

THE INFLUENCE OF PROVIDED SERVICE, PRODUCT QUALITY, AND OFFERED FACILITIES IN PREMIUM CONVENIENCE STORES TO DEFINE CUSTOMER LOYALTY

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Abstract – This study aims to analyse the Influence of Provided Service, Premium Product Quality, and Facilities Offered on Customer Loyalty at one of the Premium Convenience Stores (PCS) in Jakarta. PCS is a premium shopping centre that offers a variety of products and services for customers who are looking for an exclusive and quality shopping experience. The research method used in this study is a quantitative approach by distributing questionnaires to 100 respondents who visited PCS. The questionnaire includes questions about customer perceptions of service, premium product quality, facilities provided by PCS, and the level of Customer loyalty to the shopping centre. The results of the analysis show that provided service is not affecting loyalty, unlike product quality and facility offered by PCS. Simultaneously, provided service, product quality, and facilities offered affect loyalty. This research provides insight for the management of the premium convenience store to complement provided service with product quality, and facility to affect customer loyalty on PCS.

Keywords: *Provided Service, Product Quality, Facilities Offered, Customer Loyalty*

I. INTRODUCTION

In carrying out the business world, it is very likely that a change will occur that must be experienced from within and from outside. This change can change the interest and purchasing power of existing Customers so that Customers may switch to other companies, moreover there are many alternative choices with lower prices, better quality, and more users. However, this does not apply to Customers who already have a high level of loyalty to a company. Existing changes will not make loyal customers turn to other companies unless Customers feel very disappointed with the previous company.

The phenomenon of growing sales ratio of premium shops in Indonesia. Textile Opens Store with Premium Facilities, Sales Target Grows 75 Percent (Yuana, 2023). Electronics stores are competing to increase their premium service (Nistanto, 2023). Premium Building Materials Stores are able to absorb labour and increase competitiveness (Suryakusumah, 2023). Therefore, it is very important for a company to maintain the trust and loyalty of existing Customers in premium store. Customer loyalty with their willingness to

become loyal customers for a long period of time continuously and voluntarily recommend to others because they have had a good experience. Customers may also remain loyal to repurchase products and services even though there are many situational influences or marketing efforts caused by the potential for changes in Customer behaviour.

Jakarta has most of the premium store compared to the other city in Indonesia because of Jakarta has population of more than 10 million. This is the city with the highest cost of living in Indonesia. At the global level, Jakarta is even included in the top 20 most expensive cities. Jakarta is the capital city of Indonesia which is the centre of government and economy as well as the largest mega city in Indonesia. Jakarta has an area of 661.52 square kilometres consisting of five administrative cities and one Thousand Islands district. Jakarta is the capital city of Indonesia which is the centre of government and economy as well as the largest mega city in Indonesia. Jakarta has an area of 661.52 square kilometres consisting of five administrative cities and one Thousand Islands district. Most premium shops enter via Jakarta. For PCS in Indonesia, there are Grand Lucky, Rach Market, Farmers Market, Foodhall, Kem Chick, and Lotte Mart (Rahmawati, 2021). Sarinah, the first shopping centre in Indonesia with cultural heritage status, also has a PCS concept in the middle of a mall concept with a distinctive Indonesian or local culture. (Nuragustina, 2022). So, PCS in is an interesting object to examine in related to the provided service, product quality, and facilities offered on Customer loyalty. This research will continue to call the premium convenience store with PCS.

II. LITERATURE REVIEW

Provided service, product quality, and facilities offered on Customer loyalty will be called as the examined variable that consist of three independent variable and one dependent variable.

Previous study toward mentioned variable are service quality, Customer satisfaction and loyalty in healthcare industry (Meesala & Paul, 2018). Service quality and attitudinal loyalty of Customers' perception in telecommunication companies (Belwal & Amireh, 2018). The impact of service quality on passenger loyalty and the mediating roles of relationship quality in airline company (Khanh Giao & Vuong, 2021). Brand equity, brand loyalty and Customer satisfaction in hospitality industry (Nam, Ekinci, & Whyatt, 2011).

Indicator that become the question item in the research analysis are elaborate as follow:

A. Provided service (Faradisa, Hasiholan, & Minarsih, 2016):

1. Tangibles (direct evidence),
2. Reliability (reliable),
3. Responsiveness (responsiveness)
4. Assurance (guarantee),
5. Empathy (empathy).

