

# Analysys Of The Influence Of Service Quality And Customer Satisfaction At Customer Loyalty And Corporate Image In Tge Company It Service Delivery Pt Xyz

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**Abstract.**

*This research explores a number of factors that contribute to customer loyalty and corporate image in the context of IT services. Regression analysis was used to evaluate the relationship between the variables of service quality and customer satisfaction with customer loyalty and corporate image. This research provides important implications for the management of PT XYZ in improving service quality and customer satisfaction to strengthen customer loyalty and improve the company's image. Therefore, recommendations are given to improve service strategies and customer relationship management to maintain and increase customer loyalty and improve the company's image in the IT service industry.*

**Keywords:** Service Quality, Customer Satisfaction, and Customer Loyalty and Corporate Image.

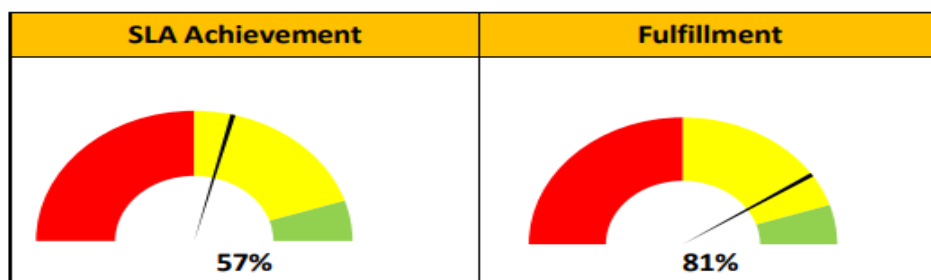
**I. INTRODUCTION**

PT XYZ is one of the leading private companies in Indonesia in the field of document solutions and information technology. The digital services offered by PT XYZ highlight the company's focus on digital transformation. These services can include strategic consulting, mobile application development, data analysis, cyber security, and system integration. The increasing complexity of technology, along with increasing market demands, has driven the need for efficient, responsive, and scalable IT services (Laudon, 2021).

**Table 1.** KPI Departement of PT XYZ

| No | Departement               | CSI Score | KPI Translation | Index Satisfaction |
|----|---------------------------|-----------|-----------------|--------------------|
| 1  | Opearation CS Survey      | 4.28      | 5.00            | Very Satisfied     |
| 2  | ITOS                      | 4.23      | 3.91            | Satisfied Enough   |
| 3  | ITMS                      | 4.36      | 4.42            | Satisfied          |
| 4  | DC & Cloud Service        | 4.08      | 4.34            | Satisfied          |
| 5  | ASDS                      | 5.00      | 5.00            | Very Satisfied     |
| 6  | BSDS                      | 4.37      | 5.00            | Very Satisfied     |
| 7  | MCS                       | 3.92      | 3.68            | Satisfied Enough   |
| 8  | Infra Solution & Delivery | 4.81      | 5.00            | Very Satisfied     |
| 9  | IT Security & System      | 4.26      | 5.00            | Very Satisfied     |
| 10 | Development Center        | 4.1       | 4.42            | Satisfied          |

The level of satisfaction of each department is shown in the KPI value above. In IT service delivery it greatly affects the user experience. In some departments there is a need to improve in terms of service to increase the customer satisfaction index.



**Fig 1.** SLA Report Project Type Resource Fulfillment

<http://ijstm.inarah.co.id>

The report data above illustrates the quality of PT XYZ services, showing that there is a difference between the level of Service Level Agreement (SLA) achievement of 57% and the level of fulfilment of customer needs of 81%. SLA Achievement of 57% highlights that out of a number of targets promised in the SLA, only 57% were successfully achieved while Fulfillment of 81% shows that despite challenges in achieving SLA targets, most customer needs and requests were successfully fulfilled, reaching 81% of the total incoming requests. This study focuses on the correlation among service quality, customer satisfaction and customer loyalty in the Tehnology industry. There is a positive impact on the correlation among service quality, customer satisfaction and customer loyalty from the literature review. In addition, the research takes corporate image as the confounding variable. This study takes Service Delivery IT PT XYZ as an example, and the main objectives of this research are:

H1. To find out Service Quality Affects Customer Satisfaction at PT XYZ

H2. To find out Customer Satisfaction Affects Customer Loyalty at PT XYZ

H3. To find out Service Quality Affects Customer Loyalty at PT XYZ

H4. To determine the effect of Corporate Image on Service Quality and Customer Satisfaction at PT XYZ

This research takes a case study of Service Delivery IT PT XYZ. The main main research object of this research is the Client or Partner who has collaborated with IT Service Delivery PT XYZ.

