

Effect of Service Quality, Price, and Facilities On Customer Loyalty to Uniqlo Surabaya

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Abstract

This study aims to analyze the effect of service quality, price and facilities on customer loyalty at Uniqlo Tunjungan Plaza Surabaya. This study used purposive sampling, and the sample taken was 100 respondents. The analysis technique used is multiple linear regression. Simultaneous analysis results show that service quality, price and facilities have a significant effect on customer loyalty and partially show service quality, price and facilities have a significant effect on customer loyalty. The results of the analysis of the coefficient of determination are known that 74.6% of customer loyalty variables can be affected by variables of service quality, price and facilities, while 25.4% is read by other variables that are not available in this study.

Keywords

Customer Loyalty, Service Quality, Price, Facilities

1. Introduction

In today's modern era, the fashion industry in Indonesia is growing rapidly, especially in clothing with well-known brands. In today's era, the fastest growing fashion is clothes. To get the best models and variations of clothes at attractive prices, consumers will usually compare the prices of various existing clothing brands. In Indonesia itself there are many retail companies that produce clothes, therefore companies are required to be able to compete with other companies to sell their products to consumers.

One of the fashion retail brands that is quite well known among consumers in Indonesia is Uniqlo. Uniqlo is currently one of Zara's biggest competitors as well as H&M. Even in 2018, Uniqlo was in the third position globally as a fast fashion retailer with high sales. Uniqlo sales reached 19.6 billion US dollars. Well, while the other two competitors, namely Zara and H&M, sales reached 20.1 billion US dollars (Zara, Spain) and 21.7 billion US dollars (H&M, Sweden).

Based on this data, Uniqlo is only outmatched by Zara and H&M in other fashion brand competitions. Therefore, companies are required to be able to increase customer loyalty to their products. Providing affordable prices, the best and most comfortable services and facilities is a commitment from Uniqlo. This is the company's way of retaining its customers.

Many empirical studies have been conducted to identify any factors that can affect customer loyalty to a product or service. according to (E. S. Chaeriah MM, 2016) customer trust in a price contributes to Samsung's brand loyalty intention. This is proven based on the results of his research that the price variable partially has a positive effect on consumer loyalty on Samsung brand Smartphone products. Atul Kumar, (2017) stated that for a period, the company has realized that the key to success is how to retain customers. To retain customers, one of the things the company must pay attention to is the quality of service. according to (Rodonuwu et al., 2016) In an effort to increase customer loyalty, the company must always improve the quality of services and facilities provided to customers. Therefore, many companies are trying to develop effective strategies to build, maintain and increase customer loyalty.

Customer loyalty has an important role in a company and having loyal customers is the ultimate goal of all companies. retaining them means improving financial performance and maintaining the viability of the company, this is the main reason for a company to attract and retain customers.

2. Literature Review and Hypotheses

2.1 Service Quality

According to Kotler, (2000), service quality is the totality of the characteristics of goods and services that show their ability to satisfy customer needs, both visible and hidden. For companies engaged in the service

sector, providing quality services to customers is an absolute thing that must be done if the company wants to achieve success. Fandy, (2011) Measurement of service quality is based on a multi-item scale designed to measure customer expectations and perceptions. Thus, there are five main dimensions, including: Reliability, Responsiveness, Assurance, Empathy, and Tangible.

2.2 Price

Price has an important role in the marketing mix, because the price determines how much profit or revenue the company generates from selling products or services. According to Augusty, (2008) price is one of the important variables in marketing, where price can influence consumers in making decisions to buy a product, for various reasons. Meanwhile, according to (Kotler, 2000) price is the amount of money set by the product to be paid by consumers or customers to cover the costs of production, distribution and basic sales including returns that mark the effort and risk.

2.3 Facilities

Understanding facilities according to (Fandy, 2011) are physical resources that must exist before a service is offered to consumers. Meanwhile, according to Wahyuningrum, (2005) Facilities are everything that can facilitate and expedite the implementation of a business. Sudono, (2005) Facilities can also be interpreted as facilities and infrastructure available in the environment and within the company's office, intended to provide maximum service so that consumers or customers feel comfortable and satisfied. Facilities are the main supporting factors in the activities of a product.

