eCo-Buss

The Role of After Sales Service on Customer Loyalty Mediated by Customer Satisfaction

Didit Haryadi[1], Haerofiatna[2], Abdul Wahid Alfarizi[3]

[123]Universitas Primagraha

didit.haryadi.dh55@gmail.com, haerofiatna@rocketmail.com, alfarizifariz38@gmail.com

Abstract

The development of technology which is increasingly advanced with time is a demand for the development of the times and increasingly complex human needs. This study, among others, examines and analyses the factors in increasing consumer loyalty to after-sales service through customer loyalty. This research was conducted at PT. Tunas Toyota Cilegon Banten with a population of 1102, then the sample used was 150 respondents. The questionnaire method was distributed using an interval scale of 1 strongly disagree to 10 strongly agree. The data analysis technique used SEM PLS. The results of this study indicate the effect of after-sales service on consumer loyalty, the influence of after-sales service on customer satisfaction, the influence of customer satisfaction on consumer loyalty, and customer satisfaction can be a mediation in increasing consumer loyalty.

Keywords: After-Sales Service, Customer Satisfaction, Consumer Loyalty

Introduction

The development of technology which is increasingly advanced with time is a demand for the development of the times and increasingly complex human needs. Today, technological advances play a significant role in the modernization of human life and have become indispensable in every aspect of life, such as; business, trade, household, industry, and so on (Qomariyah & Haryadi, 2022). The development of technology makes it easier for humans in almost every way. Its development and application make it easy for humans to carry out their activities. The automotive sector is one of the rapidly advancing technological developments (Handayani & Rahayu, 2021). From this condition, automotive companies began to offer various kinds of vehicles they produce according to consumer demand, especially four-wheeled vehicles. The rampant business competition they face today causes the company to be more competent in reading the desires and behavior of these consumers (Maulana & Riau, 2021).

Competition in today's business encourages companies in the world of technology to create new ideas in terms of product design in creating new designs to retain and get new customers (Nurwendi & Haryadi, 2022). With conditions of increasingly fierce competition between similar companies, every company must be able to compete to keep consumers from switching to

---

[1]Coressponden: Didit Haryadi. Universitas Primagraha. Jl. Raya Trip Jamak Sari, Sumurpecung, Kec. Serang, Kota Serang, Banten 42111. didit.haryadi.dh55@gmail.com

eCo-Buss

competing companies. The company's hope to retain consumers is to stabilize and even increase sales during the sales period when it declines, so the company needs customer loyalty in its marketing strategy (Lesmana et al., 2021).

Consumer loyalty is the most crucial thing in the activities of a business. With high consumer loyalty, consumers will make purchases continuously and benefit the company (Sugianto & Sitio, 2020). Furthermore, companies generally want long-term plans to retain consumers (Purwati et al., 2020). Therefore, consumer loyalty is a condition that can be achieved long-term as a company's goal in strategic planning. The company wants to bind consumers forever for the company's long-term planning to increase positive attitudes in every product of the company, as disclosed (Lesmana et al., 2021).

After-sales service is a service the company provides to a consumer after a sales transaction occurs. After-sales service is a service the manufacturer provides to the consumer after purchasing the product from the company (Ani et al., 2021). After-sales service is a service that is added to the actual product to meet customer needs consisting of spare parts repair, maintenance services, technical services, and consumer information to handle customer complaints and requests to create customer satisfaction and loyalty (Purwati et al., 2020) after-sales service is an integral part of product marketing activities. The consumer also demands how the after-sales service of the product he bought (Ani et al., 2021).

Tunas Toyota Cilegon, an automotive dealer, serves areas around Cilegon, Serang, Cikande, Rangkas, and Pandeglang and is the best sales predicate, always providing the best products in terms of Product Quality, Price, and After-Sales Service, which is the best and competitive so that there is a significant influence on Consumer Loyalty, Customer Satisfaction. Tunas Toyota, an automotive business in the Cilegon City area and its surroundings that has been running for almost 20 years, where the business is now full of intense competition, is required to always provide the best products according to consumer demand and tastes. However, this expectation has not been optimally achieved because, from the initial observations, there is fluctuation in consumer purchases for Tunas Toyota Cilegon products. Likewise, with Tunas Toyota Cilegon, there was a very significant decrease in sales results in 2019, which was 1,634 units, while in 2020, with 840 units, there was a decrease in sales spk of around 49% from 2019 to 2020. Therefore, this pandemic outbreak makes people more careful to purchase because this is not a primary need that should be prioritized.

