

The Role of Customer Satisfaction in Mediating the Influence of Social Media Marketing and Service Quality on Customer Loyalty of Prima Media Grafika Jember


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ABSTRACT

This research is an explanatory research study to analyze the role of customer satisfaction in mediating the influence of social media marketing and service quality on customer loyalty of Prima Media Grafika Jember. This research technique uses non-probability sampling with a purposive sampling approach. The sample size used in this research was 105 respondents. Data was collected by distributing questionnaires, with the criteria being that respondents were at least 18 years old and had used Prima Media Grafika services more than once. The analysis method for this research uses path analysis. The research results show that social media marketing has an effect on customer satisfaction, service quality has an effect on customer satisfaction, social media marketing has an effect on customer loyalty, service quality has an effect on customer loyalty, customer satisfaction has an effect on customer loyalty, social media marketing has an effect on customer loyalty through satisfaction customers and service quality influence customer loyalty through customer satisfaction of Prima Media Grafika Jember.

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1. INTRODUCTION

According to Faton, the printing industry in Indonesia has high prospects in the short and long term [1]. The development of the times has made businesses in the printing sector very developed, where printing companies use sophisticated machinery, digital or offset machines, which continues to increase. The

printing business has become a capital-intensive business due to the development of sophisticated printing machines, which require little human labor. The COVID-19 pandemic that has occurred in Indonesia since early 2020 has had an impact on various industrial sectors, including the printing industry. According to the Central Leadership Council (DPP) of the Association of Indonesian Grafika Companies in [2], several

impacts felt by printing industry companies are almost all companies experiencing a decline in turnover and production of more than 70%, retail sales experiencing a drastic decline due to by the lack of customers stopping by the business premises due to the policy of limiting business activities, and financial difficulties due to orders that have been carried out but not paid for by customers [2]. 2 years after the start of the COVID-19 pandemic, the economy in Indonesia is starting to recover. Almost all business activities are starting to run smoothly again because fewer people have been infected with the COVID-19 virus, and the desire of the majority of people to get vaccinated can minimize transmission of the COVID-19 virus. Likewise, the printing industry is recovering again because the number of customer requests has returned to normal.

Various printing businesses can be found in the Jember Regency. One of the printing industries in Jember Regency, which is quite well known, is Prima Media Grafika. This offset printing and digital printing company is located on Jalan Jawa number 23 Jember and has been established since 2013. Competition in the printing business in Jember Regency can be said to be tight; this can be seen from the large number of printing businesses that can be found, especially in the Sumbersari district area, in Jember. In order to maintain its existence amidst business competition and recovery after the COVID-19 pandemic, all business sectors, including the printing business, need to carry out effective strategies to get back on their feet and compete fairly with their competitors. One way that can be used to make a business survive amidst competition is to have loyal customers. Companies need to make various efforts so that customers want to buy or reuse their products or services.

In this case, so that customers want to return to use their products or services, the company needs to do various things, one of which is creating customer satisfaction. If a customer is satisfied with a product or service, of course, the customer will always remember the company and want to use the product or service in the future or even continuously. This is in accordance with the opinion of Hasan, who suggests that there are nine factors that can influence customer loyalty, one of them being customer satisfaction [3]. Customer satisfaction is considered a strong

predictor of customer loyalty, and it includes positive recommendations, repurchase intentions, etc. This is in line with research by Yulisetari et al. [4], which shows that satisfaction influences the loyalty of BPJS Health patients in Jember.

Companies can use various efforts and strategies to create customer satisfaction and ultimately make customers loyal, one of which is using social media marketing. Aditya stated that social media allows all business activities to have broad and unlimited access; this certainly helps companies build relationships with their customers because this ease of communication allows consumers and sellers to communicate directly so that a trusted relationship is formed between the two [5]. Today's social media has forced companies to change the way they communicate with customers. The increasing number of social media user's means companies have to improve their communication models. Prima Media Grafika Jember, in an effort to build customer satisfaction and loyalty, seeks to establish communication with customers using social media marketing. Companies use Instagram as the social media of choice to market their products so that customers know about the company's products and services. Instagram was chosen because it is the third most used application in the App Store and Google Store. Instagram is an option because it can provide free photo or video-sharing services and is equipped with several interesting features such as Instagram stories, IGTV, reels, direct messages, and video calls.

