



THE EFFECT OF SERVICE QUALITY AND CUSTOMER SATISFACTION ON CUSTOMER LOYALTY WITH CUSTOMER TRUST AS INTERVENING VARIABLES IN CV POWER HEARING BALI

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ABSTRACT

CV Power Hearing Bali as a hearing aid provider company in Bali is also trying to increase customer loyalty. but during the covid-19 pandemic, CV Power Hearing Bali experienced a decline in turnover. The purpose of this study was to analyze the effect of service quality and customer satisfaction on customer loyalty with customer trust as an intervening variable at CV Power Hearing Bali. The number of samples used in this study was 91 respondents using the sampling method, namely the non-probability sampling technique. Data was collected using a questionnaire distributed online using a google form. The data analysis technique used SEM-PLS. The results show that service quality has a positive and significant effect on customer trust, customer satisfaction has a positive and significant effect on customer trust, service quality has a positive and significant effect on customer loyalty, customer satisfaction has a positive and significant effect on customer loyalty, trust has a positive and significant effect on loyalty. customers, trust can mediate the positive effect of service quality on customer trust, trust can mediate the positive effect of satisfaction on customer loyalty, service quality has a positive and significant effect on customer satisfaction, customer satisfaction can mediate the positive effect of service quality on customer loyalty.

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

I. INTRODUCTION

The role of companies providing hearing aids is very much needed by the community, especially for people who have hearing loss or are deaf. Moreover, the mandate of the 1945 Constitution, Article 28H states that everyone, especially Indonesian citizens, has the same rights



to obtain physical and spiritual welfare, justice and social security. In other words, people with hearing loss also deserve attention. Thus, in an effort to provide comfort to the community, service quality and customer satisfaction are needed so as to increase customer trust and customer loyalty.

CV Power Hearing Bali as one of the companies providing hearing aids in Bali also strives to increase customer loyalty. Customer loyalty affects many marketing activities, one of which is sales. Sales is an important factor in marketing activities that will raise the company's name. CV Power Hearing Bali always strives to improve services to increase customer satisfaction so that it creates loyalty, and customer loyalty will be seen from *database* customers, and from the CV Power Hearing Bali customer database, it can still be seen that some customers only make a one-time purchase. CV Power Hearing Bali also experienced a decline in turnover during the Covid-19 pandemic.

Before 2019 the company's turnover always increased, but when the pandemic occurred in 2019 it turned out to have an impact on a very drastic decrease in company turnover in 2020. The decrease in the number of visits and the decrease in the number of product purchases became an urgent matter to know the cause. With these problematic conditions, what is really needed related to service quality and customer satisfaction is customer trust so that it can increase customer loyalty. According to Hardilawati (2020) recommending strategies that can be taken to deal with the pandemic, one of which is to improve product quality and service quality. Likewise, increasing customer loyalty through marketing and customer relationships to create consumer trust (Hardilawati, 2020).

When associated with the above phenomenon, what is needed by companies to increase loyalty is to focus more on retaining old customers and attracting new customers. Companies must start good relationships to increase trust with customers so as to create loyalty that can be achieved through service quality and customer satisfaction with the company. Maintaining customer loyalty means that the company spends less on retaining a customer than it costs on acquiring one new customer. Loyalty will provide many advantages for the company, including repeat purchases and recommendations about the brand to friends and acquaintances (Narotama, 2019).

Providing satisfaction to customers associated with service quality assessment, can be seen from the behavior of repeated purchases from customers. If customers do not feel the benefits of the services provided, of course it can lead to a bad view and can have an impact on decreasing the number of customers. The problem of CV Power Hearing Bali also occurs in the type of service that has an impact on the decline in service quality. The types of services provided at CV Power Hearing Bali include hearing tests, hearing aid fittings, earmould manufacture, and hearing aid services. The problem that occurs in CV Power Hearing Bali is the long waiting period when providing services. For one patient fitting a hearing aid takes about thirty minutes to an hour and a half. This is because patients who come can only be served one by one into the service room. While other customers will wait in the waiting room and sometimes complain about the length of the wait. It also has an impact on customer satisfaction and loyalty. Customers place their trust in CV Power Hearing Bali to provide services to customers, but long service can certainly reduce customer satisfaction and service quality. service quality has a significant relationship to customer satisfaction. He further revealed that in the quality of service, insurance, empathy, reliability, responsiveness, and tangible evidence are needed for the products sold so that this can increase customer satisfaction (Rompas, et al 2016). While other customers will