Literature Review
Consumer Loyalty

Consumer loyalty based on pure and continuous satisfaction is one of the greatest assets a company can have. Customer loyalty is when a customer is loyal and shows buying behavior, defined as a non-random purchase expressed from time to time by several decision-makers (Syafarudin, 2021). Loyal means loyal, or loyalty can be interpreted as loyalty. This loyalty is taken without coercion but arises from self-consciousness in the past. Efforts made to create customer satisfaction are more likely to influence consumer attitudes. At the same time, the concept of consumer loyalty explains more about the buyer's behavior (Lesmana, Sunardi, et al., 2021). The commitment that accompanies repeated purchases is when consumers do not want to switch even though the product or service is scarce in the market. Instead, consumers recommend the product or service to colleagues, family, or other consumers. Consumer loyalty is loyalty to the company, brand, or product (Keni & Sandra, 2021).

After Sales Service

After-sales service is to provide the best support for enterprises to provide after-sales service, and most enterprises are engaged in several stages. First, a company can satisfy its customers or consumers after buying goods or services from the company (Hussein & Hartelina, 2021). Second, after-sales service has emerged as a significant source of competitive maneuvering. Hence, companies seek a competitive advantage by creating an after-sales service portfolio with different offerings from competitors (Sugianto & Sitio, 2020). Third, after-sales service is the delivery of products to customers at the time of purchase, which is valid as long as the customer still has a service bond or ongoing relationships, such as services in the form of warranty, spare parts, maintenance, and equipment (Purwati et al., 2020).

Customer Satisfaction

Consumer Satisfaction can be interpreted as satisfaction customers feel after buying goods and services. Consumers are first faced with choosing what needs to use, the benefits obtained, and where the buying process can occur so that it is expected that customers can buy products that match their wants and needs so that customer satisfaction can be achieved. Customers, after buying, will evaluate the product. Alternatively, whether or not the service purchased is in line with expectations (Dibyo *et al.,* 2021). Consumer satisfaction is the level of one's feelings after comparing the product performance (or results) he feels with his expectations. Hence, the level of satisfaction is a function of the impression of performance and expectations. Customers will not be satisfied if performance is below expectations, and customers will be satisfied if performance is in line with expectations. Customers will be delighted, happy, or happy if performance exceeds expectations (Theresia & Briliana, 2021). Customer satisfaction is a response to the accumulated results of consumers or customers in using products or services.

Furthermore, customer desires can be fulfilled by quality products. Whether or not a customer is satisfied with a product is determined by the behavior after using the product (Irawan 2010; Apriati & Riptiono, 2021). Customer satisfaction is influenced by several factors: product or service quality, service quality, delivery time, and security (Kuswadi, 2014; Susanti & Edgina, 2021).

To facilitate the course of the research, the author makes an overview of the research model so that the author will know what will be studied according to the formulation of research questions and objectives. The author examines three variables: after-sales service, customer satisfaction, and consumer loyalty. More details can be seen in the image below:
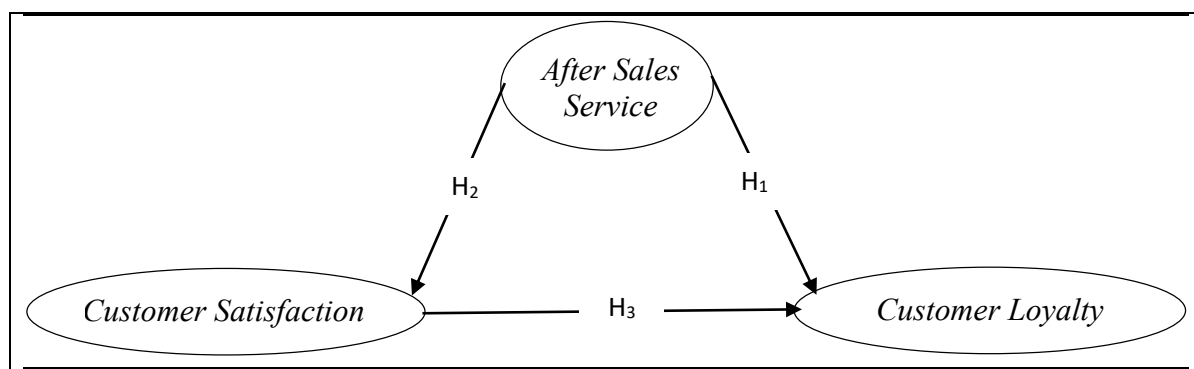

