



The Analysis of The Effect of Service Quality, Relationship Satisfaction, Commitment, and Trust in Loyalty Business Partners PT. Coca Cola Amatil Indonesia

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Abstract: The company admits that continuously competitive excellence in the global economy requires companies to interweave marketing relationships to build long-term relationships with customers and other parties, one of them is a business partner. This research has purpose to find out the effect of service quality consisting of technical services (advertising and campaign) and functional services (communication and shipping), relationship satisfaction, commitment, and trust in the loyalty of business partners in this research are retail outlets. The sampling method used is simple random sampling technique. The method of collecting primary data is using a questionnaire with 132 respondents. The analytical tool used is the SEM (Structural Equation Model) using the AMOS 22 version program. The results showed that functional service quality had an effect towards satisfaction of relationship, but the quality of technical services had no effect. Outlet owner loyalty is influenced by trust but is not influenced by satisfaction and commitment. Relationship satisfaction has a positive effect on the level of commitment and trust, and trust has a positive influence on the commitment of the outlet owner.

Keywords: Service Quality, Satisfaction, Relationship, Commitment, Trust, Loyalty, Business Partners

INTRODUCTION

A company is founded by its owner with the motivation to increase wealth and prosperity. This goal can be achieved if the company is able to bring profits to the owners, able to grow and be able to survive in its industry. One important source of profit in the growth of a company is customers, but what is also important is the business partner. One company that relies on business partners to run the company is PT Coca Cola Amatil Indonesia.

PT Coca Cola Amatil Indonesia (CCAI) divides into four distribution channels in the sales division in carrying out the business in the Indonesian beverage industry. One of them is

the GT distribution channel, CCAI has a special GT distributor named CCOD (Coca Cola Official Distributor). CCOD is a warehouse or storage area for Coca Cola products and distributes its products in some particular areas. The distribution channels formed by CCAI are used in maximizing CCAI sales so CCAI must create good relationships of their marketers with business partners.

The business partner intended here is one of the retail outlets of PT Coca Cola Amatil Indonesia. CCAI uses direct sales for retail sales. CCAI uses a sales representative to establish relationships with its business partners, that is retail outlets. Based on the preresearch conducted by the researchers there was a problem that occurred in GT (general Trade) that there were still many outlets that did not buy CCAI products from sales representatives, outlets preferred to give products in markets, agents, or even in supermarkets. This is done by outlets for various reasons such as unfriendly sales representatives, lower prices, and sometimes outlets doing so because they want to buy merchandise at the same time with other merchandise. This problem caused the decrease of sales of GT sales because of the lack of outlet loyalty to sales representatives.

This research intends to find out the factors that affect the loyalty of the outlet owners of PT Coca Cola Amatil Indonesia that is seen from indicators of service quality, satisfaction, commitment and trust.

LITERATURE REVIEW

From the explanation that has been elaborated in the background of the problem, it is known that there are still many outlets that do not buy CCAI products from sales representatives, they prefer to give products in markets, agents, or even in supermarkets. Therefore, the formulation of the problem proposed in this research is the lack of loyalty of the outlet owners as seen from the aspects of technical and functional services, satisfaction in connection, trust, and commitment.

Loyalty

Loyalty is defined as an attitude that refers more to customer behavior than decisionmaking units to make repeated purchases of stuffs or services. Loyalty can also be interpreted as an attitude shown by customers to the services provided by providers of products and services (Griffin, 2007: 16). According to Ryu et al., (2012) only customers from service providers can feel and evaluate a product or service so that they can provide value to the service. The concept of loyalty is considered personal and subjective.

Service Quality

Provide the quality services is considered as an important strategy to achieve success in the competitive environment. Each company offers their best services to achieve market share growth and increase the profits. According to Tjiptono (2005: 260) service quality is an effort in fulfilling customer needs and desires also the accuracy in delivery that is equal to customer expectations. Service quality will cause bias when only examined from the company point of view, therefore the quality of service must be examined from the customer point of view to create a reciprocal relationship between what the customer expects and what is given by the company.

