

**ANALYSIS OF SERVICE QUALITY AS A MEASURE
OF CUSTOMER LOYALTY WITH MARKETING
SPIRITUALIZATION AS AN INTERVENING VARIABLE
(EMPIRICAL STUDY ON CV. AL-MUNTAHA RECORD SRAGEN)**

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ABSTRACT

This research was purpose to know service quality as a measure of customer loyalty with marketing spiritualization as an intervening variable. The data was collected from 100 respondents of customers who bought VCDs at CV. AL-Muntaha record Sragen Indonesia, by using accidental sampling method. It was analyzed using research instruments, the validity and the reliability, the hypothesis test used a path analysis, F test, t test, determination coefficient (R^2) and linear test.

The research result showed that 1) tangibles, reliability, responsiveness, Assurance, and empathy had influence positive on marketing spiritualization, 2) tangibles, reliability, responsiveness, Assurance, and empathy influence positive on loyalty, 3) F test showed a tangibles, reliability, responsiveness, Assurance, and empathy variable simultaneously had significant influence on marketing spiritualization and loyalty, 4) the coefficient determination of the first simultaneously was 90.8%, meaning customer loyalty explained tangibles, reliability, responsiveness, Assurance, empathy and marketing spiritualization while the remaining 9.2% was explained by other variables are involved in regression model such as promotion and product, 5) path analysis showed that direct effect of empathy had dominant influence on customer loyalty. Marketing spiritualization intervening variable was used in order to improve the loyalty for tangibles, reliability, responsiveness, Assurance, empathy variable, making it ineffective.

Keywords: *quality of service, marketing spiritualization, customer loyalty.*

Introduction:

Along with technological advances and with the signing of free trade agreement, consumers have more product alternatives with different prices and suppliers. Consumers nowadays are critical and careful in spending money, considering many factors to select a product, including buying cassettes and VCDs. Therefore, it's very important for CV AL-Muntaha Record Sragen which produces and markets Islamic songs and preaching cassettes and VCD to design the right marketing concept. The company has insight on consumers and marketing concept which can last. Companies, not only those in the recording business, are demanded to give output (added value), by paying attention to and giving outcome to their consumers.

Service quality is something that influences customer loyalty. According to Pasuraman (in Suryani 2008:123) service quality can be increased by improving aspects of service dimension, including tangibles, reliability, responsiveness, assurance and empathy. Therefore, CV. AL-Muntaha Record Sragen always performs evaluation. However, in reality marketing has many problems. This significantly influences the quality of service to customers. Some of the problems are:

1. Tangibles, there are many problems with the maintenance of CV Al Muntaha Record Sragen's facilities which influences the service quality of AL Muntaha Record Sragen to consumers. Physical facilities which should be provided to support service quality often disappoint customers due to many problems. For example : restrooms lack

- equipments (bailer, tissue are unavailable), no display room.
- 2. Reliability, technicians of CV AL Muntaha Record Sragen who are *santri* aren't professional, so product target isn't maximum, delivery of goods to agents is often late.
- 3. Responsiveness, because customers come to CV AL Muntaha Record outside of office hours, service to customers isn't proper. For example: customers buy products/cassettes at night, so the service is hampered.
- 4. Assurance, in terms of the consumers, many consumers don't dare to tell the problems they face, so employees must perform *climax setting* on customers. In maintaining its reputation, the company lacks fund to add equipments, influencing non-maximum outcome.
- 5. Empathy, in terms of the consumers, many consumers don't dare to tell the problems they face, so employees must perform *climax setting* on customers.

To improve service quality, CV. AL-Muntaha Record Sragen implements marketing spiritualization. The implementation of marketing spiritualization is expected to create prosperity and *fastabiqul khoiroh* preaching (Sujanto, 2008)

Literature Review:

1. Customer loyalty:

Loyalty is a deeply held commitment to purchase or support again favored products in the future although the effects of the situation and marketing efforts potentially make customers switch to other companies (Kotler, 2008: 138).

Loyalty can be understood as a concept which emphasizes on sequence of purchase, as cited by Arif (2010: 220). If customer service emphasizes on sequence of purchase or many purchase probability, this is operational rather than theoretical.