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A problematic phenomenon also occurs in customer trust in terms of mold making and hearing aid service. CV Power Hearing Bali in making ear molds and service hearing aids still has to send outside the region, namely to Jakarta, while in Bali there is no special technician for mold manufacture and hearing aid service. This is certainly related to the time and level of trust in the credibility of the company. Some customers have complained about the length of time it takes to make ear prints due to the long waiting time. This indicates that the service quality is not good, which if left unchecked will be detrimental to the company, namely customers will move to other better services and can also reduce customer trust. The obstacles above are the same as service quality constraints and decreased consumer confidence in the company. According to Mowen (2010:312) consumer trust is all knowledge possessed by consumers and all conclusions made by consumers and all conclusions made by consumers about objects, attributes and benefits. Service quality and low trust resulted in a decrease in customer satisfaction with the company's services. If consumer satisfaction decreases, it can result in the loss of consumer loyalty to the company. Service quality and low trust resulted in decreased customer satisfaction with the company's services. If consumer satisfaction decreases, it can result in the loss of consumer loyalty to the company. Service quality and low trust resulted in decreased customer satisfaction with the company's services. If consumer satisfaction decreases, it can result in the loss of consumer loyalty to the company.

Based on the description and problems above, so that it inspires researchers to conduct research again using the same variables. Likewise, data regarding the problems and the importance of exploring the side of customer loyalty because it is an attitude that encourages behavior to buy products/services from a company that includes aspects of feeling in it,



especially those who buy regularly and repeatedly with high consistency, but not just repurchase goods and services, but also have a commitment and positive attitude towards companies that offer products/services (Minar and Safitri, 2017). Therefore,

II. LITERATURE REVIEW

Customer loyalty

Philip Kotler (2009) also says that customer loyalty is a repeat purchase made by a customer because of a commitment to a brand or company. In addition, according to Morais et.al (2013) said that customer loyalty is a customer's commitment to a brand, company (store), supplier based on a very positive attitude and is reflected in consistent repeat purchases. Based on the definitions above, it can be seen that loyalty is aimed at a purchase behavior consistent with a positive attitude reflection. Leninkumar (2017), Sangadji and Sopiah (2013) use indicators for measuring customer loyalty, namely (1) Saying positive things about the company to others; (2) Recommend the company to others who ask for advice; (3) Considering that the company is the first choice when purchasing services; (4) Do more business or purchases with the company in the next few years. Measurement of customer loyalty has been widely developed. One of the studies to create these measurements was carried out by Valéria et al. (2016). The indicators involved in developing the customer loyalty measurement scale in this study involve two categories, namely attitude and loyal behavior.

Celebration

Trust involves a person's willingness to behave in a certain way because of the belief that his partner will give him what he expects, and an expectation that a person generally has that other people's words, promises, and statements can be trusted (Mawey, et.al., 2018). Trust built between parties who do not know each other both in the interaction and the interaction process. Trust itself is divided into two dimensions, namely trusting intention and trusting belief. Trusting intention is a deliberate thing in which a person is ready to depend on others in a situation, while trusting belief is the perception of the trusting party (consumer) of a trusted party (virtual shop seller) where the seller has characteristics that will benefit consumers. In their book, Chaudhuri and Holbrook (2001) also say that there are four indicators that can be used as a reference in measuring trust including: (1) Trust in brands/products; (2) Relying on the brand/product; (3) Honesty of brand/product; (4) Brand/product safety

Customer satisfaction

Customer satisfaction has become a central concept in business discourse. Customers are the main focus in discussing satisfaction and service quality. Therefore, customers play an important role in measuring satisfaction with the products and services provided by the company (Yee in Winarno, 2020). Boone and Kurtz (in Winarno, 2008), say customer satisfaction is "the ability of customers to satisfy the services or products provided by the company capable of meeting customer needs and expectations. However, if the services provided cannot meet customer needs and expectations, it will cause dissatisfaction for the customer (Kotler & Armstrong, 2008). Experts Etemad-Sajadi and Rizzuto (2013) have developed a customer satisfaction measurement scale. This scale is formed based on three indicators used to measure customer satisfaction at McDonald's restaurants. Subsequently adapted in this study. Table 2.3 shows the process of adapting the satisfaction scale developed by Etemad-Sajadi and Rizzuto



(2013) which consists of several indicators, namely (1) Satisfied overall; (2) Get a good experience consuming the product; (3) Feeling happy with the treatment of officers.

Service Quality

Tjiptonoand Chandra (in Pereira, 2016) state that product quality is closely related to customer satisfaction. Products in a broader sense can be in the form of goods or services (services). Quality provides a special impetus to both parties to establish mutually beneficial relationships in the long term. Better service quality will further increase customer satisfaction (Pereira, 2016). Zeithaml in Narotama (2019) states that service quality is defined as a customer's assessment of the superiority or privilege of a product or service as a whole. Service is also defined as service. Currently, many service companies recognize the importance of service quality, which will result in customer satisfaction and loyalty (Dewi, et.al., 2021). Measuring service quality means evaluating or comparing the performance of a service with a set of standards that have been set as a measurement model. The multi-item scale has been created by Parasuraman and friends, called SERVQUAL. Parasuraman et al. (1985; 1988; 1990; 1993; 1994) gave SERVQUAL attributes as follows: Tangible, Reliability, Responsiveness, Assurance, Empathy.

