



THE EFFECT OF PERSONAL SELLING AND SERVICE QUALITY ON CUSTOMER LOYALTY AT PT. WANRIAU INDOXP

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Abstract

The service sector is developing rapidly, one of such service sectors is internet provider. This study aims to determine the effect of personal selling and service quality on customer loyalty at PT. WanRiau IndoXP Pekanbaru. The samples of this study were 146 respondents who were customers of PT. WanRiau IndoXP. Data analysis used is multiple linear regression through t-test for testing the hypothesis. The conclusions that can be drawn from the results of research include: (1) Personal Selling has a significant effect on customer loyalty 2) Tangible has a significant influence on customer loyalty. The company must increase the number of facilities and provide employee training so that more leverage in working. (3) Reliability has a significant effect on customer loyalty (4) Responsiveness has a significant effect on customer loyalty (5) Emphaty has a significant influence on customer loyalty (6) Assurance based has a significant effect on customer loyalty. Customers feel comfortable when making transactions and interact in PT. Wanriau IndoXP (PERSERO) Pekanbaru.

Keywords: Personal Selling, Service Quality, Tangible, Reliability, Responsiveness, Emphaty, and Assurance

1.0 INTRODUCTION

Marketing is a social process that involves activities that need to enable individuals and organizations to get what they need and want through exchanging with others and developing sustainable exchange relationships (Mullins & Walker 2013). Meanwhile, marketing is a whole system of business activities aimed at planning, pricing, promoting and distributing goods and services that satisfy the needs of both existing and potential buyers.

A company in running its business must have a goal to succeed. Success in the sense of being able to maintain the survival of the company, make a profit and develop its business. The expectation of a direct market expansion is an increase in sales so that the company will have more consumers. This situation has caused the company to be able to compete in various effective ways to achieve competitiveness. Competition is experienced by almost all business sectors and service depositors. Service companies experience rapid development in accordance with the number of community needs for various services.

PT. WanRiau IndoXP Pekanbaru is a company engaged in several business segments, one of the largest types of business is an internet service provider. From its inception in 2001 until today, the WANXP company is one of the leading private companies in the field of the best internet service providers in the city of Pekanbaru, because it provides good quality service to its customers and has a good and cooperative relationship with all business partners.

Based on data obtained from PT. WanRiau IndoXP, the number of customers from 2013 to 2017 has decreased by an average of 80 customers per year. To anticipate the decreasing number of customers, it is necessary to have an improvement strategy undertaken by PT WanRiau IndoXP in order to increase consumer loyalty. Loyal customers is a

customer who repurchase an item and service by recommending someone else to buy (Hasan 2008). Meanwhile, according to Sukmawati (2011) Customer Loyalty is a behavioral impulse to make purchases repeatedly and to build customer loyalty to a product or service produced by the business entity.

In dealing with this, there are several dimensions that affect the loyalty of consumers. According to research conducted by Pelealu (2015), Personal Selling has a significant and positive influence on Customer Loyalty where the personal selling strategy is able to maintain customer loyalty in using products or services. Personal selling is the most cost-effective tool at a further stage of the buying process, especially in building the preferences, beliefs and actions of buyers (Kotler 2008). According to Hasan (2013), personal selling is a form of oral presentation with one or more prospective buyers with the aim of making a sale.

According to Kotler & Armstrong (2008), to measure personal selling variables, indicators are used as follows: (1) Appearance of salespeople, (2) Salespeople mastering product information, (3) Ability of salespeople to explain products to customers, (4) Salespeople can recognise new customers or old customers well.

Service Quality is a dynamic condition related to products, services, people, processes, and the environment in which quality assessment is determined when the delivery of public services occurs (Ibrahim & Hardiyansyah 2011).

According to Kotler (2012), there are 5 determinants of service quality. The five are presented sequentially according to their importance: (1) Tangibles are physical facilities offered to consumers that include physical, equipment, employees and communication advice. (2) Reliability is the consistency of the appearance and reliability of services, namely the company's ability to provide the promised service immediately, accurately and satisfactorily, (3) Responsiveness, namely the readiness and speed of service providers in solving problems and providing services promptly (4) Emphaty includes ease in making communication, personal attention and understanding the needs of customers, (5) Assurance (guarantee), namely the ability and skills of officers, staff friendliness, trust and security.

Cendekia (2013) found that service quality has a significant effect on customer loyalty. However, according to (Aris Irandha, 2016) that service quality has no direct effect on customer loyalty.