2.4 Customer Loyalty

According to Griffin, (2003) loyal customers are "A loyal customer is one who makes regular repeat purchases across product and service lines, refers others and demonstrates an immunity to the pull of the competition". This means that loyal customers are customers who have characteristics, including making repeated purchases at the same business entity, buying product lines and services offered by the same business entity, informing others of the satisfactions obtained from the business entity and demonstrate immunity to bids from competitors.

2.5 Relationship Between Variables

Service quality is one of the most important things in several marketing activities, because according to Solomon, (2012) service quality consists of five main dimensions, namely: Reliability, Responsiveness, Assurance, Empathy, Evidence Physical (Tangible) which is expected to help organizations to achieve the goals of a company in creating customer loyalty. The results of research from Piri, (Piri, 2013) concluded that services that provide satisfaction to customers thus have a positive influence on customer loyalty and there is a close relationship between service quality and customer loyalty, if the service quality provided increases of course customer loyalty will also increase.

According to consumers, price is one of the factors that can influence consumers to buy the desired product or service. Before deciding to buy or use a product or service, consumers will consider the price of the product or service with the benefits provided. If the consumer feels the benefits received are good and in accordance with the expenses or costs incurred, the consumer will repurchase again in the future. E. Chaeriah MM, (2016) conducted a qualitative analysis research on the effect of price, brand image and product quality on the loyalty of Samsung smartphone users (Study on UNKRIS Masters in Management Students), using price, brand image and product quality as attribute variables studied. The sample of this research is some users of Samsung mobile phones in the Master of Management UNKRIS. The results of this study indicate that partially the price variable has a positive effect on consumer loyalty to the product of Samsung brand smartphone users. This means that customer trust in a price contributes to the intention of Samsung brand loyalty.

Facilities are important infrastructure facilities used by companies to increase customer satisfaction. The facilities provided are in accordance with the wishes and needs of consumers, consumers will feel satisfied and remain loyal to using the company's services, and vice versa if the facilities provided are inadequate then consumers will not be satisfied so that it will not create loyalty from the consumer itself. The results of research conducted by (Palenewen, Pieter., Lotje kawet., and Maria tielung, This is because consumer (customer) loyalty is a facility provided by the bank itself.

2.6 Hypothesis

The hypotheses in this study are:

H1: The variables of service quality (X1), price (X2), facilities (X3) have a significant simultaneous effect on customer loyalty (Y) at Uniqlo Tunjungan Plaza.

H2: The variables of service quality (X1), price (X2), facilities (X3) have a partially significant effect on customer loyalty (Y) at Uniqlo Tunjungan Plaza.