Satisfaction of Relation

Satisfaction of relation is defined as the customer perception about how the relationship fulfills the expectations, predictions, goals and desires. Satisfaction of relation shows the ability of service providers to reduce the uncertainty that customers feel, ensuring dependence on supplier integrity. Strong relationship satisfaction indicates that customers

have been satisfied with the performance of service providers in the past, trust their future performance, and willing to maintain relationships (Roberts et al., 2003). Relationship satisfaction in this research is interpreted as an assessment of the overall relationship with business partners, trust is defined as the trust of business partners for integrity, and commitment is defined as an enduring desire of business partners to continue the relationship with the company relation.

Commitment

Commitment is a strong desire to maintain relationships. According to Lai (2014) The main concept in loyalty is commitment that can be defined as the highest level of relational bonds that leads to the willingness to maintain relation. Affective commitment in service providers is psychological attachment, that is reflected in the strength of identification and involvement of customers with providers. Affective commitment has been defined as a psychological state that relates to someone intention to develop and maintain a stable and long-lasting relationship that arises from the needs, desires, and obligations of men. (Bansal et al., 2004).

Trust

The concept of trust based on Anderson and Narus (1990 in Wong and Sohal, 2006) emphasizes the willingness of business partners to take actions that create positive results to others. A main component of trust is how far to which customers believe that business partners or partners have good intentions to achieve positive results for the customer. This belief marketing context is used as a tool to build a long-term, committed relationship and hopes to create loyalty.

Marketing Channels

This marketing channel is one of the most important decisions faced by management because the marketing channel presents considerable opportunity costs. The main role of the marketing channel is to turn potential buyers into customers who can benefit the company, not only that the marketing channel not only serves the market but also forms the market (Kotler and Keller, 2016: 523). In this research, PT Coca Coca Amatil Indonesia, the Sales General Trade (GT) division of the marketing channel used is second-level, where producers represented PT CCAI, whole salers represented CCOD, and retailers represented the outlets listed in the CCAI system.

Research Framework

The research model below describes the influence of service quality, relationship satisfaction, trust, and commitment to outlet loyalty. Based on the research of previous research that has been described in the research framework and the hypotheses that have been elaborated previously, then the research model can be described as: Research (Caceres and Papparoidamis, 2005):

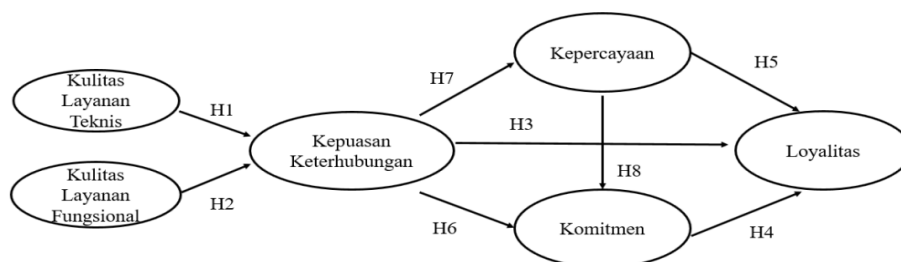


Figure 1. Research Model
Source: Caceres and Papparoidamis, 2005

RESEARCH METHODS

The research design used in this research is explanatory design that focuses on testing the theories in different research contexts. This research used a quantitative research method with primary data collection techniques using survey methods.

Data Collection Method

The data collection was done by distributing questionnaires to the samples that have been chosen amounted 132 respondents. The questionnaire used in this research was a closed-ended questionnaire. The technique used for sampling is a simple random sampling method. The random sampling method is a sampling technique for each population element that has the same and known selection opportunity. The researcher used a random sampling method by using CCAI outlets registered in the CCOD Cikarang Bekasi and already a CCAI business partner for 1 year data collection.