Hypothesis

The Influence of Service Quality on Customer Trust

Lots of researchers who review the relationship between service quality and customer trust. Wulur research (2020) entitled "Effect of Service Quality and Brand Trust on Customer Satisfaction and Customer Loyalty Pertamina Hospital Balikpapan" by taking the variables of service quality, brand trust, customer satisfaction, and customer loyalty, one of the findings is that there is a significant relationship quality service with customer satisfaction. Zeithaml in Narotama (2019) states that service quality is defined as a customer's assessment of the superiority or privilege of a product or service as a whole. Research conducted by Sari (2020) found that service quality affects loyalty customers significantly. Research conducted by Alfi Syahri Lubis (2017) suggests that service quality is Tangibles, Reliability, Responsiveness, Assurance and Empathy, these dimensions greatly affect customer satisfaction.

H1: Service quality has a positive effect on customer trust

The Effect of Customer Satisfaction on Customer Trust

Trust involves a person's willingness to behave in a certain way because of the belief that his partner will give him what he expects, and an expectation that a person generally has that the words, promises and statements of others can be trusted (Mawey, et.al., 2018). Trust is a fundamental component of a marketing strategy in creating the right relationship with consumers. Companies that operate build cooperative relationships with their customers as one of the competitive strategies (Putra, et.al., 2020). The moment when customers believe in the products and services purchased, it will certainly have an impact on customer satisfaction. When consumers are satisfied, of course, it will be able to increase customer confidence in the products and services purchased. As said by Zamry & Nayan (2020),

H2: Satisfaction has a positive effect on customer trust

The Effect of Service Quality on Customer Loyalty

Many researchers have revealed the relationship between service quality and customer loyalty, several experts such as Halim, Gunawan and Yakub (2017) in a study entitled "Analysis



of Factors Affecting Customer Loyalty to Telkomsel Brand Cellular Cards (Case Study on Students of the Faculty of Economics Itmi Medan))”, aims to identify and analyze the factors that influence customer loyalty to the Telkomsel brand cellular card. The results showed that service quality is the independent variable that has the greatest influence on customer loyalty with a coefficient value of 0.291. This shows that the quality of services such as a good signal, the availability of Customer Service, the many features offered,

Romdonny and Rosmadi (2019), in a study entitled "Factors Affecting Customer Loyalty in Products", aims to determine the factors that can influence consumers to have loyalty to products produced by a company. The results of this study indicate that customer loyalty is needed by producers, especially to market their products and management's commitment to provide satisfactory service and product quality required by consumers. The role of the government is often needed, especially to overcome the high price of raw materials for production because they are still imported from abroad.

H3: Service quality has a positive effect on customer loyalty.

The Effect of Customer Satisfaction on Customer Loyalty

The relationship between the influence of customer satisfaction and loyalty has been done by many researchers. (Leninkumar, 2017) conducted a study which showed that there was a positive and significant relationship between customer satisfaction and loyalty. The research, which is entitled The Relationship between Customer Satisfaction and Customer Trust on Customer Loyalty, also confirms that, if customers are satisfied with the services provided, they will be loyal to the company. research from Vitya (2017) on The Relationship between Customer Satisfaction and Customer Trust on Customer Loyalty found that there was a significant effect on the relationship between customer satisfaction and loyalty. Research conducted by Rintar (2017) is also the same, namely a significant relationship was found between customer satisfaction and customer loyalty. When revealed in depth with various existing theories, there will be a lot of significant results found for the relationship between customer satisfaction and customer loyalty. Based on research by Riyono and Hesti Ristanto (2021) stated that customer satisfaction has a significant effect on customer loyalty. Referring to some of the theories above, a temporary hypothesis or conjecture can be built, namely:

H4: Customer satisfaction has a positive effect on customer loyalty.

The Effect of Trust on Customer Loyalty

There are several researchers linking customer trust and loyalty. Research conducted by Innocentius Bernarto et al (2019) with one of them taking the variables of trust and customer loyalty shows that trust has no or no significant effect on customer loyalty. The same finding was also expressed by research conducted by Yuni Adinda Putri et al (years) that one of the hypotheses regarding the relationship of trust and loyalty was rejected because there was no significant effect of trust with customer loyalty, Hanim Faizal (2019) stated that customer trust had no significant effect on customer loyalty.