Besides social media marketing, to build customer satisfaction and loyalty, companies can use service quality strategies. Yulisetari stated that to maintain customer loyalty, companies need to maintain customer satisfaction, which is built on the quality of service received by consumers [6]. This can be seen from the results of consumer evaluations of the quality of services provided by the company. If consumers' evaluation of service quality lies in a balance between their expectations and perceptions regarding the services provided, this will have an impact on evaluating ideal service quality; conversely, if expectations do not match consumer perceptions, it will result in negative service quality. Service is the main key to achieving success in various aspects of business

ventures or business activities operating in the service sector. Good service quality is a priority for service companies. The better service a company provides to its customers, the company's profits will indirectly increase. This is supported by the results of research conducted by Yulisetiari et al. [7], who show that service quality influences loyalty through customer satisfaction. Prima Media Grafika Jember, in this case, also implements a service quality strategy, where the company strives to provide good service, including tangible services. Where the products produced are of good quality and free from errors or product defects, serving customers with responsiveness or responsiveness where employees provide fast service and provide assurance in the form of compensation if the product provided does not meet consumer expectations.

According to Yulisetiari, having loyal customers is an asset and key to a company's success because it can increase company profits [8]. Customer loyalty is an absolute thing for a company to continue to exist in its business. Finding new customers is difficult for a company, but retaining old customers is much more difficult. Customer loyalty is a form of strong commitment from a company's customers to make purchases and re-consume products or services in the future because of consistency in purchasing a product or service. Loyalty is the ultimate goal and success of a company in establishing relationships with customers. It can be interpreted that the better the customer's relationship with the company, the stronger the loyalty formed will be [9]. Prima Media Grafika Jember, as a company that has high competitiveness, needs to build customer loyalty so that customers are willing to return to using its services and not move elsewhere so that the company gets profits in line with the company's expectations and can survive amidst increasing tight competition in the printing industry.

2. LITERATURE REVIEW

2.1 Social Media Marketing

According to Tuten's opinion, social media marketing is a form of online advertising that uses the cultural context of social communities, including social networks, virtual worlds, social news sites, and social opinion-sharing sites to

find communication goals [10]. There are several indicators that can be used to measure social media marketing, according to Asad and Anas, including the following [11]:

- Online Communities,
- Interaction,
- Sharing of Content,
- Accessibility,
- Credibility.

2.2 Service Quality

According to Supranto [12], service quality is a word for service providers, which is something that must be done well. Service quality is a strategy to attract new consumers, retain existing consumers, avoid consumer turnover, and create special advantages. According to Kotler [13], there are five dimensions of service quality, including the following:

- Physical Evidence (Tangible),
- Empathy (Empathy),
- Reliability,
- Quick response (Responsiveness),
- Guarantee (Assurance).

2.3 Customer satisfaction

According to Amir [14], customer satisfaction is the extent to which the benefits of a product are felt according to what the customer expects. According to Tjiptono [15], concepts that can measure customer satisfaction include:

- Overall customer satisfaction,
- Fulfillment of customer expectations,
- Suitability of using the product.

2.4 Customer loyalty

According to Griffin [16], customer loyalty is the result of a process of serious attention to what makes customers feel at home and the ability to continuously understand it. According to Lupiyoadi [17], indicators of customer loyalty include the following:

- Repeat,
- Retention,
- Referrals.

3. METHODOLOGY

The population in this research is all Prima Media Grafika customers. The sample used was 105

people determined by a sampling method using non-probability sampling with a purposive sampling technique, with the criteria being that the respondent was at least 18 years old and had never used Prima Media Grafika services more than once. Data collection was obtained by distributing questionnaires. The path analysis method is used in this research.

4. RESULTS

4.1 Path Analysis

According to Ghozali's [18] opinion, path analysis is an extension of multiple linear regression analysis or path analysis, which is called the use of regression analysis to estimate the causal relationship between variables previously determined based on theory. This technique is used to test the magnitude of the contribution used by the path coefficient in each path diagram of the causal relationship between variable X and variable Y, as well as the impact on variable Z (as an intervening variable). The benefit of path analysis is that it extends from simple or multiple linear regression equations to the relationship paths of variables that involve more than one equation. Path analysis in this research is used to analyse the influence of social media marketing (X_1) and service quality (X_2) on customer loyalty (Y) through customer satisfaction (Z).