Research Instrument

The research instrument used before the questionnaire was used was the validity test and reliability test. This test must be conducted to ensure that the questionnaire is valid and reliable so that it is suitable to be used as an instrument for data collection. Validity testing in this research using CFA analysis (Confirmatory Factor Analysis) on each variable is done by the loading and AVE factor using AMOS 22 version. While the reliability test reliability test in SEM can be obtained through the following formula and an acceptable indicator is when the value $\geq 0,70$ (Hair, 1995).

$$\text{Construct-Reability} = \frac{(\sum \text{std loading})^2}{(\sum \text{std loading})^2 + \sum \epsilon_j}$$

Data Analysis Method

The data analysis method used in this research is the SEM (Structural Equation Model) using the AMOS 22 version program. SEM is a multivariate statistical technique of a combination of factor analysis and regression analysis to analyze causal relationships between variables in a model, both between indicators with constructive variables (latent) and relationships between constructive variables (latent) (Santoso, 2012: 14). In testing using SEM there is a measurement model and structural model tested using Confirmatory Factor Analysis (CFA) and path analysis in the research model.

A match test in SEM is conducted to evaluate the degree of compatibility or Goodness of Fit (GOF) between the data and the model. The suitability test included in one of the stages of the Structural Equation Modeling (SEM) analysis invites debate and controversy. In evaluating GOF there are several levels, that is: the overall suitability of the model, compatibility of the measurement model, and compatibility of the structural model.

FINDINGS AND DISCUSSION

The results of the research that analyzed the effect of service quality, relationship satisfaction, commitment, and trust in the loyalty of business partners showed that trust was the main factor in creating loyalty between the owner of the outlet and the sales representative.

In the testing result of the first hypothesis (H1), it is found that the results of the analysis stated that the H1 hypothesis was not supported, that the quality of technical services do not have a positive effect and it is significant to the satisfaction of outlet owners relationship. The result of this test shows that the quality of technical services has no

influence on relationship satisfaction. In other words, if the quality level of technical services consisting of advertising and campaign increases, it does not cause a significant increase in outlet owner satisfaction. Based on observations, the majority of education levels from outlet owners are equal to high school and can be lower than high school so this causes a lack of awareness of retail outlet owners about advertising and campaigns. Based on the research conducted by Sari and Cholidah (2017), it shows that education affects the learning process, the higher the education, the easier the person will receive information. Pratomo (2013) research shows that there is a significant difference between housewives and higher education with housewives with low education on the concern around. Also, the indicators of the quality of technical services campaigns are above the line and short-term promotions. These promotions sometimes have an influence on sales, sometimes not. In this case there is no influence because satisfaction is more in-depth about personal relationships while the campaign is general. According to Shah (2012) satisfaction is not only affected by service quality, but also by organizational reliability.

This research successfully proved that the quality of functional services that consist of communication and delivery has an effect on the satisfaction of the relation of the outlet owner and the sales representative. In other words, the higher the level of quality of functional services, the greater the satisfaction of outlet owner connectivity. According to Pasolong (2007) in the B2B context service quality is defined as the level of service that is used as a benchmark for a company that is valued from satisfaction, and consumers will assess the services provided based on their perceptions. This shows that there is an interaction between service quality and satisfaction.

The level of satisfaction of customer relationship in this research does not lead to business loyalty. In other words, if the level of relationship satisfaction increases, it does not cause a significant increase in business loyalty. According to Caceres and Paparoidamis (2005) satisfaction relationship is one indicator to create good quality relationships and will lead to loyalty. It happens because in building loyalty many factors that influence it according to Swastha (2011) these factors are factors of price and promotion. Promotion is a marketing activity that look for disseminate information, influence, and increase the target market of the company and its products to be willing to accept, buy, and be loyal to the products or services offered by the company. In addition, other factors that influence loyalty according to Mardailis (2005) are corporate image. Image as a series of ideas, beliefs, and impressions that someone has on an object. When someone has a high impression on a product or service, they will not think so long to buy or use the product again so that loyalty is created. In this research it was found that the results of the analysis did not support the H4 hypothesis, the commitment did not affect the loyalty of outlet owners. In other words, if commitment increases, it does not cause a significant increase in the loyalty of outlet owners. It happens because based on observation the loyalty of outlet owners is influenced by other factors not included in this research variable such as preference end user and continuity of earnings. According to Vanessa Gaffar (2007) the factors that influence loyalty include ease and experience with the company.