H5: Trust has a positive effect on customer loyalty

The Influence of Service Quality on Customer Loyalty through Customer Trust

Yuniarta et al., (2019), trust has a significant influence on customer loyalty. Research conducted by Nissi & Budiono, (2019) using the PLS-SEM approach with the title "Brand Trust as Mediator of Brand Image and Service Quality on Brand Loyalty" it was found that there was a significant relationship between service quality and customer loyalty with trust as a mediating



variable. Ida Sukmawati (2017) states that there is a direct and significant effect between Service Quality on Customer Trust but Customer Trust has an insignificant effect on Customer Loyalty. In contrast to research by Amar Shan Abitama (2021), service quality has a positive and significant effect on customer loyalty

H6: Service quality has a positive influence on customer loyalty through customer trust

The Effect of Customer Satisfaction on Customer Loyalty through Customer Trust.

The findings of Stathopoulou and Balabanis, (2017), state that trust can be interpreted as a customer's relative attitude towards the restaurant or brand, causing a latent loyalty or an attitudinal loyalty relationship. Vithya Leninkumar (2017) whose title is almost similar to the research of Stathopoulou and Balabanis, (2017) namely "The Relationship between Customer Satisfaction and Customer Trust on Customer Loyalty" has the same findings. Trust as a mediating variable for the relationship of customer satisfaction and customer loyalty and has a positive and significant relationship. Using the same language, that with this, if customer satisfaction increases with increased trust, it will increase customer loyalty.

H7: Customer satisfaction has a positive effect on customer loyalty through customer trust

The Effect of Service Quality on Customer Satisfaction

Service quality has a relationship with customer satisfaction. Customers will feel satisfied when the service provided is also maximal. In other words, the existence of good service quality has an important meaning for the survival of the company because it can create customer satisfaction. Research conducted by Yosep et al (2017) that there is a significant relationship between service quality and customer satisfaction. The research uses several indicators to measure service quality, namely tangibility, reliability responsiveness, assurance, and empathy which simultaneously have an effect on customer satisfaction. Research conducted by Narotama (2019) with the title "The Effect of Service Quality on Customer Loyalty with Brand Images and Customer Satisfaction as Mediation" also found a significant relationship between service quality and customer satisfaction. In a study conducted by Jamaluddin et al (2017) that there is no significant effect between service quality and patient satisfaction in this case as a customer. Harul Al Rasyid's research (2017) concluded that service quality has a positive and significant effect on customer loyalty through customer satisfaction

H8: Service quality has a positive effect on customer satisfaction

The Effect of Service Quality on Customer Loyalty Through Customer Satisfaction as Mediation.

Research conducted by Syariful Mahsyar Untung Surapati (2020) using several variables, namely service quality, product quality, consumer satisfaction, consumer loyalty also found a relationship between these variables. The results of this study are kThe quality of service at restaurants has not had a positive and insignificant effect on restaurant consumer satisfaction. This means that if the quality of service is improved, the restaurant's customer satisfaction will also increase, although not significantly. A similar study also conducted by Adhitya Narotama (2019) found the results that service quality has a positive and significant effect on customer satisfaction, the service quality variable has a positive effect on customer loyalty, but the effect is not significant, customer satisfaction has a positive and significant effect on customer loyalty, and the effect of service quality on customer loyalty through customer satisfaction is significant.

H9: Service quality has a positive influence on customer loyalty through customer satisfaction



III. RESEARCH METHODS

The population in this study was 1012 customers, obtained from the data provided by CV Power Hearing Bali and the results of calculations carried out by researchers. The sample calculation uses the slovin method with an error rate of 10%, and this is reiterated by Sugiyono (2018). From the calculation using the Slovin method, a sample of 91 customers was determined which was then maximized to 100 customers to serve as the research sample size. In this study, the sampling method uses a non-probability sampling technique, namely the determination of the sample based on certain characteristics that are believed to be representative of the population of this study

This study uses four variables, including service quality, customer satisfaction, customer trust and customer loyalty. Service quality was adapted from Parasuraman et al. (1994); belief adapted from Chaudhuri, and Holbrook, (2001); satisfaction adapted from Etemad-Sajadi and Rizzuto (2013); and Loyalty adapted from Valéria et al. (2016). The measurement of these four variables is using quantitative descriptive Likert scale. In addition, this study uses PLS structural model analysis with the help of SmartPLS 3.0 software. According to Ananda Sabil (2015: 18) structural model analysis has several stages, namely: 1) Formulating structural model theory, 2) Outer model analysis, 3) Inner model analysis, and 4) Hypothesis testing.

