INCREASING CUSTOMER LOYALTY THROUGH SERVICE QUALITY AND CUSTOMER SATISFACTION IN THE DIGITAL ERA

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Abstract: *This research is motivated by the importance of consumer loyalty for companies. This study aims to determine and analyze the effect of service quality and customer satisfaction on customer loyalty in the Digital Era. The research method used in this research is descriptive method with a quantitative approach. The sample in this study were 100 consumers using a random sampling technique. Collecting data using questionnaires distributed to consumers. The instruments used have been tested for validity and reliability. The collected data were analyzed using the classical assumption test and multiple linear regression using excel and SPSS. The results of this study indicate that 1) Service quality has a positive and significant effect on consumer loyalty in the digital era, 2) Customer satisfaction has a positive and significant effect on customer loyalty in the digital era, and 3) Service quality and customer satisfaction have a positive and significant effect on customer loyalty in the digital Era. The findings of this study indicate that if companies want to increase consumer loyalty, companies must also improve service quality and customer satisfaction in the digital era.*

Keywords: *Consumer Loyalty, Service Quality, Consumer Satisfaction, Digital Era*

1. Introduction

Consumer loyalty is a boost and ability of consumers to continue buying products or using services from a brand or company because they are satisfied with the performance or experience provided. Consumer loyalty can also be interpreted as the tendency of consumers to buy repeatedly from a brand or company because they are satisfied with previous experiences (East, R., Gendall, P., Hammond, K., & Lomax, 2005). In line with this definition, Consumer loyalty can be understood as a consumer instinct and encouragement to continue buying products or using services from a brand or company because they are satisfied with the performance or experience provided, so they are reluctant to switch to another brand or company. Consumer loyalty can also be interpreted as an emotional relationship between consumers and brands that causes consumers to prefer these brands over other brands, even if other brands offer lower prices or the same quality (Wijayanto, I., & Iriani, 2013).

Consumer loyalty is very important for companies because it has a positive impact on business continuity and company profits. Consumer loyalty can increase customer retention rates, so companies don't need to keep looking for new customers to replace lost customers. Loyal customers tend to recommend the company's brand or products to their friends or family, so the company can reduce marketing costs to find new customers. Loyal customers tend to buy

more products or use more services from the company, thereby increasing the company's revenue (Delgado-Ballester, E., & Munuera-Alemán, 2001).

Many factors influence consumer loyalty, one of which is service quality. Service quality refers to how a company provides services to its customers. Service quality is the conformity between customer expectations and customer perceptions of the performance of the services provided. In line with this definition, service quality can be interpreted as the ability of a service to meet or exceed customer expectations in meeting their needs or desires (Permana, 2013). In general, service quality can be interpreted as conformity between customer expectations and customer perceptions of the performance of the services provided, conformity between customer expectations and their actual experience in interacting with the company, or the ability of a service to meet or exceed customer expectations in meeting their needs or desires. (Aryani, D., & Rosinta, 2011).

Quality of service is of course needed to support the success of a company. Good service quality can increase customer satisfaction, so that customers will return to using the company's services and recommend them to others. In addition, customers who are satisfied with the company's service quality tend to become loyal customers, thereby increasing customer loyalty and reducing marketing costs to find new customers. Good service quality can also increase customer trust, so that customers tend to pay more for products or services they perceive as quality (Ripan, R., & Soliha, 2023).

In addition to service quality, influenced by factors thought to influence consumer loyalty is customer satisfaction. Consumer satisfaction can be defined as the feeling of satisfaction or dissatisfaction felt by customers after comparing the performance of a product or service with their expectations. In line with this definition, consumer satisfaction can be understood as the subjective evaluation of the performance of a product or service made by a customer after experiencing the product or service (Mowen, JC, & Minor, 2002). Consumer behavior. Jakarta: Erlangga, 90. In addition, in general, consumer satisfaction can be interpreted as a feeling of satisfaction or dissatisfaction felt by customers after comparing product or service performance with their expectations, subjective evaluation of product or service performance by customers after obtaining experience with the product or service, positive or negative feelings felt by customers towards the service received, or feelings generated by a comparison between the performance of the product or service received and customer expectations (Bahar, A., & Sjahruddin, 2017).