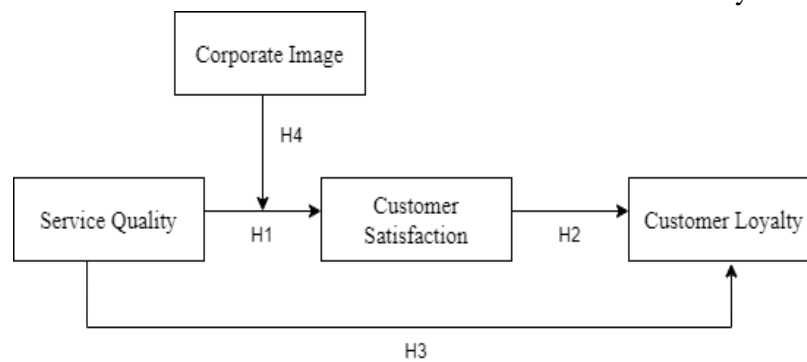


Fig 2. Research Model

## II. METHODS

### *Population and Sample*

In this study, the population used is a Client or Partner who has collaborated with PT XYZ IT service delivery. The target respondents of this research are stakeholders who have been involved in projects when using PT XYZ's IT service delivery including the Steering Committee, Project Management Officer, Project Manager and Project Leader. In this study, each company is also limited to a maximum of 5 respondents so that there is no accumulation of respondents in one particular company. Because researchers did not find exact data regarding the number of customers who were and had used PT XYZ services. So the sampling technique used in this study uses the Cochran formula as follows (Malhotra, 2020: 397):

$$n = \frac{Z^2 pq}{e^2} = 272,25 \approx 273$$

The results of the above calculations indicate that the minimum sample of respondents in this study was 272.25 but the number of research samples was rounded up to 273.

This study adopted a seven-point Likert scale to measure items with a scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). Regarding service quality, based on a study by Kai-Fu Yang et al (2019), this study applied five dimensions to design 22 questions to measure reability, responsiveness, empathy, assurance and tangibility. Customer satisfaction uses five dimensions from Kai-Fu Yang et al (2019) to design nine questions including service satisfaction, standard quality, price factors, situation factors, personal factors. and for customer loyalty, based on research by Kai-Fu Yang et al (2019), using attitudinal loyalty and behavioural loyalty to design six questions to measure it. Company image applied three dimensions from Jihyun and Yuri (2018) to design seven questions for measuring institution image, functional image and commodity image.

### ***Questionnaire Design***

This study adopted a seven-point Likert scale to measure items with a scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). Regarding service quality, based on a study by Kai-Fu Yang et al (2019), this study applied five dimensions to design 22 questions to measure reability, responsiveness, empathy, assurance and tangibility. Customer satisfaction uses five dimensions from Kai-Fu Yang et al (2019) to design nine questions including service satisfaction, standard quality, price factors, situation factors, personal factors. and for customer loyalty, based on research by Kai-Fu Yang et al (2019), using attitudinal loyalty and behavioural loyalty to design six questions to measure it. Company image applied three dimensions from Jihyun and Yuri (2018) to design seven questions for measuring institution image, functional image and commodity image.

### ***Research Instrument***

This study used the statistics SPSS version 23 software tools for data analysis. It used the data collection and used different statistical analyses to transform the data into useful information. Therefore, the study includes reliability and validity analysis, factor analysis, regression analysis and descriptive statistical analysis. Construct validity helps in avoiding biases that may occur in measurement, thus ensuring that the resulting findings are the result of accurate and objective analyses. The item is declared valid if the coefficient is equal to or greater than 0.361 (r table) (Sugiyono, 2017). In the validity test of each research question item, it has met the criteria where the value of r count is more than 0.361 (r table).

## **III. RESULT AND DISCUSSION**

### ***Descriptive Statistics***

The majority of respondents are men with 238 people or around 87.17%, and there are 25 female respondents or 12.82%. The ages of most respondents are in the range of 20-30 years and 31-40 years with 41.39% and 33.33%. It can be seen that respondents who have used PT XYZ IT Service Delivery are dominated by respondents with productive ages in the range of 20-40 years. Most respondents have a bachelor's degree (65.56%), and the rest have educational experience of master's degree, diploma degree and high school. Regarding the position in the project, in this study the majority of respondents were project managers (38.46%) and the second majority were project leaders (36.63%), this is natural because in projects, communication often occurs between project managers and project leaders. Next followed by Project Manager Officer (13.55%) and steering committee (11.36%). For the respondent's tenure, the most respondents are those who have a tenure of 1-5 years (39.92%) as many as 109 respondents and respondents with a tenure of 6-10 years (32.60%). And for the rest are respondents with a tenure of 11-15 years, less than 1 year and respondents with a tenure of more than 15%.

### ***Factors Analysis***

This study used 22 service quality measurement items to conduct factor analysis, extracting six factors. The KMO value is above 0.5, namely 0.858 and the P-Value is 0.000 (<0.001). This means that the variables are suitable for factor analysis. Only 15 items have a factor loading value above 0.5 and 7 items must be eliminated because they have a loading factor value below 0.5. And for the eigenvalue, it exceeds 1. This study used 9 customer satisfaction measurement items to conduct factor analysis, extracting three factors. The KMO value is above 0.5, namely 0.732 and the P-Value is 0.000 (<0.001). This means that the variables are suitable for factor analysis. All factor loadings are more than 0.5. Thus, all items are retained and eigenvalues exceed 1. This study uses 6 customer loyalty measurement items to conduct factor analysis, extracting two factors. The KMO value is above 0.5, namely 0.638 and the P-Value is 0.000 (<0.001). This means that the variables are suitable for factor analysis. All factor loadings are more than 0.5. Thus, all items are retained and eigenvalues exceed 1. This study uses 7 corporate image measurement items to conduct factor analysis, extracting two factors. The KMO value is above 0.5, namely 0.694 and the P-Value is 0.000 (<0.001). This means that the variable is suitable for factor analysis. All factor loadings are more than 0.5. Thus, all items are retained and eigenvalues exceed 1.