IV. RESULTS AND DISCUSSION

a. Characteristics of Respondents

DataThe research was obtained from the results of questionnaires that had been distributed to 91 respondents who visited CV Power Hearing Bali. The questions consist of 22 items for the service quality variable, 4 items for the satisfaction variable, 4 items for the trust variable and 14 items for the loyalty variable. The measurement of each item uses a 5-point Likert scale, from strongly disagree (STS) to strongly agree (SS). The first stage in the analysis activity is to conduct descriptive analysis, both the results of the characteristics of the respondents and the results of the analysis of the descriptions of each of the variables studied. The results of the descriptive analysis of the characteristics of the respondents aim to obtain a description of the demographics of the respondents regarding: education, occupation and number of visits.

Table 1 Distribution of Respondents Characteristics

Characteristics	Amount	Percentage
Education		
BS	2	2.2
SENIOR HIGH SCHOOL	11	12.1
Diploma	41	45.1
Bachelor	13	14.3
Postgraduate	24	26.4
Amount	91	100
Work		
Civil servant	9	9.9
BUMN/BMD employees	3	3.3
Self-employed	32	35.2



Characteristics	Amount	Percentage
Housewife	13	14.3
TNI/Polri	2	2.2
Student	6	6.6
Student	26	28.6
Amount	91	100
Frequency		
1 time	8	8.8
2 times	5	5.5
3 times	8	8.8
4 times	17	18.7
>5 Times	53	58.2
Amount	91	100

Sources: Data processed, 2022

b. Inferential Analysis Results

Analysisinferential using Smart Partial Least Square (Smart PLS). Based on the results of data processing using PLS, then evaluate the structural equation model. In this evaluation, there are two basic evaluations, namely: 1) Measurement evaluation (Outer model) to determine the validity and reliability of indicators measuring latent variables, and 2) Evaluation of structural models (inner model) to determine the accuracy of the model. Before evaluating the model, it can be reaffirmed that the questionnaire as a data collection tool in this study is a valid and reliable instrument.

The first evaluation of the outer model is by conducting a discriminant validity testThis is done to ensure that each concept of each latent variable is different from other variables. The model is said to have good discriminant validity if each loading indicator value of a latent variable has a loading value that is greater than the loading value if it is correlated with other latent variables. The results of the discriminant validity test in Table 2.

Table 2 *Discriminant Validity*

Variable	Average Variance Extracted (AVE)	\sqrt{AVE}	X1	X2	Y1	Y2
Trust	0.546	0.739	0.717	0.719	1,000	0.605
Satisfaction	0.686	0.828	0.738	1,000	0.719	0.472
Service Quality	0.500	0.707	1,000	0.738	0.717	0.630
Loyalty	0.715	0.846	0.630	0.472	0.605	1,000

Based on Table 2, it can be explained that the results of the four variables have an AVE value above 0.50 so that it can be said that the data has good discriminant validity. The value of the AVE root is higher than the correlation value between constructs, so it can be said that discriminant validity is high.

The evaluation of the first outer model is testing composite reliability. The validity and reliability criteria can also be seen from the reliability value of a variable and the Average



Variance Extracted (AVE) value of each variable. The variable is said to have good reliability if the composite reliability value is above 0.70. In Table 5.9 the Composite Reliability value will be presented.

Table 3 Composite Reliability

Variable/Dimension	Composite Reliability
Trust	0.824
Satisfaction	0.868
Quality_Service	0.956
Loyalty	0.916

Sources: Data processed, 2022

Table 5.9 informs that all variables meet composite reliability because the value is above the recommended number, which is above 0.7 which already meets the reliable criteria. Based on the overall evaluation results, both convergent, discriminant validity, composite reliability, which have been described above, it can be concluded that the indicators as a measure of the latent variable are valid and reliable measures.

Test *inner model* structural modeling is done to see the relationship between variables, significance value and R-square of the research model. The structural model was evaluated using R-square for the dependent variable t test and the significance of the coefficients of the structural path parameters. Changes in the R-square value can be used to assess the effect of certain exogenous latent variables on endogenous latent variables that have a substantive effect. The assessment of the model with PLS begins by looking at the R-square for each dependent latent variable.

Table 4 R-Square . Value

Variable	R Square
Trust	0.701
Satisfaction	0.544
Loyalty	0.441

$$\begin{aligned}
 Q_2 &= 1 - (1 - R1^2) (1 - R2^2) (1 - R3^2) \\
 &= 1 - (1 - 0,544) (1 - 0.701) (1 - 0.441) \\
 &= 1 - (0,456) (0.299) (0.560) \\
 &= 1 - 0.076 \\
 &= 0.923
 \end{aligned}$$

Sources: Data processed, 2022

The results of the calculation of Q Square Predictive Relevance (Q₂) shows a value of 0.923 which means the model shows good observations, where 92.3% of the relationship between variables can be explained by the model, while the rest (7.7%) is an error factor or other factors that are not included in the research model. Evaluation of the inner model measured based on Q Square Predictive Relevance (Q₂) and Goodness of Fit (GoF) above shows that the model formed by the constructs has a very good model category.



c. Hypothesis Testing

Hypothesis testing is done with t-statistics by sorting for direct effect testing. In the following sections, the results of the direct effect test are described successively. Significance the estimated parameters provide very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the output result for inner weight. Table 5 provides the estimated output for structural model testing.

