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THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER SATISFACTION AND LOYALTY AT PT REPEX PERDANA INTERNATIONAL (LICENSEE OF FEDERAL EXPRESS) IN MEDAN CITY

NIA ANINDITA

Universitas Sumatera Utara

ABSTRACT

A cargo service company is demanded to always increase its service quality by extending the area and punctual, speedy, and safe service. In its services, PT Repex Perdana International (Licensee of Federal Express), Medan, cannot be separated from the five dimensions: tangibles, reliability, responsiveness, assurance, and empathy which are still in good category. But there are some complaints about the lateness of goods arrival at destination addresses, the mistakes in sending goods, some damaged goods, and some lost goods. It is demanded that this company play its real role in increasing its service quality in order to make its customers satisfied and loyal. The research used quantitative explanatory research method. The population was 34.029 loyal customers, and 400 of them were used as the samples, using Slovin formula. The data were analyzed by using path analysis. The result of the research showed that, partially, the variables of tangibles, empathy, and satisfaction had positive and significant influence on loyalty, while reliability, responsiveness, and assurance had positive but insignificant influence on loyalty. Partially, the variables of reliability, responsiveness, assurance, and empathy had positive and significant influence on satisfaction, while tangibles had positive but insignificant influence on satisfaction. Simultaneously, the variables of tangibles, reliability, responsiveness, assurance, and empathy had significant influence on customer satisfaction and loyalty. Indirectly, the variables of tangibles, reliability, responsiveness, assurance, and empathy had positive influence on loyalty through satisfaction, while the variable of tangibles did not have any indirect influence on loyalty through satisfaction.

Keywords: *Service Quality, Customer Satisfaction, Customer Loyalty.*

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