2.0 METHODOLOGY

This research was conducted at PT. Wanriau IndoXP Pekanbaru having its address at Jalan Juanda no. 1B Pekanbaru. The population in this study was 146 customers of PT. Wanriau IndoXP Pekanbaru. In this study the entire population was used as a research sample.

Data collection technique in this research was through the questionnaire. The measurement scale used is a Likert Scale. According to Sugiono (2009) Likert scale is used to measure the attitudes, opinions, and perceptions of a person or group of people about social phenomena.

Validity and Reliability test

Validity is a measure of validity of an instrument. Reliability test according to Sugiyono (2010) was conducted to find out how far the measurement results remained consistent if measurements were made twice or more for the same phenomenon using the same measuring device. The instrument was valid if the Pearson correlation value is more than 0.3 (Sugiono 2010).

Reliability test was carried out using Cronbach Alpha. A Cronbach Alpha value > 0.6 indicates that the instrument used is reliable (Ghozali, 2009).

F-test

F-test is used to find out whether simultaneously the independent variable(s) have significant effect on the dependent variable(s) (Priyatno 2012). If the calculated F-value is greater than the table's F-value which means that all independent variables have significant effect on the dependent variable.

R Square test

The coefficient of determination is the square of the correlation coefficient as a measure to determine the ability of each variable used. The coefficient of determination (R^2) measures how far the ability of the model formed in explaining the variation of independent variables. The coefficient of determination (R^2) is between zero and one. A small R^2 value indicates the independent variable provides almost all the information needed to make predictions on the dependent variable (Ghozali 2011).

Multiple Regression analysis

Multiple regression Model is a model used to analyze the effect of various independent variables on one dependent variable. In this study there are several independent variables namely Personal Selling (X1), Tangible (X2), Reliability (X3), Responsiveness (X4), Emphaty (X5), and Assurance (X6) effect on the dependent variable namely Customer Loyalty (Y). There is also equation of multiple linear regression used in this study, as follows (Sugiyono 2010):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + e$$

Notes :

Y	= Customer Loyalty
a	= Constanta
b ₁ ,b ₂ ,b ₃ ,b ₄ ,b ₅ ,b ₆	= Coefficient Regression
X ₁	= Personal Selling
X ₂	= Tangibles
X ₃	= Reliability
X ₄	= Responsiveness
X ₅	= Assurance
X ₆	= Empathy
e	= Error

T-test (hypothesis testing)

T-test is used to find out whether partially the independent variable significantly influences the dependent variable (Priyatno 2012). Decision making can be done based on probability (significance). If the probability (significance) is greater than alpha coefficient, then the independent variables individually do not affect the dependent variable (H₁ is rejected). And if the probability (significance) is smaller than α , then the independent variable individually affects the dependent variable (H₁ accepted).

3.0 RESULTS AND DISCUSSION

Characteristics of Respondents

The descriptions of the respondents from this study includes age, gender, occupation, income, and the sample used are 146 respondents.

Table 1. Test of Characteristic Respondents

Demography	Category	Freq (%)
Sex	Male	81
	Female	65
Age	17-25 Years old	38
	26-35 Years old	64
	above 35 years old	44
Occupation	Private Employee	35
	Student	25
	Public Employee	45
	Entrepreneur	41

From the table above, majority of the internet users are male based on gender (81%). Meanwhile, the largest internet users based on age is 26 to 35-years-old. And majority of the users based on occupation are public employee (45%).

Results of Test of Validity

Test of validity is used to measure the validity of questionnaire. The trial was conducted after the questionnaire was completed and tested on a sample from which the population was taken.

Table 2. Validity Test

Variable	Statemen t	Corrected item- total correlation	Critical Value
Personal Selling (X ₁)	X1.1	0.481	0.3
	X1.2	0.585	0.3
	X1.3	0.501	0.3

	X1.4	0.466	0.3
	X2.1	0.579	0.3
Tangible (X2)	X2.2	0.668	0.3
	X2.3	0.590	0.3
	X2.4	0.395	0.3
	X2.5	0.559	0.3
	X2.6	0.684	0.3
Reliability (X3)	X3.1	0.549	0.3
	X3.2	0.635	0.3
	X3.3	0.531	0.3
	X3.4	0.520	0.3
Responsiveness (X4)	X4.1	0.616	0.3
	X4.2	0.629	0.3
	X4.3	0.448	0.3
	X4.4	0.369	0.3
	X4.5	0.567	0.3
	X4.6	0.640	0.3
Empathy (X5)	X5.1	0.407	0.3
	X5.2	0.504	0.3
	X5.3	0.609	0.3
	X5.4	0.525	0.3
	X5.5	0.323	0.3
Assurance (X6)	X6.1	0.359	0.3
	X6.2	0.546	0.3
	X6.3	0.604	0.3
	X6.4	0.458	0.3
Customer Loyalty (Y)	Y1.1	0.529	0.3
	Y1.2	0.488	0.3
	Y1.3	0.384	0.3
	Y1.4	0.425	0.3