Satisfaction is critical to business success. Customers who are satisfied with the company's products or services tend to become loyal customers, thereby increasing customer loyalty and reducing marketing costs to find new customers (Ishak, 2005). In addition, customer satisfaction helps improve the company's reputation, so that the company will become more attractive to potential customers and business partners. Customers who are satisfied with the company's products or services also tend to recommend the company to others, so as to increase the company's sales (Wicaksana, 2019).

The digital era is a time when information and communication technology (ICT) is advancing and changing the way people live and interact. The digital era began around the early 2000s with the increasingly sophisticated development of the internet, computers and mobile devices. The digital era has changed many aspects of life, including the way of work, communication, shopping, entertainment and more. The digital era has both positive and negative impacts on society and companies. However, overall, the digital era has brought major changes and provided many new opportunities for progress and innovation (Sari, 2020).

Research on Increasing Consumer Loyalty Through Service Quality and Consumer Satisfaction in the Digital Era have been carried out by previous researchers (Sofiati, I., Qomariah, N., & Hermawan, 2018; Putra, HA, & Ngatno, 2017; Kartika, EW, & Kaihatu, T. S, 2008; Putri, YL, & Utomo, 2017; Christian, M., & Nuari, 2016; Darwin, 2014; Molle, MA, Mandey, SL, & Kojo, 2019; Gultom, DK , Arif, M., & Fahmi, 2020; Bahrudin, M., & Zuhro, 2016; Novianti, N., Endri, E., & Darlius, 2018; Novianti, N., Endri, E., & Darlius, 2018 ; Subawa, IGB, & Sulistyawati, 2020; Ramenusa, 2013; Krisdayanti, 2017; Hamonangan Sinaga, PP, Sugiarto, Y., & Sugiarto, 2011; Agustina, V., & Yoestini, 2012; Sukmawati, I., & Massie , 2015; Nuraeni, R., Eldine, A., & Muniroh, L. 2019; Lubis, IO, & Suwitho, 2017).

Based on the background and previous studies that have been described by the authors above, the authors are interested in studying more deeply about increasing consumer loyalty through service quality and customer satisfaction in the digital era. the purpose of this research is to know and analyze the increase in consumer loyalty through service quality and customer satisfaction in the digital era. The results of this study are expected will provide readers with understanding and insight into the importance of service quality and customer satisfaction in the digital era to increase consumer loyalty.

2. Research Method

The research method used in this research is descriptive method with a quantitative approach. The sample in this study were 100 consumers using a random sampling technique. Data collection uses a questionnaire that is distributed directly to consumers. Loyalty variable measurement uses six indicators from Tjiptono (2002), namely: 1) Repurchase, 2) Habit of consuming the brand, 3) Always like the brand, 4) Still choose the brand, 5) Believe that the brand is the best, 6) Recommend brand. The measurement of service quality variables uses five indicators of Kotler and Keller (2016), namely 1) Tangibles; b) Reliability; c) Responsiveness; d) Assurance; and e) Empathy and measurement of consumer satisfaction variables using indicators from Tjiptono (2011), namely 1) Product Quality, 2) Service Quality, 3) Product Prices, 4) Easy Access to Products and 5) Easy Product Advertising. Previous research instruments have been tested for validity and reliability. The data analysis technique used in this study is the classical assumption test and then multiple linear regression with the help of Excel and SPSS applications.

3. Results and Disscussion
3.1. Results
Overview of study participants
The sample size for this study was 100 consumers. The results of data collection and processing are presented descriptively in the following discussion:

a) **Study Participants Based on Gender**
   Study participants based on gender can be seen that for study participants who are male are 50 people and 50 are female, or in other words 50% are male and 50% are female. This means that the number of study participants between men and women is the same.

b) **Respondents Based on Age**
   Study participants based on age can be identified for ages <25 years as many as 30 people or 30%, 25-40 years as many as 40 people or 40% and > 40 years as many as 30 people or 30%. So that we can conclude that most of the study participants in this study were dominated by the age of 25 – 40 years.

Classic assumption test
**a) Normality test**

Table 1.

