaction can not only be obtained if there is no good cooperation within the company. Therefore, there is a need for a system that both from each division that deals with direct consumers and the operational division in charge of ensuring all advertising products that are broadcast are of good quality and in accordance with the standards set by the company.

For the results of the next study which states that customer satisfaction affects customer loyalty. With customer satisfaction that is well maintained, customer loyalty will be formed so that customers in this case outdoor advertising consumers will not hesitate to return to using the advertising media when necessary to carry out promotions. Therefore, it is very important for companies to always ensure that consumers are satisfied when advertising and that the results of advertising are what consumers want. One of the effects that occur is because in the advertising sector, the products produced by advertising media are different and the opportunity for advertisers to use other media as an alternative to advertising is very high according to the needs of their products. Therefore, the media must be able to provide something different and exclusive so that it can increase customer loyalty. When compared to other media besides that a good advertising media must also be able to ensure that when consumers promote their products through these media, the goals that consumers want to achieve, namely advertisements promoted are known to the public, so that ultimately the media will become the choice of consumers when promoting their products. If consumers always use outdoor media as a promotional medium for advertising, the company's organizational performance will be maintained, and by maintaining the company's organizational performance, the company will continue to be able to compete with competitors.
4. CONCLUSIONS

All hypotheses built in this study have been proven that there is a relationship between customer satisfaction and customer loyalty to the performance of the marketing organization. Customer satisfaction has a positive influence on the performance of the marketing organization as the first hypothesis of this study. The better customer satisfaction is implemented which affects the satisfaction of advertisers, the better the performance of marketing organizations in outdoor media advertising companies will be increased.

Then based on this research, the effect of customer satisfaction is also significant on customer loyalty. Therefore the company must be able to provide customer satisfaction to customers in order to create good loyalty so that customers do not hesitate to entrust product promotion through outdoor media advertising companies, with the creation of customer loyalty. Well, customers will increasingly use outdoor media as a means of promoting their products, and this based on the following research will further improve the performance of marketing organizations in outdoor advertising companies.

References


RESEARCH ARTICLE


[32] RanabhatDurga.pdf?sequence=1&isAllowed=y