### ***Reliability and Validity Analysis***

According to Sugiyono (2017) if the Cronbach  $\alpha$  coefficient value is higher than 0.9, then the reliability of the data is high. The alpha coefficient of the dimensions in this study must be above 0.7. In the context of the journal, the reliability test is used to ensure that the questionnaire used in the study provides consistent and reliable results in measuring the constructs to be studied. The reliability test results provide confidence that the measurement instruments used in the study are consistent and reliable in measuring the constructs to be studied. In addition, Cronbach's  $\alpha$  coefficient for service quality is 0.988, customer satisfaction customer satisfaction of 0.873, customer loyalty of 0.824 and company image of 0.843. The overall reliability value reached 0.962. Therefore, it can be considered that this questionnaire is consistent and has a high level of reliability.

**Table 2.** Reliability Analysis

| Variable              | Total Item | Cronbach's Alpha |
|-----------------------|------------|------------------|
| Service Quality       | 22         | 0,918            |
| Customer Satisfaction | 9          | 0,873            |
| Customer Loyalty      | 6          | 0,824            |
| Corporate Image       | 7          | 0,843            |
| Overall               | 44         | 0,962            |

For the validity analysis, this research was based on the literature, referring to the work of previous scholars to design the questionnaire. The researcher also discussed with experts, and the draft of the questionnaire was modified after examined by professionals. Before formally sending out the questionnaire, it was revised after pretesting. This study used factor analysis to construct the validity as well. Therefore, the validity of the questionnaire was fairly representative as the results reached the level of the content validity, expert validity and construct validity.

### ***Regression Analysis***

Based on the analysis results, all  $\beta$  values are positive, and the P-values reach the significance level ( $<0.001$ ), which means that the independent variables have a significant influence on the dependent variable. It can be seen that the Adjusted R<sup>2</sup> is 0.109, 0.065 and 0.583, which indicates that the independent variables of this model can explain the variance in the dependent variable, therefore the regression analysis results support H1, H2 and H3.

**Table 3.** Regression Analysis of H, H2 and H3

| Independent Variable  | Dependent Variable    | $\beta$ | AR <sup>2</sup> | F       | P-Value |
|-----------------------|-----------------------|---------|-----------------|---------|---------|
| Service Quality       | Customer Satisfaction | 0,202   | 0,109           | 34,305  | 0,000   |
| Customer Satisfaction | Customer Loyalty      | 0,191   | 0,065           | 19,821  | 0,000   |
| Service Quality       | Customer Loyalty      | 0,338   | 0,583           | 380,556 | 0,000   |

This study verifies such influence through hierarchical regression analysis. Corporate image is adopted as a moderating variable. Hypothesis four (H4) in this study has established that corporate image mediates the effect of service quality on customer satisfaction. Based on the analysis results, all  $\beta$  values are positive, and the P-values reach the significance level ( $<0.000$ ). As shown in Table 4, the Adjust-R<sup>2</sup> value of model 2 (0.223) is higher than model 1 (0.109). Therefore, corporate image moderates directly and positively directly and positively between service quality and customer satisfaction, thereby supporting H4.

**Table 4.** Hierarchical Regression Analysis of H4

| Model | Independent Variable | $\beta$ | AR <sup>2</sup> | F      | P-Value |
|-------|----------------------|---------|-----------------|--------|---------|
| 1     | Service Quality      | 0,202   | 0,109           | 34,305 | 0,000   |
| 2     | Service Quality      | 0,082   | 0,223           | 40,129 | 0,000   |
|       | Corporate Image      | 0,470   |                 |        | 0,000   |

#### IV. CONCLUSION

The results found that service quality affects customer satisfaction at PT XYZ. It can be seen that service quality is not only a significant standard for companies, but also affects customer satisfaction positively and directly. Therefore, it is very important to pay attention to service and provide a sense of security to customers to increase customer satisfaction. This research shows that if customers are satisfied with the service provided, they will reuse the same product or use the same service continuously and even recommend the product and service to others. In addition, businesses should pay more attention and spend more time and money on developing new customers. The best approach is to provide the best service when communicating with customers at the beginning so as to create a good relationship with these customers. The research found that service quality affects customer loyalty at PT XYZ. It can be seen that service quality is a key factor in retaining customers. Companies can continue to improve service quality to increase customer loyalty, which in turn can have an impact on business growth and competitiveness in the market. For the company's image, in this study its role is more functional as a moderating variable in increasing the effect of the quality of service provided on customer satisfaction in using IT service delivery.

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