B. Product quality (Trentin, Perin, & Forza, 2012):

1. Overall durability,
2. Reliability,
3. Precision,
4. Ease of operational.

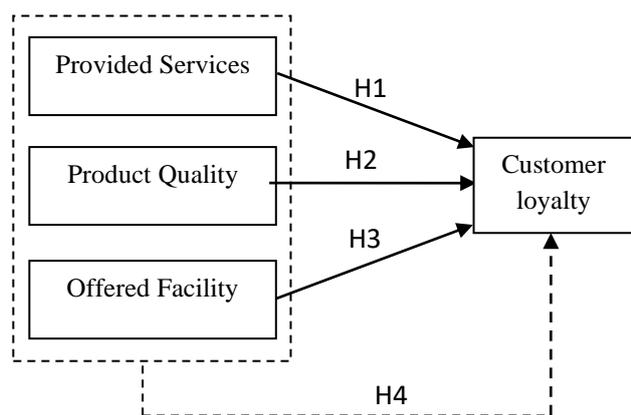
C. Facility offered (Tjiptono, 2014):

1. Spatial considerations/planning,
2. Room planning
3. Equipment/equipment,
4. Lighting and colour,
5. Messages conveyed graphically
6. Supporting elements

D. Customer loyalty (Ong, Lee, & Ramayah, 2018):

1. Repurchase intention,
2. Word of mouth,
3. Willingness to pay more

The variable constructed in the research framework bellow:



Picture 1. Research framework

III. METHODS

The variables used consist of dependent and independent variables. The dependent variable is a variable whose value is influenced by the independent variable. The dependent variable (Y) is Customer loyalty while the independent variables (X) referred to in this study are provided service (X1), product quality (X2), and facilities (X3).

According to Sugiyono (2019) the sample is part of the number and characteristics possessed by the population. In this study using a non-probability sampling technique, which is a sampling technique that does not provide equal opportunities to every member of the population. Sampling method used is purposive sampling. Sugiyono also suggests that the purposive sampling technique is a sampling technique with certain considerations. The samples taken in this study were 100 respondents who were randomly selected from the population of PCS Customer. The demographic segmentation of respondents will be based on age, gender, monthly income, occupation, number of family members.

Validity is the degree of accuracy between the data that actually occurs in the research object and data that can be reported by researchers. The validity test is used to measure whether a questionnaire is valid or valid. According to Sugiyono (2019) a reliability test is carried out

to find out how far the measurement results remain consistent if two or more measurements are made of the same symptoms using the same measuring device. Reliability Test is a tool for measuring a questionnaire which is an indicator of a variable or construct. The classical test is a statistical method used to test hypotheses or statements about a population by using samples taken from that population. In general, the classical test consists of normality, heteroscedasticity and multicollinearity tests. Furthermore, testing is carried out to determine the correlation of variable relationships partially and simultaneously using the t-test, f-test, and the coefficient of determination (Ghozali, 2021).

IV. RESULTS AND DISCUSSION

PCS is a shopping centre offers that complete shopping experience with a wide range of products and services, ranging from daily necessities to luxury products. Inside this shopping centre there are various kinds of shops, such as restaurants, cafes, and retail shops. One of the biggest premium convenience stores in Jakarta is located in the SCBD (Sudirman Central Business District) area. This place provides a variety of fresh products, such as fruits, vegetables, meat and fish, as well as other daily necessities. This shopping centre is equipped with the best facilities, products and services. There are also indoor and outdoor areas that are suitable for relaxing and enjoying the atmosphere of the modern SCBD area. Overall, this premium convenience store is a shopping centre that is suitable for anyone who wants to shop for high-quality products with a complete range of choices, amidst a comfortable and modern atmosphere in the South Jakarta SCBD area.

PCS offers good service to its visitors by providing a comfortable and safe shopping experience. Some of the services provided by this shopping centre include: special price offers offered by friendly PCS employees according to Customer needs and preferences, Security with good and up-to-date security

systems, such as CCTV, security officers, and fire extinguishing systems, Spacious and safe parking for visitors who bring private vehicles, good customer service through Customer Service or through machines that are ready to help visitors to solve problems or provide the necessary information, and other facilities such as toilets, nursing rooms, ATMs, and prayer rooms.

PCS also provides premium products with good and guaranteed quality. These products consist of various types, ranging from food and beverage products, beauty and personal care products, to electronics and fashion products. Products sold at PCS are confirmed to be in a fresh produce state for fruits, vegetables, meat, fish and other fresh products with good and fresh quality. The premium products that are sold also have good quality, are unique and superior. Premium products that are sold have relevant quality and price so that there is a feeling of satisfaction and a positive impression of luxury that emerges

PCS facilities make it easier for Customers to reach them because there are public vehicles around the SCBD area with a wide enough sidewalk area for pedestrians so that pedestrians can feel safe and comfortable. There is also adequate parking for Customers who wish to bring their own vehicles. The best facilities inside the building are provided, such as clean toilets, customer service, a food lounge with a wide selection of delicious snacks, and rooms with full air conditioning so that Customers can shop comfortably.

With good service, visitors can feel comfortable and calm when shopping at PCS. With the premium quality products offered by PCS, visitors can buy high quality products that suit their needs. With various facilities available, visitors can feel satisfied and enjoy a better shopping experience at PCS.