The results of hypothesis testing in this research show that the social media marketing variable influences the customer satisfaction variable with a significance value of $0.001 \leq 0.05$, so it can be concluded that H_0 is rejected and H_1 is accepted, which means that social media marketing has a significant positive effect on Prima Media Grafika Jember customer satisfaction. The results of testing the influence of the service quality variable on the customer satisfaction variable with a significance value of $0.003 \leq 0.05$, so it can be concluded that H_0 is rejected and H_2 is accepted, which means that service quality has a significant positive effect on Prima Media Grafika Jember customer satisfaction. Results of testing the influence of variables social media marketing influential on the customer loyalty variable with a significance value of $0.002 \leq 0.05$ so it can be concluded that H_0 is rejected and H_3 is accepted, which means that social media marketing has a significant positive effect on Prima Media Grafika Jember

customer loyalty. The results of testing the influence of the service quality variable on the customer loyalty variable with a significance value of $0.002 \leq 0.05$, so it can be concluded that H_0 is rejected and H_4 is accepted, which means that service on the customer loyalty variable with a significance value of $0.002 \leq 0.05$ so it can be concluded that H_0 is rejected and H_3 is accepted, which means that social media marketing has a significant positive effect on Prima Media Grafika Jember customer loyalty. The results of testing the influence of the service quality variable on the customer loyalty variable with a significance value of $0.002 \leq 0.05$, so it can be concluded that H_0 is rejected and H_4 is accepted, which means that service quality has a significant positive effect on Prima Media Grafika Jember customer loyalty. The results of testing the influence of the customer satisfaction variable on the customer loyalty variable with a significance value of $0.000 \leq 0.05$, so it can be concluded that H_0 is rejected and H_5 is accepted, which means that customer satisfaction has a significant positive effect on Prima Media Grafika Jember customer loyalty.

The results of hypothesis testing with the Sobel test in this study show that results of testing the influence of social media on the customer loyalty variable through customer satisfaction with a significance value of $0.002 \leq 0.05$, so it can be concluded that H_0 is rejected, and H_6 is accepted, which means that social media marketing has a significant positive effect on customer loyalty through Prima Media Grafika Jember customer satisfaction. The results of testing the influence of the service quality variable on the customer loyalty variable through customer satisfaction with a significance value of $0.005 \leq 0.05$, so it can be concluded that H_0 is rejected and H_7 is accepted, which means that service quality has a significant positive effect on customer loyalty through Prima Media Grafika Jember customer satisfaction.

4.2 Path Calculation

The path calculation that is significant in this research is explained by looking at the influence of social media marketing (X_1) and service quality (X_2) directly on customer loyalty (Y), with customer satisfaction (Z) as an intervening variable. The results of the path calculation analysis test in this research can be described,

and the path coefficient calculations are as follows: $X_1 \cdot X_2$.

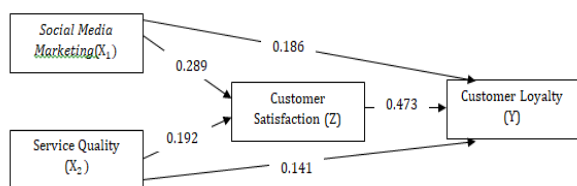


Fig. 1. Path Analysis Results.

Based on path calculations, the direct influence of social media marketing variables on customer satisfaction is 28.9 %. The direct influence of service quality variables on customer satisfaction is 19.2 %. The direct influence of social media marketing variables on customer loyalty is 18.6 %. The direct influence of service quality variables on customer loyalty is 14.1 %. The direct influence of the customer satisfaction variable on customer loyalty is 47.3 %.

5. DISCUSSION

Social media marketing's effect on Prima Media Grafika customer satisfaction is shown by the results of hypothesis testing with the t-test, which shows a significance value of 0.001, which is smaller than the specified significance level of 0.05. The relationship shown by the positive beta value indicates that the better the social media marketing, the more Prima Media Grafika customer satisfaction will increase. The social media marketing carried out by Prima Media Grafika is promoted through Instagram social media because there are quite a lot of users of this application, so the information conveyed in the form of photo and video content will be known to many people. The results of this research prove that social media marketing has an effect on customer satisfaction. This result is in line with research conducted by Aldo et al. [19].