Figure 1. Research Model

eCo-Buss

Methods

The type of research that the author uses in this study is a quantitative method with a causal approach (cause and effect). The causality method is research that wants to find an explanation in the form of a cause-effect relationship between several concepts or several variables, or several strategies developed in management. This research was conducted at PT. Tunas Toyota Cilegon Banten. The population in this study were male and female respondents from various circles who became consumers of Tunas Toyota Cilegon, totaling 1102 respondents in 2019 - 2020. Respondents answered the statement/question items posed in the questionnaire with an interval scale of 1 strongly disagree to 10 strongly agree. In this study, the author will draw a sample of 10×15 the number of indicator parameter variables used (Kock, 2018). The following variables discussed can be presented in the form of a full table which can be seen in table 1 below:

Table 1. Variable and, Indicator Measurement

No	Variable	Indicator Measurement
1.	Customer Loyalty	5 indicator measurement
2.	After Sales Service	5 indicator measurement
3.	Customer Satisfaction	5 indicator measurement
	Amount	15 indicator measurement

Thus, the sample used in this study was 10 x 15 = 150 respondents. Furthermore, the sampling technique in this study used proportionate stratified random sampling, which is a technique for determining the number of samples if the population is stratified proportionally. After the data was collected, the preparation began by designing the data using Microsoft Excel. Then, the researchers began to process the data with inferential analysis using the Smart PLS version 3.3.5 program based on Structural Equation Modeling (SEM). To test the data, the researcher analyzed the outer model, including validity testing, by looking at the model's loading factor values for each indicator. It is declared valid that each indicator has a value > 0.70. After passing the validity test, the researcher looked at the reliability values , including CA and CR values > 0.70 and AVE values > 0.50. After finishing the outer loading analysis, the researcher analyzed the inner model by looking at the value of R^2 to determine how much the exogenous variable contributed to the endogenous variable. Then, the researcher continued the bootstrapping test to determine the causal interaction of direct and indirect effects through antecedent variables. The causal effect was declared influential by looking at the value of t-statistic > t-table, declared significant value of p-value comparison with significance (p-value > sig 0.05).

Results
Measurement of Outer Model Validity

The external model validity is measured by looking at the outer loading value. If a good outer loading value is > 0.7 (Ghozali & Latan., 2015). This study uses three variables: five indicators for after-sales service, five for customer satisfaction, and five for consumer loyalty. The following can be seen as the value of the outer loading in Figure 2:
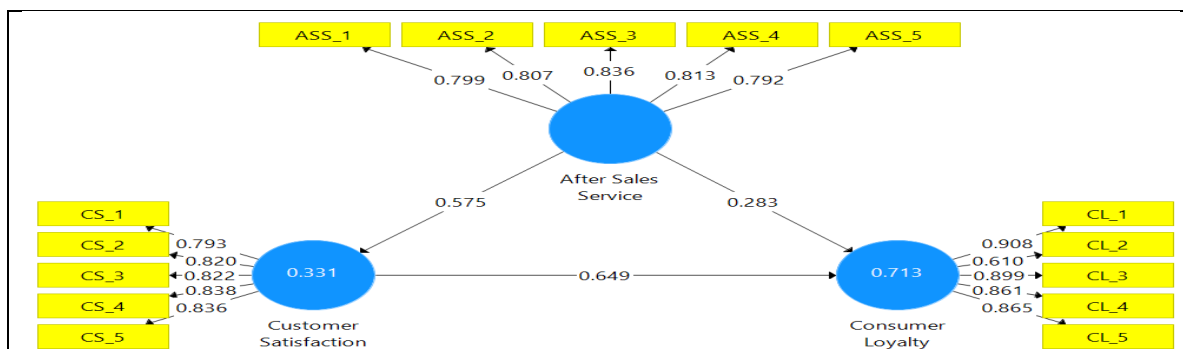
Figure 2. Outer Model Research