PCS shopping centre is a modern shopping centre located in the SCBD (Sudirman Central Business District) area of South Jakarta, Indonesia. PCS has an area of about 16,000 square meters with a floor consisting of four levels. PCS's strategic location in the business centre of South Jakarta makes it easy to reach from various directions and is a popular shopping destination in Jakarta. In addition,

the SCBD area is also equipped with easily accessible public transportation facilities, such as Trans Jakarta, MRT train, and KRL Commuter Line.

This research shows that statistic test is fulfilled from the validity, reliability and classical test that accepted. Hypothesis testing are based on t-test, f-test, and coefficient determination.

Based on the results of multiple linear regression tests between the independent variables (service, premium product quality, and facilities) on the dependent variable (Customer loyalty), the regression equation can be compiled as follows:

$$Y = 4,734 - 0,25(X1) + 0,458(X2) + 0,364(X1) + e$$

Based on the regression equation above it can be seen that β_1 direction is negative, β_2 is positive, and β_3 is positive.

Tabel 1. T-test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3863.624	3	1287.875	45.028	.000 ^b
	Residual	2745.766	96	28.602		
	Total	6609.390	99			

a. Dependent Variable: Loyalitas Konsumen

b. Predictors: (Constant), Pelayanan, Kualitas Produk, Fasilitas

Based on the results of the T test in the table, it can be concluded as follows:

1. Service Variables: The service variable (X1) to the Customer loyalty variable (Y) shows the results obtained are t count --- $0.203 < t$ table 1.985 with a significant value of 0.10 greater than 0.05 or 5%. That is, the service variable does not have a positive and insignificant effect on the Customer loyalty variable so that H0 is accepted and H1 is rejected.
2. Product quality variable: The premium product quality variable (X2) on the Customer loyalty variable (Y) shows the results obtained are t count 3.739 > t table 1.985 with a significant value of 0.000 less than 0.05 or 5%. That is, the premium product quality variable has a positive and

significant influence on Customer loyalty variables, so that H0 is rejected and H2 is accepted.

3. Facility variable: The facility variable (X3) to the Customer loyalty variable (Y) shows the results obtained are t count 2.636 > t table 1.985 with a significant value of 0.839 greater than 0.05 or 5%. This means that the facility variable has a positive and significant influence on the Customer loyalty variable, so that H0 is rejected and H3 is accepted.

Tabel 2. F-test

Model	Coefficients ^a						Collinearity Statistics	
	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.	Tolerance	VIF	
								B
1	(Constant)	4.734	4.250		1.114	.288		
	Fasilitas	.350	.133	.364	2.636	.010	.227	4.406
	Kualitas Produk	.521	.139	.458	3.739	.000	.289	3.464
	Pelayanan	-.016	.078	-.025	-.203	.839	.278	3.593

a. Dependent Variable: Loyalitas Konsumen

Based on the table, it can be seen that the calculated F value is 45.028 > F table 2.70 and the significant value shows the result of 0.000 < 0.05 so it can be concluded that all independent variables, namely service, premium product quality, and facilities simultaneously (simultaneously) influence on Customer loyalty variables. So that H0 is rejected and accepts H4.

Table 3. Coefficient Corelation

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.765 ^a	.585	.572	5.34806	1.400

a. Predictors: (Constant), Pelayanan, Kualitas Produk, Fasilitas

b. Dependent Variable: Loyalitas Konsumen

Based on the table, it shows a correlation value (R) of 0.765, which means that there is a fairly positive correlation or relationship between the independent variables (service, premium product quality, facilities) together with the dependent variable, namely customer loyalty of 76.5%. From these figures it can be seen that the relationship between the independent variable and the dependent variable is quite strong. Then the value of R2 (Adjust R Square) is 0.572. This shows that the magnitude of the variation that influences jointly Service, premium product quality, facilities on

Customer loyalty is 57.2%, while the remaining 42.8% (100-57.2%) is influenced by other factors not examined.

V. CONCLUSION

Based on the results of the analysis regarding the effect of service, premium product quality, and facilities, it can be concluded as follows:

1. The provided service variable shows the results of the recapitulation of respondents' answers in the good category. The service variable is not significant to Customer loyalty at PCS. There was a response from respondents who said "On busy days or hours, often the arrangements regarding buyers in the supermarket area are not regular, so it gets too crowded on certain days or hours." This sentence can conclude that even though the level of service provided is still lacking, Customers will still be loyal to shop at PCS. The service variable will have an effect when combined with other variables.
2. The premium product quality variable shows the results of the recapitulation of respondents' answers in the good category. The premium product quality variable has a positive and significant effect on Customer loyalty at PCS.
3. The facility variable shows the results of the recapitulation of respondents' answers in the good category. The facility variable has a positive and significant effect on Customer loyalty at PCS.
4. The variables of service, premium product quality, and facilities have a positive and significant effect on loyalty simultaneously.
5. Then the value of coefficient correlation shows that the magnitude of the independent variable influences loyalty simultaneously has 57.2% strength that based on Chin (1998) consider as moderate effect. Moderate effect means that this research results relevant for short-term decision-making process.

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