Table 5 Hypothesis Testing Results

No.	Variable	Original Sample (O)	T Statistics (O/STDEV)	P Values	Information
1	Trust -> Loyalty	0.386	2,463	0.014	Significant
2	Satisfaction -> Trust	0.479	6,944	0.000	Significant
3	Satisfaction -> Loyalty	0.169	2,224	0.018	Significant
4	Quality_Service -> Trust	0.419	6.002	0.000	Significant
5	Quality_Service -> Satisfaction	0.738	14,163	0.000	Significant
6	Quality_Service -> Loyalty	0.456	2,908	0.004	Significant
7	Satisfaction -> Trust -> Loyalty	0.185	2,180	0.030	Significant
8	Quality_Service -> Trust -> Loyalty	0.162	2,329	0.020	Significant
9	Quality_Service -> Satisfaction -> Loyalty	0.125	2,226	0.000	Significant

Sources: Data processed, 2022

d. Mediation Testing

The mediating role of the trust variable (Y1) between service quality (X1) and loyalty (Y2), the mediating role of the trust variable (Y1) between satisfaction (X2) and loyalty (Y2) and between service quality (X1) and loyalty (Y2) through satisfaction (X2). As for the indirect effect hypothesis testing in this study, the results of the analysis can be presented in Table 6 as follows:

Table 6 Recapitulation of Mediation Variable Test Results

No	Variable	Effect				Note:
		(A)	(B)	(C)	(D)	
1	Satisfaction -> Trust -> Loyalty	0.495 (Sig)	0.495 (Sig)	0.795 (Sig)	0.632 (Sig)	Partial Mediation
2	Quality_Service -> Trust -> Loyalty	0.632 (sig)	0.396 (Sig)	0.767 (Sig)	0.306 (Sig)	Partial Mediation
3	Quality_Service -> Satisfaction -> Loyalty	0.632 (Sig)	0.620 (Sig)	0.737 (Sig)	0.127 (Sig)	Partial Mediation

Sources: Data processed, 2022



This result is shown from the mediation test carried out, it appears that the effects of A, C and D have significant values. Other information that can be conveyed, the mediating effect of trust (Y1) and satisfaction (X2) variables on the indirect effect of service quality (X1) on loyalty (Y2) is partial mediation. This finding provides a clue that, the mediating variable of satisfaction (X₂) and trust (Y1) are not the key determinants of the effect on service quality (X1) on loyalty (Y2).

V. Discussion

Based on the results of the PLS analysis, this section will discuss the results of the calculations that have been carried out. This study aims to determine the effect of service quality, satisfaction on loyalty through trust. And the effect of service quality on loyalty through satisfaction. Testing is shown through existing hypotheses so that they can find out how the influence of each variable on the other variables.

1. The Influence of Service Quality on Trust

The results of statistical data analysis show that service quality has a positive and significant effect on trust so that the analysis of this research model shows that higher service quality will lead to high trust. Significant service quality indicators that contribute positively to trust are equipment looks modern, attractiveness of physical facilities, neat appearance of employees, keeps promises, the company has the sincerity to help solve problems, the company provides the right service from the start, the company provides services according to the promised time, The company provides error-free service, the clerk tells when the service will be delivered, the clerk provides fast service, the clerk is alert and always willing to help the customer, The officers never seem too busy when they are about to serve, The behavior of the staff/officers is able to make customers believe, The company is able to make customers feel safe for transactions, Consistent polite attitude of officers/staff, Staff/officers have sufficient knowledge to answer customer questions, The company pays attention personally or individually for customers, the Company has comfortable operating hours for customers, the Company has staff/officers who give personal attention to customers, the Company puts the interests of customers first, and Company staff/officers pay attention to the specific needs of customers. This indicates that the level of customer trust is influenced by the quality of service provided by CV Power Hearing Bali. The results of this study are consistent with Saputra (2020) who examines the relationship between service quality, and trust in the consumer retail industry. Likewise with Lusiana (2019) and Adiningrum (2018).