From Figure 2, one indicator whose value <0.7 is in the consumer loyalty variable (CL_2), so it must be eliminated, and then the author retests. The following are the results of the second outer model test, which can be seen in Figure 3 below:
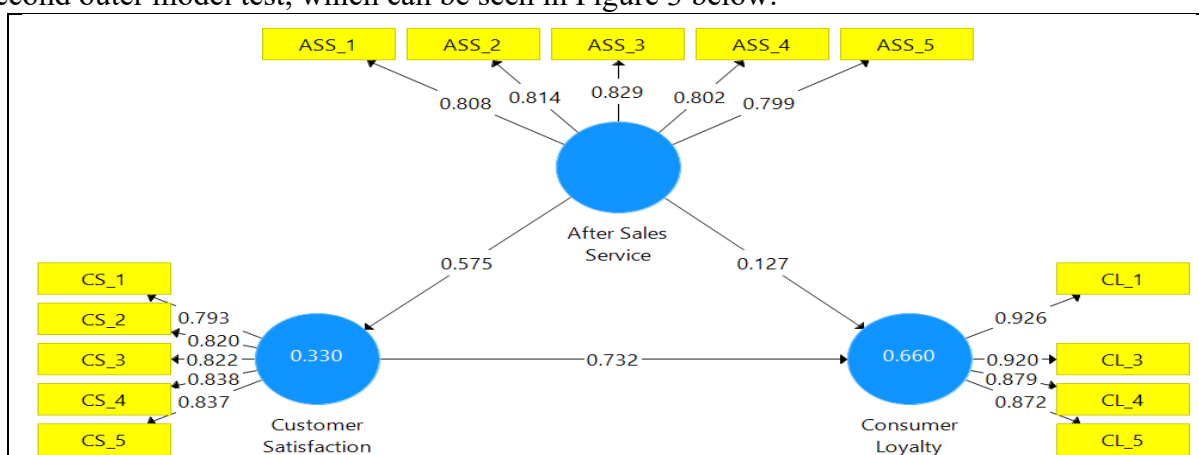

Figure 3. Outer Model Research

	After Sales Service	Consumer Loyalty	Customer Satisfaction
ASS_1	0.808		
ASS_2	0.814		
ASS_3	0.829		
ASS_4	0.802		
ASS_5	0.799		
CL_1		0.926	
CL_3		0.920	
CL_4		0.879	
CL_5		0.872	
CS_1			0.793
CS_2			0.820
CS_3			0.822
CS_4			0.838
CS_5			0.837

Figure 4. Outer Model Research

eCo-Buss

From Figure 4, all the variables in each indicator are worth >0.7 to meet the validity criteria.

Discriminant Validity Measurement

In addition to the validity of the outer research model to determine the correlation value, the following discriminant validity results can be seen in the table below:

Table 2. Discriminant Validity Measurement

Variable	After Sales Service	Consumer Loyalty	Customer Satisfaction
After Sales Service	0.810		
Consumer Loyalty	0.548	0.900	
Customer Satisfaction	0.575	0.806	0.822

From table 2, the correlation value above is more excellent than it. So it can be concluded that it has met discriminant validity.

Measurement of Outer Model Reliability

The following is attached to the outer measurement reliability model, and each good variable has a cronbucs alpha value and composite reliability >0.7, then the AVE value is >0.5

Tabel 3 Composite Reliability Measurement

Variable	Cronbach's Alpha	Composite Reliability	AVE
After Sales Service	0.870	0.905	0.657
Consumer Loyalty	0.921	0.944	0.809
Customer Satisfaction	0.881	0.912	0.675

From table 3, each variable has CA and CR values > 0.7, then AVE value > 0.5 so that it can be concluded that it has met the reliability.