2. Marketing Spiritualization:

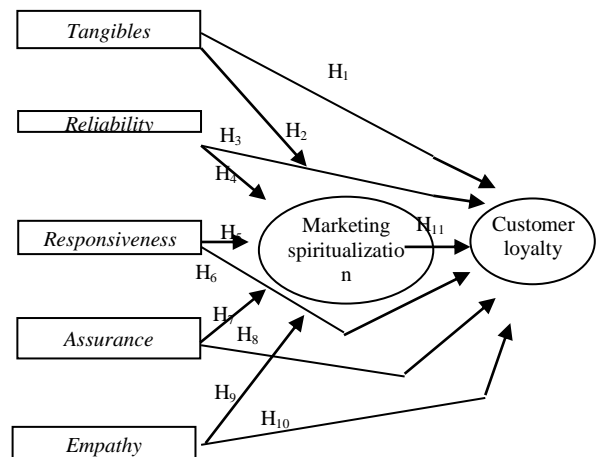
Marketing Spiritualization is the pinnacle of marketing itself. Marketing Spiritualization is the soul of business (Arif 2010: 20). Marketing Spiritualization is defined as a form of marketing imbued by spiritual values (not limited to any certain religion) in every process and transaction so that all business elements (Suppliers, Distributors, Consumers or Competitors) can experience positive effects of the business which is happiness.

3. Service Quality:

According to Parasuraman et al, in Suryani (2008:125) five dimensions in determining service quality are:

- a. Tangibles, physical evidence is ability in reliable physical appearance to provide service according to the promises.
- b. Reliability, reliability is ability to improve service to be on time, accurate and trustworthy.
- c. Responsiveness, responsiveness is ability to increase the speed of employees on duty in handling customers' requests.
- d. Assurance, assurance is ability to improve skills and knowledge and trustworthiness in handling customers' complaints.
- e. Empathy, a form of personal attention, genuine attention to customers.

Framework:



Source: Parasuraman (Tjiptono: 2005)
Figure 1: Framework

Hypotheses:

The hypotheses proposed in this study were:

- H₁ : There is significant influence between tangibles and marketing spiritualization in CV. AL-Muntaha Record Sragen.
- H₂ : There is significant influence between reliability and marketing spiritualization in CV. AL-Muntaha Record Sragen.
- H₃ : There is significant influence between responsiveness and marketing spiritualization in CV. AL-Muntaha Record Sragen.
- H₄ : There is significant influence between Assurance and marketing spiritualization in CV. AL-Muntaha Record Sragen.
- H₅ : There is significant influence between empathy and marketing spiritualization in CV. AL-Muntaha Record Sragen.
- H₆ : There is significant influence between tangibles and customer loyalty in CV. AL-Muntaha Record Sragen.
- H₇ : There is significant influence between reliability and customer loyalty in CV. AL-Muntaha Record Sragen.

H₈ : There is significant influence between responsiveness and customer loyalty in CV. AL-Muntaha Record Sragen.

H₉ : There is significant influence between Assurance and customer loyalty in CV. AL-Muntaha Record Sragen.

H₁₀ : There is significant influence between empathy and customer loyalty in CV. Al-Muntaha Record Sragen.

H₁₁ : There is significant influence between marketing spiritualization and customer loyalty in CV. Al-Muntaha Record Sragen.

- X₄ = Assurance
 - X₅ = Empathy
 - X₆ = Marketing spiritualization
- 2) F Test

Table : Result of F Test of First Equation

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1095,658	6	182,610	153,756	,000 ^a
	Residual	110,452	93	1,188		
	Total	1206,110	99			

a. Predictors: (Constant), Spiritualisasi marketing, tangibles, Empathy, Reliability, Assurance, Responsiv eness
 b. Dependent Variable: loy alitas

Methods:

Research location was CV. AL Muntaha Record Sragen in Pondok Pesantren Walisongo Housing Complex Sungkul, Plumbungan, Karangmalang Sragen Regency. Consumers came to CV. Al Muntaha Record Sragen and buyers of music and preaching cassettes in majlis ta'lim, in this case tausiyah by Mr Ma'ruf Islamuddin as the head / director of CV. Al-Muntaha Record Sragen.

The population in this study was all buyers of music and preaching cassettes and VCDs on October, totaling in 100 people. The sample is some or representation of the population studied. It's called sample research if it's meant to connect the results of sample research. However, in this study the entire population became sample.