2. The Effect of Customer Satisfaction on Customer Trust

The results of statistical data analysis show that customer satisfaction has a positive and significant effect on trust so that the analysis of this research model shows that higher customer satisfaction will lead to high trust. Satisfaction indicators that contribute to trust are Satisfied overall, Have a good experience consuming the product, Feel happy with the treatment of officers. Trust involves a person's willingness to behave in a certain way because of the belief that his partner will give him what he expects, and an expectation that a person generally has that the words, promises and statements of others can be trusted (Mawey, et.al., 2018). Trust is a fundamental component of a marketing strategy in creating the right relationship with consumers. Companies that operate build cooperative relationships with their customers as one of the competitive strategies (Putra, et.al., 2020). The moment when



customers believe in the products and services purchased, it will certainly have an impact on customer satisfaction. When consumers are satisfied, of course, it will be able to increase customer confidence in the products and services purchased. As Zamry & Nayan (2020) say, there are advantages for organizations that are able to maintain and create a high level of trust for their organization among customers. The research results are in agreement with Imran (2019), Sudirman (2020), and Mawey (2018). will certainly have an impact on customer satisfaction. If consumers are satisfied, it will certainly increase customer confidence in the products and services purchased. As Zamry & Nayan (2020) say, there are advantages for organizations that are able to maintain and create a high level of trust for their organization among customers. The research results are in agreement with Imran (2019), Sudirman (2020), and Mawey (2018). will certainly have an impact on customer satisfaction. When consumers are satisfied, of course, it will be able to increase customer confidence in the products and services purchased. As Zamry & Nayan (2020) say, there are advantages for organizations that are able to maintain and create a high level of trust for their organization among customers. The research results are in agreement with Imran (2019), Sudirman (2020), and Mawey (2018).

3. Influence Quality of Service to Customer Loyalty

The results of statistical data analysis show that service quality has a positive and significant effect on customer loyalty so that the analysis of this research model shows that the higher the service quality will lead to high loyalty. Significant service quality indicators that contribute positively to trust are equipment looks modern, attractiveness of physical facilities, neat appearance of employees, keeps promises, the company has the sincerity to help solve problems, the company provides the right service from the start, the company provides services according to the promised time, The company provides error-free service, the clerk tells when the service will be delivered, the clerk provides fast service, the clerk is alert and always willing to help the customer, The officers never seem too busy when they are about to serve, The behavior of the staff/officers is able to make customers believe, The company is able to make customers feel safe for transactions, Consistent polite attitude of officers/staff, Staff/officers have sufficient knowledge to answer customer questions, The company pays attention personally or individually for customers, the Company has comfortable operating hours for customers, the Company has staff/officers who give personal attention to customers, the Company puts the interests of customers first, and Company staff/officers pay attention to the specific needs of customers. This indicates that the level of customer loyalty is influenced by the quality of service provided by CV Power Hearing Bali. The results of the study are in accordance with Halim, Gunawan and Yakub (2017),

4. Influence Customer Satisfaction with Customer Loyalty

The results of statistical data analysis show that customer satisfaction has a positive and significant effect on loyalty so that the analysis of this research model shows that higher customer satisfaction will lead to high customer loyalty. Based on the explanation of customer loyalty, it can be taken the meaning of the consistency of a customer to buy the same product in different periods of time. Customer loyalty can not be separated from the satisfaction that has been felt by the customer. Sutjiawan & Japarianto (2014) in Dedek (2020) state that the better the customer satisfaction at the hotel, the higher the customer



loyalty to the hotel due to the satisfaction felt by the customer. Customer satisfaction is a person's feeling of pleasure or displeasure with a product after comparing the performance of the product with what is expected (Dedek, 2020). According to (Cengiz, 2010) in Dedek (2020) that customer satisfaction is an abstract concept where actual satisfaction varies from individual to product, depending on a number of individual expectations. Customer satisfaction increases when the customer feels the seller has been fair in the transaction (Kennedy, et al., 2001). The results of this study are in accordance with Customer satisfaction increases when the customer feels the seller has been fair in the transaction (Kennedy, et al., 2001). The results of this study are in accordance with Customer satisfaction increases when the customer feels the seller has been fair in the transaction (Kennedy, et al., 2001). The results of this study are in accordance with Leninkumar (2017), Daniel et al (2016), Vitya (2017), Rintar (2017), Riyono and Hesti Ristanto (2021) state that customer satisfaction has a significant effect on customer loyalty.

5. The Effect of Trust on Customer Loyalty

The results of statistical data analysis show that trust has a positive and significant effect on loyalty so that the analysis of this research model shows that higher trust will lead to high loyalty. Lau & Lee (1999) in Dedek (2020) show that when consumers believe that a particular brand is able to provide what they expect it will lead to loyalty to that brand. In this context, trust functions as a protector of the relationship that has been built by (1) continuing to work with existing partners, (2) rejecting short-term alternatives that seem attractive in favor of long-term relationships with existing partners, and (3) observing the potential for high-risk actions as a precautionary principle on the belief that partners will not behave opportunistically (Dedek, 2020). The results of this study are consistent with those of Innocentius Bernarto et al (2019) Yuni Adinda Putri et al (2019), Nur Ardhian-syah et al (2019), Wahyudi et al (2021), Muhammad Fahmi (2018) which states that trust has an effect on positive and significant to loyalty.