In this research, it shows that trust influences the loyalty of outlet owners. In other words, if the level of trust is increasing, it will increase the loyalty of the outlet owners. According to Roos (2006) the existence of trust can establish long-term relationships and the role of trust can attract consumers to buy back in the future. This is also supported by Caceres and Paparoidamis (2005) which states that customer trust in a company will ultimately have an impact on customer loyalty. In addition, Garbarino and Johnson (1999, in Putri, 2015) state that trust can arise from the ability to prove something, reliability, and intentionality. The credibility of a company can also create trust from customers to their business partners,

because the company has the expertise to do tasks and do good ways to other parties in a relationship.

Satisfaction of relationships is related to customer trust and commitment. The three indicators are a reference to create good quality relationships. Satisfaction in connection according to Caceres and Paparoidamis (2005) is a positive affective state as result from the company assessment towards all aspects of its employment relationship with other companies. This research shows that the level of satisfaction of high connectivity has a positive effect on the high level of commitment of a relationship. In other words, if the level of satisfaction of the connection increases, it will further increase the commitment of the outlet owner. In addition, this study also shows that the level of satisfaction of high connectivity has a positive effect on the high level of trust in a relationship so that it can be said that if the level of satisfaction of the connection increases, it will further increase the trust of the outlet owner. Relationship satisfaction in this research suggests that relationship satisfaction as the cumulative influence developed during the establishment of the relationship is not only as a result of certain transactions.

The test result about trust and commitment shows that trust has a positive effect on the commitment of the outlet owner so that it can be said if the level of trust is increasing, it will further increase the commitment of the outlet owner. According to Ganesan (1994, in Caceres and Paparoidamis, 2005) long-term orientation is influenced by how far the customers and business partners trust each other. Every ability of each business partner to provide positive results determines relationship commitment. This is also supported by Morgan and Hunt (1994, in Putri, 2015) who stated about the role of trust and commitment in marketing. Trust is an important thing and considered in creating long-term relationships between companies, so that when both parties feel mutual trust in each other there will be a commitment to maintain their relationship. Therefore, trust is a main determinant of a relationship commitment.

CONCLUSION AND SUGGESTIONS

Conclusion

Based on the research results, it can be concluded that:

1. The quality of functional services that consist of communication and shipping affects the satisfaction of connectedness, but the quality of technical services which include advertising and campaign does not affect the satisfaction of connectedness.
2. Outlet owner loyalty is influenced by trust but is not influenced by satisfaction and commitment. Increasing the trust of the outlet owner will increase loyalty.
3. Satisfaction of connectedness has a positive effect on the level of commitment and trust. The increase in the satisfaction of outlet owners has effect to increase the commitment and trust of the outlet owners.
4. Trust has a positive effect on the outlet owner commitment. The more outlet owners believe in a sales representative, the level of outlet owner commitment will increase.

Suggestions

Based on the research and conclusions that have been explained before, there are some suggestions recommended by researcher, that are:

1. For further researchers, to learn more about variables other than those studied, for example preferences end customer, profit continuity, promotions, product prices, etc.
2. For sample selection, it can be considered better related to the amount of samples, characteristics of respondents, and ensure that the respondents selected can answer the questionnaire correctly. Also, other data collection techniques such as interviews can also

be added. The next researcher can modify the research model in order to get better research results.

3. For data analysis methods, we should use PLS SEM or Lisrel so that we can see the effect of mediation between variables from indirect influence channels.

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