Result:

1. Testing Research Instrument

a. Hypothesis Test

1) Multiple Linear Regression

First Equation

$$Y_1 = 0,135 X_1 + 0,164 X_2 + 0,377 X_3 + 0,283 X_4 + 0,163 X_5$$

(0,017)** (0,029)** (0,000)**
 (0,000)*** (0,006)***

Note :

Y₁ = Marketing spiritualization

X₁ = Tangibles

X₂ = Reliability

X₃ = Responsiveness

X₄ = Assurances

X₅ = Empathy

Second Equation

$$Y_2 = 0,089 X_1 + 0,168 X_2 + 0,175 X_3 + 0,158 X_2 + 0,394 X_2 + 0,192 X_2$$

(0,040)** (0,004)** (0,007)**(0,004)**
 (0,000)** (0,014)**

Note :

Y₂ = Loyalty

X₁ = Tangibles

X₂ = Reliability

X₃ = Responsiveness

The result of simultaneous test (F Test) showed F value = 153,756 significance 0,000<0,05. So it was concluded that simultaneously independent variables influenced Loyalty

3) T test

First Equation

Table : T Test of First Equation

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,968	1,988		,487	,628
	tangibles	,295	,121	,135	2,434	,017
	Reliability	,326	,147	,164	2,220	,029
	Responsiv eness	,852	,170	,377	5,013	,000
	Assurance	,642	,150	,283	4,285	,000
	Empathy	,347	,124	,163	2,796	,006

a. Dependent Variable: Spiritualisasi marketing

From t test above it was concluded that Tangibles, Reliability, Responsiveness, Assurance and Empathy variables had positive and significant influences on Marketing Spiritualization, so the hypotheses that Tangibles, reliability, responsiveness, assurance, empathy have significant influences on marketing spiritualization in CV. Al Muntaha Record Sragen, were proven. This is shown in the significance value of each variable which is < 0,05.

Second Equation:

Table : Testing Second Equation

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3,375	1,253		-2,694	,008
	tangibles	,164	,079	,089	2,079	,040
	Reliability	,283	,095	,168	2,988	,004
	Responsiv eness	,335	,120	,175	2,779	,007
	Assurance	,304	,103	,158	2,948	,004
	Empathy	,710	,081	,394	8,737	,000
	Spiritualisasi marketing	,162	,065	,192	2,502	,014

a. Dependent Variable: loy alitas

From t test above it was concluded that Tangibles, Reliability, Responsiveness, Assurance, Empathy, and Marketing spiritualization had positive and significant influences on Loyalty, so the hypotheses that Tangibles, reliability, responsiveness, assurance, empathy marketing spiritualization have significant

influences on customer loyalty in *CV. Al Muntaha Record Sragen*, were proven. This is shown in the significance value of each variable which is $< 0,05$.

4) Determination Coefficient

a) Determination Coefficient of Equation 1

Table: Result of determination Coefficient of first equation

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,912 ^a	,832	,823	1,731

a. Predictors: (Constant), Empathy, Assurance, tangibles, Reliability, Responsiveness

b. Dependent Variable: Spiritualisasi marketing

R^2 test produces 0,832 or 83.2% meaning the variability of marketing spiritualization variable which could be explained by the variability of tangibles, reliability, responsiveness, assurance, and empathy variables was 83.2% while the remaining 16.8% was explained by other variables not in regression model, such as promotion and product.

b) Determination Coefficient of Equation 2

Table: Result of determination Coefficient of first equation

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,953 ^a	,908	,903	1,090

a. Predictors: (Constant), Spiritualisasi marketing, tangibles, Empathy, Reliability, Assurance, Responsiveness

b. Dependent Variable: loyalitas

R^2 test produces 0,908 or 90.8% meaning the variability of loyalty variable which could be explained by the variability of Tangibles, reliability, responsiveness, assurance, empathy and marketing spiritualization variables was 90.8% while the remaining 9.2% was explained by other variables not in regression model, such as promotion and product.

c) Total Determination Coefficient

Table 5: Total Determination Coefficient

Description	R ² value	Adjusted R ² value
Model 1 test	0.832	823
Model 2 test	0.908	903

Source: processed primary data, 2011

The total R^2 in the model used is 0.99 or 99% meaning the variability of dependent variable which could be explained by the variability of independent variables was 99% while the remaining (1%) was explained by other variables not in regression model, such as promotion and product.