6. Influence Service Quality towards Customer Loyalty through Customer Trust

The results of statistical data analysis show that trust can mediate the effect of service quality on customer loyalty at CV Power Hearing Bali. This means that CV Power Hearing Bali must try to increase customer trust. With an increase in service quality and accompanied by a high sense of trust in the company, customers are increasingly loyal. The results of this study are in accordance with those conducted by Muzzammil et al (2017), (Muzammil et al., 2017), Yuniarta et al., (2019), trust has a significant influence on customer loyalty. Research conducted by Nissi & Budiono, (2019) using the PLS-SEM approach with the title "Brand Trust as Mediator of Brand Image and Service Quality on Brand Loyalty" it was found that there was a significant relationship between service quality and customer loyalty with trust as a mediating variable. Amar Shan Abitama (2021) service quality has a positive and significant effect on loyalty.

7. The Effect of Customer Satisfaction on Customer Loyalty through Customer Trust.

The results of statistical data analysis show that trust can mediate the effect of satisfaction on customer loyalty at CV Power Hearing Bali. This means that CV Power Hearing Bali must try to increase customer trust. With an increase in customer satisfaction and



accompanied by a high sense of trust in the company, customers are increasingly loyal. This study is in line with Gutlom (2020) Customer trust significantly mediates the effect of customer satisfaction on loyalty. Study Leninkumar (2017) mentions trust to be a mediation for the relationship of customer satisfaction and customer loyalty. Leninkumar (2017) found a relationship between customer satisfaction and customer loyalty with trust as a mediating variable. Similar findings were also made by Stathopoulou and Balabanis, (2017), stating that trust can be interpreted as a customer's relative attitude towards the restaurant or brand, causing a latent loyalty or an attitudinal loyalty relationship. Leninkumar (2017) whose title is almost similar to the research of Stathopoulou and Balabanis, (2017).

8. Influence Service Quality Towards Customer Satisfaction

The results of statistical data analysis show that service quality has a positive and significant effect on customer satisfaction so that the analysis of this research model shows that higher service quality will lead to high customer satisfaction. Service quality has a relationship with customer satisfaction. Customers will feel satisfied when the service provided is also maximal. In other words, the existence of good service quality has an important meaning for the survival of the company because it can create customer satisfaction. The results of this study are in accordance with that conducted by Yosep et al (2017) that there is a significant relationship between service quality and customer satisfaction.

9. Influence Service Quality Towards Customer Loyalty Through Customer Satisfaction as Mediation

The results of statistical data analysis indicate that customer satisfaction can mediate the effect of service quality on customer loyalty at CV Power Hearing Bali. This means that CV Power Hearing Bali must try to improve customer satisfaction in the form of overall satisfaction. With an increase in service quality and accompanied by high customer satisfaction, customers will behave more loyally. Research conducted by Syariful Mahsyar Untung Surapati (2020) and Narotama (2019) found that service quality has a positive effect on customer satisfaction, service quality variable has a positive effect on customer loyalty. Chusnul Rofiah (2017) states that there is a direct and indirect influence between service quality and customer loyalty mediated by customer satisfaction.

V. CONCLUSION

Based on the discussion of the research results, it can be concluded that the effect of service quality and satisfaction on loyalty through trust is as follows:

1. Service quality positive and significant effect on customer trust, this indicates that the higher the service quality, the higher the customer trust.
2. Customer satisfaction positive and significant effect on customer trust, this indicates that the higher the satisfaction, the higher the customer trust.
3. Service quality positive and significant effect on customer loyalty, this indicates that the higher the service quality, the higher the customer loyalty.
4. Customer satisfaction positive and significant effect on customer loyalty, this indicates that the higher the customer satisfaction, the higher the customer loyalty.
5. Trust positive and significant effect on customer loyalty, this indicates that the higher the trust, the higher the customer loyalty.



6. Trust can mediate the positive influence of service quality to customer trust, this indicates that the higher the quality of service accompanied by high trust can increase customer trust.
7. Trust can mediate the positive effect of satisfaction to customer loyalty, this indicates that higher customer satisfaction accompanied by high trust can increase customer loyalty.
8. Service quality positive and significant effect on customer satisfaction, this indicates that the higher the service quality, the higher the customer satisfaction.
9. Customer satisfaction can mediate the positive influence of service quality to customer loyalty, this indicates that the higher the quality of service accompanied by high satisfaction can increase customer loyalty.

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