Service quality influences Prima Media Grafika's customer satisfaction, as shown by the results of hypothesis testing with the t-test, which shows a significance value of 0.003, which is smaller than the specified significance level of 0.05. The relationship shown by the positive beta value indicates that the better the service quality, the more Prima Media Grafika customer satisfaction will increase. The quality of service provided by Prima Media Grafika is good; employees are required to work quickly and be friendly to all

their customers. The results of this research prove that service quality influences customer satisfaction. This result is in line with research conducted by Yulisetiari et al. [8], Yulisetiari and Mawardi [20], and Riyadi and Erdiansyah [21].

Social media marketing's effect on Prima Media Grafika customer loyalty is shown by the results of hypothesis testing with the t-test, which shows a significance value of 0.002, which is smaller than the specified significance level of 0.05. The relationship shown by the positive beta value indicates that the better the social media marketing, the more Prima Media Grafika customer loyalty will increase. The promotional strategy through Instagram social media carried out by Prima Media Grafika is to always update information regarding activities carried out by employees as well as price promotions so that there is interaction between the company and its market share. The results of this research prove that social media marketing has an effect on customer loyalty. This result is in line with research conducted by Aldo et al. [19].

Service quality influences Prima Media Grafika's customer loyalty, as shown by the results of hypothesis testing with the t-test, which shows a significance value of 0.002 which is smaller than the specified significance level of 0.05. The relationship shown by the positive beta value indicates that the better the service quality, the more Prima Media Grafika customer loyalty will increase. Service quality is important for Prima Media Grafika, so employees are required to work well and be supported by adequate work equipment to produce products that meet customer expectations. The results of this research prove that service quality influences customer satisfaction. This result is in line with research conducted by Yulisetiari et al. [6], Yulisetiari and Mawardi [20], and Riyadi and Erdiansyah [21].

Customer satisfaction has an influence on Prima Media Grafika customer loyalty, as shown by the results of hypothesis testing with the t-test, which shows a significance value of 0.000, which is smaller than the specified significance level of 0.05. The relationship shown by the positive beta value indicates that the better customer satisfaction, the more Prima Media Grafika customer loyalty will increase. Customer

satisfaction for Prima Media Grafika is concrete evidence of employee performance regarding the products and services provided. Satisfaction is important for the sustainability of a company in the current era of increasingly tight competition for printing. The results of this research prove that customer satisfaction influences customer loyalty; this result is in line with research conducted by Yulisetiari et al. [6], Aldo et al. [19], Yulisetiari and Mawardi [20], and Riyadi and Erdiansyah [21].

Social media marketing's effect on customer loyalty through Prima Media Grafika customer satisfaction is proven by the results of the Sobel test, which shows a significance value of 0.002, which is smaller than the specified significance level of 0.05. Customers who feel satisfied with the promotional strategy carried out by Prima Media Grafika via Instagram will increase customer loyalty. For example, Prima Media Grafika tries to interact with customers through comments and direct messages, which are answered quickly by the Prima Media Grafika social media admin. This results in a positive assessment from customers because customers will quickly be able to contact them and find out the information they need, for example, prices for banner printing. The existence of social media will make it easier for customers to find contacts who can connect with the company, which is then supported by the suitability of the company's products and services, thereby generating customer loyalty as shown by their desire to make repeat purchases from Prima Media Grafika when they need printing services.

Service quality influences customer loyalty through Prima Media Grafika customer satisfaction, as proven by the results of the Sobel test, which shows a significance value of 0.005, which is smaller than the specified significance level of 0.05. This indicates that satisfaction can improve the relationship between service quality and customer loyalty. The quality of service created by Prima Media Grafika is good service, where employees are required to satisfy customers through the products and services they provide. Employees must be careful when providing services to customers to minimize errors. This good quality is supported by product or service performance that meets customer expectations, which will create loyalty. This is because customers feel happy and satisfied with

employee performance and product results, resulting in customer loyalty, which is shown by their willingness to recommend Prima Media Grafika printing to others. These results are in line with research by Yulisetiari et al. [7] which shows that service quality influences loyalty through customer satisfaction.

6. CONCLUSIONS

The research results show that social media marketing has an effect on customer satisfaction, service quality has an effect on customer satisfaction, social media marketing has an effect on customer loyalty, service quality has an effect on customer loyalty, customer satisfaction has an effect on customer loyalty, social media marketing has an effect on customer loyalty through satisfaction customers and service quality influence customer loyalty through Prima Media Grafika Jember customer satisfaction.

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