Table: Effects of direct and indirect and total variables

No	Influence	Direct	Indirect	Total
Direct Effect	X ₁ to Y ₂	0,089		
	X ₂ to Y ₂	0,168		
	X ₃ to Y ₂	0,175		
	X ₄ to Y ₂	0,158		
	X ₅ to Y ₂	0,394		
Indirect Effect	X ₁ to Y ₁ to Y ₂		0,135 x 0,192 = 0,026	
	X ₂ to Y ₁ to Y ₂		0,164 x 0,192 = 0,031	
	X ₃ to Y ₁ to Y ₂		0,377 x 0,192 = 0,072	
	X ₄ to Y ₁ to Y ₂		0,283 x 0,192 = 0,054	
	X ₅ to Y ₁ to Y ₂		0,163 x 0,192 = 0,031	
Total	X ₁ to Y ₁ to Y ₂			0,089 + 0,026 = 0,115
	X ₂ to Y ₁ to Y ₂			0,168 + 0,031 = 0,199
	X ₃ to Y ₁ to Y ₂			0,175 + 0,072 = 0,247
	X ₄ to Y ₁ to Y ₂			0,158 + 0,054 = 0,212
	X ₅ to Y ₁ to Y ₂			0,394 + 0,031 = 0,425

Source: Processed data, 2012

a. Direct Effect

1) The influence of Tangibles on customer loyalty in *CV. AL-Muntaha Record Sragen*

The result of the test of Tangibles variable is Beta coefficient of 0,089 and significance 0,040 $< 0,05$ meaning Tangibles variable had significant influence on customer loyalty. The conclusion from this test was hypothesis was proven.

2) The influence of Reliability on customer loyalty in *CV. AL-Muntaha Record Sragen*

The result of the test of Reliability variable is Beta coefficient of 0,168 and significance 0,004 $< 0,05$ meaning Reliability variable had significant influence on customer loyalty. The conclusion from this test was hypothesis was proven.

3) The influence of Responsiveness on customer loyalty in *CV. AL-Muntaha Record Sragen*

The result of the test of Responsiveness variable is Beta coefficient of 0,175 and significance 0,007 $< 0,05$ meaning Responsiveness variable had significant influence on customer loyalty. The conclusion from this test was hypothesis was proven.

4) The influence of Assurance on customer loyalty in *CV. AL-Muntaha Record Sragen*

The result of the test of Assurance variable is Beta coefficient of 0,158 and significance 0,004 $< 0,05$ meaning Assurance variable had significant influence on customer loyalty. The conclusion from this test was hypothesis was proven.

5) The influence of Empathy on customer loyalty in *CV. AL-Muntaha Record Sragen*

The result of the test of Empathy variable is Beta coefficient of 0,394 and significance 0,014 $< 0,05$ meaning Empathy variable had significant influence on customer loyalty. The conclusion from this test was hypothesis was proven.

b. Indirect Effect

Indirect effect is a situation where independent variable(s) influence dependent variables through other variable(s) called intervening variable(s) (intermediary)

- 1) The influence of Tangibles on customer loyalty through marketing spiritualization. Based on the table above it was discovered that Tangibles had significant positive influence on customer loyalty and marketing spiritualization had significant positive influence on customer loyalty, with a coefficient of $(0,135 \times 0,192) = 0,026$, smaller than direct effect.
- 2) The influence of Reliability on customer loyalty through marketing spiritualization. Based on the table above it was discovered that Reliability had significant positive influence on customer loyalty and marketing spiritualization had significant positive influence on customer loyalty, with a coefficient of $0,164 \times 0,192 = 0,031$, smaller than direct effect.
- 3) The influence of Responsiveness on customer loyalty through marketing spiritualization. Based on the table above it was discovered that Responsiveness had significant positive influence on customer loyalty and marketing spiritualization had significant positive influence on customer loyalty, with a coefficient of $0,377 \times 0,192 = 0,072$, smaller than direct effect.
- 4) The influence of Assurance on customer loyalty through marketing spiritualization. Based on the table above it was discovered that Assurance had significant positive influence on customer loyalty and marketing spiritualization had significant positive influence on customer loyalty, with a coefficient of $0,283 \times 0,192 = 0,054$, smaller than direct effect.
- 5) The influence of Empathy on customer loyalty through marketing spiritualization. Based on the table above it was discovered that Empathy had significant positive influence on customer loyalty and marketing spiritualization had significant positive influence on customer loyalty, with a coefficient of $0,163 \times 0,192 = 0,031$, smaller than direct effect.