Kolmogorov-Smirnov One Sample Normality Test Results

Significance	Information
.257 [c,d]	Normal Distribution

Source: Data Processing, 2023

Based on the results of the normality test presented in table 1 above, it can be concluded that if the research model is normally distributed, this can be seen from its significance value, which is equal to 0.257.

b) Heteroscedasticity Test
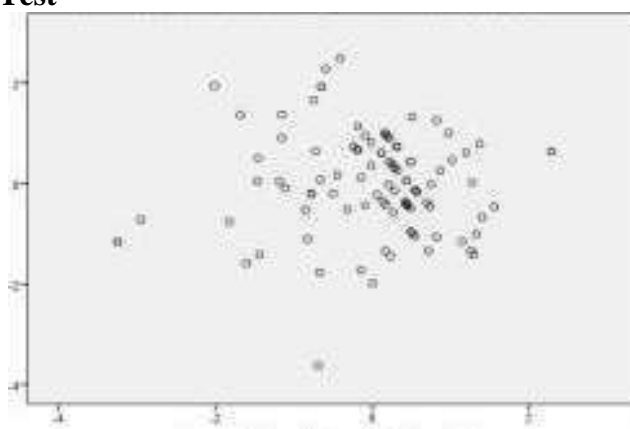
Figure 1.
Heteroscedasticity Test Results
Source: Data Processing Results, 2023

Based on Figure 1 above, it can be concluded that if there is no heteroscedasticity in this study, then this research can be continued with multiple regression tests.

c) Multicollinearity Test

Table 2.

Multicollinearity Test Results

Variable	Collinearity Statistics		Information
	tolerance	VIF	
Quality of Service (X1)	0.380	3.900	Multicollinearity Free
Consumer Satisfaction (X2)	0.385	4.800	Multicollinearity Free
Consumer Loyalty (Y)	0.386	3.600	Multicollinearity Free

Source: Data Processing, 2023

Based on the results of the Multicollinearity Test, it can be seen that all variables in this study are Multicollinearity Free because the tolerance value is > 0.10 or < 1 and VIF < 10.

Multiple Linear Regression Analysis

Table 3.
Multiple Regression Test Results

Model	Unstandardized Coefficients		standardized Coefficients	t	Sig
	B	std. Error	Betas		
Constant	6.520	7.400		.730	.200
Quality of Service	.401	.080	.247	4.360	.000
Consumer Satisfaction	.520	.056	.531	4.510	.000

Source: Data Processing, 2023

F test

Table 4.
F test results

Model	Sum of Squares	df	MeanSquare	F	Sig
Regression	1552,500	2	850.200	38,120	.000b
residual	2332200	98	20.340		
Total	3640,800	98			

Source: Data Processing, 2023

A statistical F-test essentially tells you whether all independent variables in a regression model have a common influence on the dependent variable. Table 6 above shows that the calculated F value is 38,120 with a significance level of 0.000.

Determination Coefficient Test (R^2)

Table 5.
Determination Test Results (R^2)

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.635a	.430	.570	4.320

Source: Data Processing, 2023

Table 5 above shows that the adjusted R2 value obtained is 0.570. This means that consumer loyalty can be explained by the independent variables: service quality and customer satisfaction at 57.00%. The remaining 43.00% are explained by other variables not included in this study.

Hypothesis Testing (T Test)

Table 6.
T test results

Model	t	Sig.
Quality of Service	4.360	.000
Consumer Satisfaction	4.510	.000

Source: Data Processing, 2023

3.2. Discussion

a. The Effect of Service Quality on Consumer Loyalty in the Digital Era

The results of this study indicate that service quality affects consumer loyalty in the digital era. This means that the better the company's service quality, the better the consumer loyalty in the digital era, conversely the worse the company's service quality, the worse the consumer loyalty in the digital era. This suggests that if the company wants to increase consumer loyalty in the digital era, the company should improve service quality.

Service quality has a significant influence on consumer loyalty in the digital era. In the digital era, consumers can easily access information about the products or services they need via the internet. In this case, good service quality can make it easier for consumers to find and use the company's products or services. This can increase consumer satisfaction and bring a positive influence on consumer loyalty. In the digital era, good service quality can have a significant impact on consumer loyalty. In the increasingly fierce business competition, companies must be able to provide good service quality and in accordance with consumer needs, so as to increase consumer loyalty and win the competition in an increasingly competitive market.