Inner Model Measurement

Menurut (Ghozali. I & Latan. H, 2015) describe that in the R-Square measurement, there are three categories, namely strong (0.75), moderate (0.50), and weak (0.25). In this study, the R-Square value on the employee performance variable is 0.660, which means that it is included in the medium category. This result means that if consumer loyalty is influenced by 66.0% of after-sales service and customer satisfaction, the remaining 34.0% is influenced by other variables not included in this study. On the other hand, hand, the R-Square value of the customer satisfaction variable is 0.330, which means it is in the medium category. This result means that 33.0% of after-sales service is influenced by customer satisfaction, and the remaining 64.0% is influenced by other variables that are not included in this study.

Hypothesis test

The results of the hypothesis are declared accepted if the value of T Statistics > T table (1.960) or P values < 0.05 (Ghozali. I & Latan. H, 2015; Hair et al., 2020). The results can be seen in the image below:

Table 4. Bootstrapping Measurement Test

Path Coefficient

Hypothesis	Variable effect	Coefficient	T Statistic	P Values
H1	After Sales Service → Consumer Loyalty	0.127	2,217	0.027
H2	After Sales Service → Customer satisfaction	0.575	9.064	0.000
H3	Customer satisfaction → Customer satisfaction	0.735	16.583	0.000

Hypothesis 1: there is a significant positive effect between after-sales service variables on consumer loyalty; the t statistic value is 2.217 > 1.96 with a significance of 0.027 < 0.05.

Hypothesis 2: After-sales service variables have a significant positive effect on customer satisfaction. The t statistic value is 9.064 > 1.96 with a significance of 0.000 < 0.05.

Hypothesis 3: Customer satisfaction variables have a significant positive effect on consumer loyalty. The t statistic value is 16.583 > 1.96 with a significance of 0.000 < 0.05.

Then, in addition to the direct effect, the following is the indirect effect of the after-sales service variable on consumer loyalty through customer satisfaction, among others, by obtaining the original sample coefficient value of 0.421 and then getting t statistic 8.708 > t table 1.96 than with p value 0.000 < 0.05. The indirect effect concludes that the after-sales service variable has a significant dominant influence on consumer loyalty through customer sales service.

Discussion
Effect of After-Sales Service on Customer Loyalty

The first finding in this study is that after-sales service has a significant positive effect on customer loyalty. This means that the better after-sales service, the more customer loyalty increases. After-sales service is to provide the best support for enterprises to provide after-sales service, and most enterprises are engaged in several stages. First, a company can satisfy its customers or consumers after buying goods or services from the company (Hussein & Hartelina, 2021). Second, after-sales service has emerged as a significant source of competitive maneuvering. Hence, companies seek a competitive advantage by creating an after-sales service portfolio with different offerings from competitors (Sugianto & Sitio, 2020). The author has built a hypothesis in the previous chapter, which states that after-sales service has a significant and positive effect on consumer loyalty. This research is in line with (Ani et al., 2021; Sugianto & Sitio, 2020; Susanti & Edgina, 2021). The better after-sales service, the more consumer loyalty increases.

Effect of After-Sales Service on Customer Satisfaction

Thus, the second finding in this study states that after-sales service significantly influences customer satisfaction. This means that the better the after-sales service, the higher the customer satisfaction. After-sales service is a service the company provides to a consumer after a sales transaction occurs. After-sales service is a service the manufacturer provides to the consumer after purchasing the product from the company (Ani et al., 2021). After-sales service is a service that is added to the actual product to meet customer needs consisting of spare parts repair, maintenance services, technical services, and consumer information to handle customer complaints and requests to create customer satisfaction and loyalty (Fauziyah & Tjahjaningsih, 2021). The author has built a hypothesis in the previous chapter, which states that after-sales

eCo-Buss

service significantly affects customer satisfaction. This research is in line with the research conducted (Arifin & Rachmadi, 2021; Fauziyah & Tjahjaningsih, 2021; Hussein & Hartelina, 2021). Therefore, the better the after-sales service, the customer satisfaction will increase.