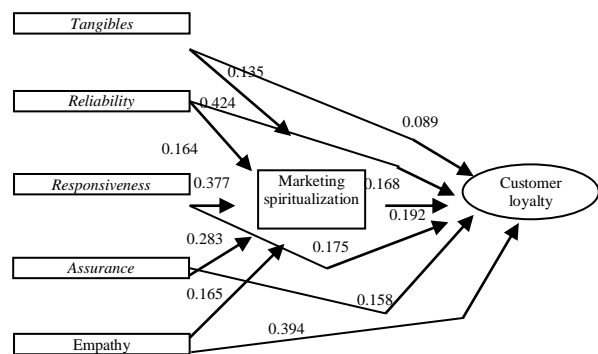
c. Total Effect

- 1) The influence of Tangibles variable on customer loyalty through marketing spiritualization. Based on the results of multiple linear regression of equation I and II total effect of direct and indirect effects is $0,089 + 0,026 = 0,115$. This shows that overall influence of Tangibles on customer loyalty through the realization of marketing spiritualization is: 0,115
- 2) The influence of reliability variable on customer loyalty through marketing spiritualization.

Based on the results of multiple linear regression of equation I and II total effect of direct and indirect effects is $0,168 + 0,031 = 0,199$. This shows that overall influence of reliability on customer loyalty through the realization of marketing spiritualization is: 0,199.

- 3) The influence of responsiveness variable on customer loyalty through marketing spiritualization. Based on the results of multiple linear regression of equation I and II total effect of direct and indirect effects is $0,175 + 0,072 = 0,247$. This shows that overall influence of responsiveness on customer loyalty through the realization of marketing spiritualization is: 0,247.
- 4) The influence of Assurances variable on customer loyalty through marketing spiritualization. Based on the results of multiple linear regression of equation I and II total effect of direct and indirect effects is $0,158 + 0,054 = 0,212$. This shows that overall influence of Assurances on customer loyalty through the realization of marketing spiritualization is: 0,212.
- 5) The influence of empathy variable on customer loyalty through marketing spiritualization. Based on the results of multiple linear regression of equation I and II total effect of direct and indirect effects is $0,394 + 0,031 = 0,425$. This shows that overall influence of empathy on customer loyalty through the realization of marketing spiritualization is: 0,425.

Figure : Path analysis result



d. The Use of Intervening

The conclusion of this path analysis shows that intervening variable marketing spiritualization was ineffective in increasing customer loyalty for Tangibles, reliability, responsiveness, assurance, and empathy variables because indirect effects of tangibles, reliability, responsiveness, assurance, and empathy on customer loyalty produced bigger effect than through intervening variable marketing spiritualization. It means increasing customer loyalty should be without going through intervening variable marketing spiritualization.

Discussions:

1. Regression analysis of equation I showed that Tangibles, reliability, responsiveness, Assurance, and empathy had positive influence on *spiritual marketing*. In regression analysis of equation II Tangibles, reliability, responsiveness, Assurance, empathy, and marketing spiritualization had positive influence on loyalty.
2. F test showed that simultaneously Tangibles, reliability, Assurance, responsiveness, and empathy variables had significant influence on marketing spiritualization, *and simultaneously* Tangibles, reliability, responsiveness, Assurance, empathy and *marketing* spiritualization had positive influence on loyalty.
3. The result of t test of this study showed
 - a) Tangibles, reliability, responsiveness, Assurance, and empathy had positive and significant influence on *marketing* spiritualization, so hypothesis was proven.
 - b) Tangibles, reliability, responsiveness, Assurance, empathy and marketing spiritualization had positive and significant influence on customer loyalty, so hypothesis was proven.
4. Total r^2 in the model used is 0,99 or 99%, meaning the variability of yang *dependent* variable explained by the variability of yang *independent variable* was 99%, while the remaining (1%) was explained by other variables not in the regression model.
5. The use of intervening variable marketing spiritualization in increasing customer loyalty for *Tangibles*, reliability, responsiveness, Assurance, *and* empathy variables was ineffective, because direct effects of tangibles, reliability,

responsiveness, Assurance, *and* empathy on customer loyalty produced bigger effect than through intervening variable marketing spiritualization. It means that increasing customer loyalty shouldn't be through intervening variable marketing spiritualization

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