Results of Test of Reliability

A measuring instrument is said to be reliable if it gives the same result when used many times by the same researcher or others. Test of reliability was carried out using Cronbach Alpha. The value of a valid variable has Cronbach 0.6.

Table 3. Reliability Test

No	Variable	Cronbach's α	Alpha
1	Personal Selling (X_1)	0.719	0.6
2	Tangible (X_2)	0.811	0.6
3	Realibility (X_3)	0.759	0.6
4	Responsiveness (X_4)	0.778	0.6
5	Emphaty (X_5)	0.712	0.6
6	Assurance (X_6)	0.703	0.6
7	Loyalty (Y)	0.673	0.6

F-test

Table 4. F-test

Relationship	F _{Calculated}	F _{Table}	Sig
$X_1, X_2, X_3, X_4, X_5, X_6$ to Y	18.776	2.93	0.000

From table above it can be seen that by using the sig $\alpha = 0.01$, the f_{Table} is 2.93, the calculated F is 18.776, with a significance value of 0.000. Because $F_{Calculated} 18.776 > F_{Table} 2.93$ and the significance value of $0.000 < 0.01$, so H_1 is accepted, which means that Personal Selling and service quality simultaneously have significant effect on Loyalty.

R Square (R²) Test

The coefficient of determination (R²) is used to see the ability of the independent variable in explaining the dependent variable, where if the value of R² approaches 1 (one) then the independent variable provides all the information needed to predict the variation of the dependent variable.

Table 5 R Square test

MODEL	R	R Square	Adjusted R Square	Std Error of the Estimate
1	0.669a	0.448	0.424	0.32750

Multiple Regression Analysis

Regression Model is a model used to analyze the effect of various independent variables on one dependent variable. In this study there are several independent variables namely Personal Selling (X₁), Tangible (X₂), Reliability (X₃), Responsiveness (X₄), Empathy (X₅), and Assurance (X₆) and dependent variable is Customer Loyalty (Y). There is also a result of multiple linear regression used in this study, as follows:

Table 6. Multiple linear regression

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	1.717	0.422
Personal Selling (X ₁)	0.740	0.095
Tangible (X ₂)	-0.166	0.058
Reliability (X ₃)	-0.329	0.090
Responsiveness (X ₄)	0.261	0.060
Empathy (X ₅)	-0.092	0.041
Assurance (X ₆)	0.171	0.058

Equation for Multiple Linear Regression:

$$Y = 1,717 + 0,740 X_1 - 0,166 X_2 - 0,329 X_3 + 0,261 X_4 - 0,092 X_5 + 0,171 X_6 + e$$

The multiple linear regression above can be explained as follows: (1) The alpha constant obtained is 1.717 which means that given all other values: Personal Selling, Tangible, Reliability, Responsiveness, Empathy, Assurance have a value of zero, loyalty will have a value of 1.717. (2) The value of the coefficient for the variable of Personal Selling is 0.740 which means that if the rest of the independent variable is kept constant and the variable Personnel increases by 1 unit, Loyalty will increase. (3) The value of the coefficient for the variable of Tangible is -0.166 which means that if the rest of the independent variable is kept constant and the variable Tangible increases by 1 unit, Loyalty will decrease as negative sign implies a negative relationship. (4) The value of the coefficient for the variable of Reliability is -0.329 which means that if the rest of the independent variable is kept constant and the variable Reliability increases by 1 unit, Loyalty will decrease as negative sign implies a negative relationship. (5) The value of the coefficient for the variable of Responsiveness is 0.261 which means that if the rest of the independent variable is kept constant and the variable Responsiveness increases by 1 unit, Loyalty will increase. (6) The value of the coefficient for the variable of Empathy is -0.092 which means that if the rest of the independent variable is kept constant and the variable Empathy increases by 1 unit, Loyalty will decrease as negative sign implies a negative relationship. (7) The value of the coefficient for the variable of Assurance is 0.171 which means that if the rest of the independent variable is kept constant and the variable Responsiveness increases by 1 unit, Loyalty will increase.