The Influence of Customer Satisfaction on Consumer Loyalty

In the third finding in this study, customer satisfaction has a significant positive effect on consumer loyalty. This means that the higher the customer satisfaction, the higher the consumer loyalty. Consumer satisfaction can be interpreted as customers' satisfaction after buying products, goods, and services. Consumers are first faced with choosing what needs to use, the benefits obtained, and where the buying process can occur so that it is expected that customers can buy products that match their wants and needs so that customer satisfaction can be achieved. Customers, after buying, will evaluate the product. Or the service purchased in line with expectations or not? (Dibyo *et al.,* 2021). Consumer satisfaction is the level of a person's feelings after comparing the product performance (or result) he feels with his expectations. Hence, the level of satisfaction is a function of the impression of performance and expectations. Customers will not be satisfied if performance is below expectations, and customers will be satisfied if performance is in line with expectations. Customers will be delighted, happy, or happy if performance exceeds expectations (Theresia & Briliana, 2021). The author has built a hypothesis in the previous chapter stating that customer satisfaction positively and significantly affects consumer loyalty. This is in line with the research conducted (Keni & Sandra, 2021; Rivai & Zulfitri, 2021; Syafarudin, 2021). The higher the customer satisfaction, the higher the consumer loyalty.

Conclusion

Based on the test of the hypothesis proposed by the author, an empirical conclusion is obtained, namely, the first hypothesis which states that after-sales service has a significant effect on consumer loyalty, which is supported or accepted, meaning that the more after-sales service, the higher the consumer loyalty. The second hypothesis states that after-sales service has a significant effect on customer satisfaction is supported or accepted, meaning that the higher the after-sales service, the higher the customer satisfaction. Thus, the third hypothesis states that customer satisfaction has a significant effect on consumer loyalty is supported or accepted, meaning that the higher the customer satisfaction, the higher the consumer loyalty. Therefore, increasing consumer loyalty can be done by increasing after-sales service directly or through customer satisfaction.

References

Ani, A., Hanifah, F., Christina, V. S., & Sewaka. (2021). Pengaruh Pelayanan Purna Jual Terhadap Loyalitas Konsumen Pada Dealer Piagio Vespa Di Kota Tangerang Selatan. *Jurnal Ekonomi Efektif*, *3*(2), 176–184.

Apriati, I. D., & Riptiono, S. (2021). Pengaruh Green Product, Brand Image Dan Customer Experience, Terhadap Customer Loyalty Melalui Customer Satisfaction Sebagai Variabel Intervening (Studi Pada Konsumen Tupperware di Kabupaten Kebumen). *Jurnal Manajemen Ekonomi*, *2*(2).

Arifin, R., & Rachmadi, K. R. (2021). Analisis E-Service Quality, Harga Dan E-Promotion Terhadap E-Customer Satisfaction Pada Konsumen Grabfood Selama Pandemi Covid-19 Di Kota Malang. *Jurnal Ekonomi Dan Bisnis*, *3*(2), 133–151.

eCo-Buss

Cepeda-Carrion, G., Cegarra-Navarro, J. G., & Cillo, V. (2019). Tips to use partial least squares structural equation modelling (PLS-SEM) in knowledge management. *Journal of Knowledge Management*, *23*(1), 67–89. https://doi.org/10.1108/JKM-05-2018-0322

Dibyo, B., Mangifera, L., Ayu, P., & Putri, K. (2021). Effectiveness of Customer Relationship Management (CRM) and Customer Satisfaction on Shopee Customer Loyalty. *Issuees on Inclusive Growth in Developing Countries*, *2*(01), 31–40.

Fauziyah, A. N., & Tjahjaningsih, E. (2021). Membangun Kepuasan Pelanggan Indihome Telkom Witel Kudus Dengan Meningkatkan Persepsi Harga, Layanan Purna Jual, Dan Promosi. *Proseding Sendiu*, 978–979.

Ghozali. I & Latan. H. (2015). *Partial Least Square, Konsep, Teknik dan Aplikasi Menggunakan Program Smart PLS 3.0* (2nd ed.). Universitas Diponegoro Semarang.

Hair, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLS-SEM using confirmatory composite analysis. *Journal of Business Research*, *109*(November 2019), 101–110. https://doi.org/10.1016/j.jbusres.2019.11.069

Handayani, V., & Rahayu, Y. S. (2021). Pengaruh Kualitas Produk Dan Kualitas Pelayanan Terhadap Keputusan Pembelian Mobil Daihatsu Luxio. *Jurnal Ilmu Dan Riset Manajemen*, *6*(September), 1–14.