The results of this study are consistent with those of previous studies (Sofiati, I., Qomariah, N., & Hermawan, 2018; Putra, HA, & Ngatno, 2017; Kartika, EW, & Kaihatu, T. S, 2008; Putri, YL, & Utomo, 2017; Christian, M., & Nuari, 2016; Darwin, 2014) which states that Service Quality on Consumer Loyalty in the Digital Era. The results of this study are also in line with the loyalty theory put forward by Griffin (2005) which reveals that loyalty is a form of customer behavior in making repeated buying decisions on goods from that company. Customer loyalty is a person's awareness to repurchase the same product or service from a related company.

b. The Effect of Consumer Satisfaction on Consumer Loyalty in the Digital Era

The results of this study indicate that consumer satisfaction affects consumer loyalty in the digital era. This means that the better the customer satisfaction, the better the consumer loyalty in the digital era, conversely, the worse the company's customer satisfaction, the worse the consumer loyalty in the digital era. This suggests that if the company wants to increase consumer loyalty in the digital era, the company should increase customer satisfaction.

Consumer satisfaction has a very large influence on consumer loyalty in the digital era. In the digital era, consumers tend to share their experiences about products or services through social media and review websites. If consumers are satisfied with the product or service provided by the company, they will be more inclined to recommend the product or service to others. These recommendations can broaden the company's customer base and increase consumer loyalty. In the digital era, consumer satisfaction is very important to strengthen consumer loyalty. Companies must ensure that the products or services they offer meet consumer needs and preferences, and respond quickly and effectively to complaints or problems. In the increasingly fierce business competition, companies must focus on increasing customer satisfaction to strengthen consumer loyalty and win the competition in an increasingly competitive market.

The results of this study are consistent with those of previous studies (Molle, MA, Mandey, SL, & Kojo, 2019; Gultom, DK, Arif, M., & Fahmi, 2020; Bahrudin, M., & Zuhro, 2016; Novianti, N., Endri, E., & Darlius, 2018; Novianti, N., Endri, E., & Darlius, 2018; Subawa, IGB, & Sulistyawati, 2020) which states that consumer satisfaction affects consumer loyalty in the digital era. These results are in line with the loyalty theory put forward by

Griffin (2005) which reveals that loyalty is a form of customer behavior in making repeated buying decisions on goods from that company. Customer loyalty is a person's awareness to repurchase the same product or service from a related company.

c. The Effect of Service Quality and Consumer Satisfaction on Consumer Loyalty in the Digital Era

The results of this study indicate that service quality and consumer satisfaction on consumer loyalty in the digital era. This means that the better the quality of service and customer satisfaction, the better customer loyalty will be in the digital era, conversely, the worse the quality of service and customer satisfaction, the worse consumer loyalty will be in the digital era. This suggests that if the company wants to increase consumer loyalty in the digital era, the company should improve service quality and customer satisfaction.

The results of this study are consistent with those of previous studies (Ramenusa, 2013; Krisdayanti, 2017; Hamonangan Sinaga, PP, Sugiarto, Y., & Sugiarto, 2011; Agustina, V., & Yoestini, 2012; Sukmawati, I., & Massie, 2015; Nuraeni, R., Eldine, A., & Muniroh, L. 2019; Lubis, IO, & Suwitho, 2017) which states that Service Quality and Consumer Satisfaction on Consumer Loyalty in the Digital Era. The results of this study support the loyalty theory put forward by Griffin (2005) which reveals that loyalty is a form of customer behavior in making repeated buying decisions on goods from that company. Customer loyalty is a person's awareness to repurchase the same product or service from a related company.

4. Conclusion

Based on the results of research and data processing on Increasing Consumer Loyalty Through Service Quality and Consumer Satisfaction in the Digital Era, the authors can draw conclusions: 1) Service quality has a positive and significant effect on consumer loyalty in the digital era, 2) Customer satisfaction has a positive and significant effect on loyalty consumers in the digital era, and 3) Service quality and customer satisfaction have a positive and significant effect on consumer loyalty in the digital era. Based on the conclusion regarding Increasing Consumer Loyalty Through Service Quality and Consumer Satisfaction in the Digital Era: 1) For companies it is better to improve service quality by providing fast, accurate service and providing complaint services besides that companies also provide satisfaction to consumers by providing quality products and the best service to consumers and 2) For consumers, it is better if in determining the product or service to be used, they must pay attention to the quality of service and the satisfaction prepared by the company.

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