Hypothesis Testing (T test)

Tabel 7. T-test

Model	T _{statistic}	Sig
Personal Selling (X ₁)	7.823	0,000***
Tangible (X ₂)	2.884	0,005***
Reliability (X ₃)	3.672	0,000***
Responsiveness (X ₄)	4.314	0,000***
Empathy (X ₅)	2.258	1,977
Assurance (X ₆)	2.966	2,611

Table of t test results above explained us as follows: (1) Hypothesis 1 was accepted because the t statistics > t table and significant at $0.000 < 0.05$, meaning that the variable Personal Selling has a significant effect on customer loyalty. (2) Hypothesis 2 was accepted because the t statistics > t table and significant at $0.005 < 0.05$, meaning that the Tangible variable significantly influences the customer loyalty. (3) Hypothesis 3, the result for reliability was accepted. T statistic > t table and significant at $0.000 < 0.05$ then H3 is accepted, meaning that the Reliability variable has a significant effect on PT customer loyalty. (4) Hypothesis 4 is accepted (t statistic > t table and significant at $0.000 < 0.05$), meaning that the Responsiveness variable has a significant effect on customer loyalty. (5) Hypothesis 5 was rejected, meaning that the Empathy has no significant effect on customer loyalty (t statistic < t table and level of significant $1.977 > 0.05$) (6) Hypothesis 6 was also rejected because t statistic < t table and level of significant $2.611 > 0.05$, This means that Assurance has no significant effect on customer loyalty.

Effect of Personal Selling on Customer Loyalty

Based on the results of descriptive analysis, the company must improve employee training in communication so that the employee can serve the customer well. The hypothesis testing showed that Personal selling has a significant effect on customer loyalty. This is supported by previous research Denissa (2013) and Rahmayani (2017) where her research shows that personal selling has a significant effect on customer loyalty.

Effect of Tangible on Customer Loyalty

Based on the results of descriptive analysis, Company must increase the number of facilities and provide employee training in use technology in order to provide faster service. Partially, tangible variable has a significant effect on customer loyalty at PT. WanRiau IndoXP. The results of this study support previously research conducted by Aryani (2010) and Rosinta (2010).

Effect of Reliability on Customer Loyalty

Based on the results of the descriptive analysis, Employees can understand customer needs quickly have the highest score. The sensitivity of employees to customer needs is a must. Kotler (2013) explains that reliability is the ability to provide the promised service accurately and reliably. Performance must be in accordance with consumer expectations which means timeliness, the same service for all customers. From the results of the table analysis it can be concluded that reliability has significant impact on customer loyalty and it support the previous research conducted by Aryani (2010) and Rosinta (2010).

Effect of Responsiveness on Customer Loyalty

Based on the results of the descriptive analysis, employees are able to resolve the customers complaint. Company must pay more attention to employee performance in terms of doing their jobs. Kotler (2013) explains that Responsiveness is the ability to help provide appropriate services to customers. Hypothesis test showed that responsiveness (X4) has significant effect on customer loyalty. The results support previous studies conducted by Utami (2014).

Effect of Empathy on Customer Loyalty

Based on the results of the descriptive analysis, company must pay more attention to employee performance in terms of treating their customers. Kotler (2013) explains that Empathy is concern and attention per individual applied by business entities in dealing with customers. T-test results concluded that empathy (X5) has significant effect on customer loyalty of PT. WanRiau IndoXP (Persero). The results of this study support previous research conducted by Aryani (2010) and Rosinta (2010).

Effect of Assurance on Customer Loyalty

Based on the results of the t-test, it is known that Assurance has a significant effect on customer loyalty. Kotler (2013) explains that Assurance is the knowledge and friendliness of employees as well as the ability to carry out tasks spontaneously that can guarantee good performance so as to build trust and confidence of buyers. The results of this study support previous research conducted by Aryani and Rosinta (2010).

4.0 CONCLUSION

The conclusions that can be drawn from the results of research include: (1) Personal Selling has a significant effect on customer loyalty 2) Tangible has a significant influence on customer loyalty. The company must increase the number of facilities and provide

employee training in service. (3) Reliability has a significant effect on customer loyalty (4) Responsiveness has a significant effect on customer loyalty (5) Emphaty has a significant influence on customer loyalty (6) Assurance based has a significant effect on customer loyalty. Customers feel comfortable when making transactions and interact in PT. WanRiau IndoXP (PERSERO) Pekanbaru.

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