Hussein, F., & Hartelina. (2021). After Sales Service For Smartphone Iphone To Customer Loyalty. *ATM*, *5*(1), 62–72.

Keni, K., & Sandra, K. K. (2021). Prediksi Customer Experience Dan Service Quality Terhadap Customer Loyalty: Customer Satisfaction Sebagai Variabel Mediasi. *Jurnal Muara Ilmu Ekonomi Dan Bisnis*, *5*(1), 191–204.

Kock, N. (2018). Minimum Sample Size Estimation in PLS-SEM: An Application in Tourism and Hospitality Research. *Applying Partial Least Squares in Tourism and Hospitality Research*, 1–16. https://doi.org/10.1108/978-1-78756-699-620181001

Lesmana, R., Sunardi, N., Hastono, H., & Widodo, A. S. (2021). Perceived Quality Membentuk Customer Loyalty via Brand Equity pada Pengguna Smartphone Merek Xiaomi di Tangerang Selatan. *Jurnal Pemasaran Kompetitif*, *4*(2), 157. https://doi.org/10.32493/jpkpk.v4i2.9422

Lesmana, R., Sutarman, A., & Sunardi, N. (2021). Building A Customer Loyalty Through Service Quality Mediated by Customer Satisfaction. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, *5*(3), 38–45.

Maulana, A., & Riau, U. (2021). Analisis Pengaruh Kualitas Pelayanan Terhadap Kepuasan Konsumen Pada Cv Rajawali Graha Motor Tembilahan. *Universitas Islam Indragiri Tembilahan-Riau*, *3*(June). https://doi.org/10.47521/selodangmayang.v3i2.62

Nurwendi, W., & Haryadi, D. (2022). Peran Ambidexterity Organisasi Sebagai Variabel Intervening Dalam Meningkatkan Kinerja Pemasaran UMKM Di Masa Covid-19. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, *11*(1), 47–64. https://doi.org/10.46367/iqtishaduna.v11i1.513

Purwati, A. A., Fitrio, T., Ben, F., & Hamzah, M. L. (2020). Product Quality and After-Sales Service in Improving Customer Satisfaction and Loyalty. *Journal Economia*, *16*(2), 223–235.

Qomariyah, L., & Haryadi, D. (2022). Meningkatkan Loyalitas Merek Dengan Pengalaman Merek Melalui Cinta Merek dan Kepercayaan Merek. *Jurnal Ilmiah Manajemen Dan Bisnis*, *23*(1), 38–57.

Rivai, J., & Zulfitri. (2021). The Role of Purchasing Decisions Mediating Product Quality, Price Perception, and Brand Image on Customer Satisfaction of Kopi Janji Jiwa. *Journal of*

eCo-Buss

Business and Management Studies (JBMS), *6*(2), 31–42. https://doi.org/10.32996/jbms

Sugianto, N., & Sitio, A. (2020). The Effect Of Internet Quality Connection And After Sales Service Towards Consumers' Satisfaction And Its Implication On Consumers' Loyality Of Satellite Internet Product Mangoesky PT. Telkomsat. *Dinasti International Journal Of Digital Business Management*, *1*(5), 762–780. https://doi.org/10.31933/DIJDBM

Susanti, F., & Edgina, D. (2021). Pengaruh Pelayanan Keluhan Pelanggan dan Kepuasan Pelanggan terhadap Loyalitas Pelanggan Melalui ACPI PT. Pos Indonesia (Persero) Cabang Padang. *Indonesian Journal of Apllied Accounting and Finance*, *Vol.1*(No.1), 47–58.

Syafarudin, A. (2021). The Effect of Product Quality on Customer Satisfaction Implications on Customer Loyalty in the Era Covid-19. *Ilomata International Journal of Tax & Accounting (IJTC)*, *2*(1), 71–83.

Theresia, & Briliana, V. (2021). Pengaruh Perceived Service Quality, Perceived Value Dan Customer Satisfaction Terhadap Customer Loyalty Pada Pelanggan Kfc Di Jakarta. *Jurnal Wira Ekonomi Mikroskil : JWEM*, *11*(1), 13–24.