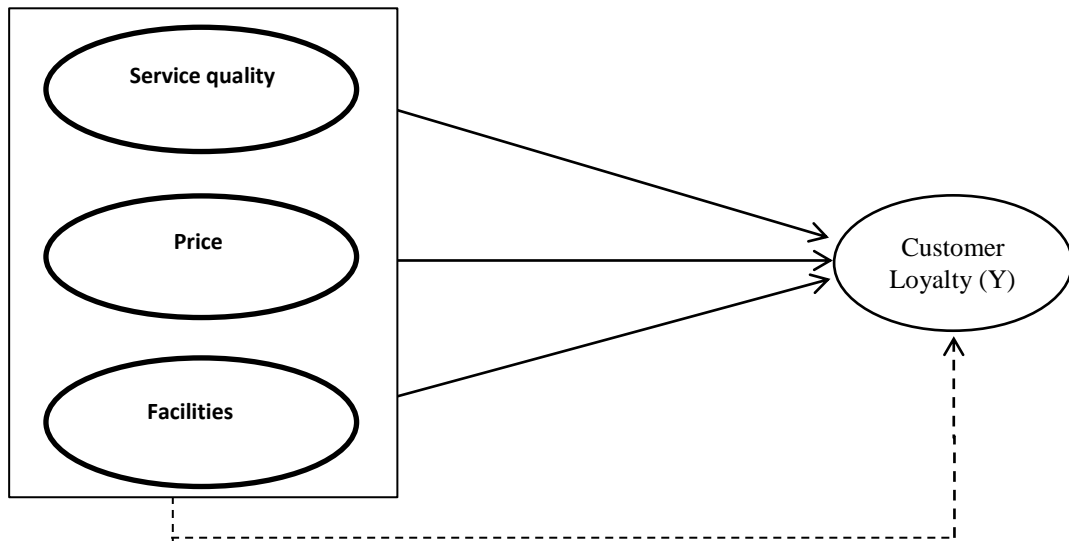


Figure 1. Thinking Framework

Keterangan :
 —————> = Show partial effect
 - - - - -> = Show simultaneous effect

3. Method

3.1 Types of Research

This research uses a quantitative approach research type, is a research method based on the philosophy of positivism, is used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of describing and testing predetermined hypotheses.

3.2 Place and Time of Research

This research was conducted at the Uniqlo stand at Tunjungan Plaza Mall, Jl. General Basuki Rachmat No.8-12, Kedungdoro, Kec. Tegalsari, SBY City, East Java 60261, Indonesia. This research was conducted by giving questionnaires to consumers who have purchased products from Uniqlo. This research plan will be carried out from April 2021 to July 2021.

3.3 Population and Sample

The population in this study are consumers who buy and use fashion products from Uniqlo, the number is not known with certainty. In this study, the sampling technique used Purposive Sampling with the criteria of age, frequency of buying products, and profession, with 100 respondents.

3.4 Data Type

The types of data used in this research are quantitative and qualitative data. Quantitative data is a type of data that can be measured or calculated directly and expressed in the form of numbers or numbers. While qualitative data, namely the type of data from the explanation in the form of a description in the form of sentences and cannot be analyzed in the form of numbers or numbers.

3.5 Data Source

Using 2 data sources. Namely primary and secondary data. Primary data is data obtained directly from the research source. And secondary data is data obtained from sources other than informants.

3.6 Data Collection Techniques

Literature research, namely collecting data and theories relevant to the problems in this study by conducting library research on literature and other library materials. And using a questionnaire, which is distributing questionnaire sheets containing a list of questions to respondents.

4. Results and Discussion

4.1 Reliability Test

Table 4.1 Reliability Test Results

Reliability Statistics	
Cronbach's Alpha	N of Items
.939	14

Source: SPSS.23 Analysis Results. 2021

Based on table 1, the cronchbach alpha value of all indicators is 0.939 and is greater than 0.60, meaning the measuring instrument or questionnaire instrument used in this study is reliable.

4.2 Validity Test

Table 4.2 Validity Test Results

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
X1.1	40.98327	65,648	.654	.935
X1.2	40.80602	67,494	.527	.939
X1.3	40.79913	68,498	.469	.940
X1.4	40.86976	65,308	.682	.935
X1.5	41.01683	65,730	.658	.935
X2.1	40.77805	65.007	.706	.934
X2.2	41.01570	64,127	.767	.932
X2.3	41.02814	65.015	.776	.932
X3.1	40.95847	65.444	.752	.933
X3.2	41.02853	64,251	.754	.932
X3.3	40.71743	63.068	.826	.930
Y.1	40.72547	62,932	.822	.930
Y.2	41.03898	64,342	.734	.933
Y.3	40.76497	67,308	.657	.935

Source: SPSS 23. 2021 analysis results

Based on Table 4 shows that all indicators have r arithmetic (Corrected Item-Total Correlation) greater than r table = 0.1966 so that empirically it can be proven that all indicators in this questionnaire are valid.

4.3 Normal Distribution Test

Table 4.3 Normal Distribution Test Results

One-Sample Kolmogorov-Smirnov Test		X1	X2	X3	Y
N		100	100	100	100
Normal Parameters, b	mean	3.9780	3.6680	3.7330	3.8658
	Std. Deviation	.77410	.71050	.72425	.70925
Most Extreme Differences	Absolute	.088	.080	.085	.079
	Positive	.060	.080	.085	.072
	negative	-.088	-.066	-.072	-.079
Test Statistics		.088	.080	.085	.079
asypm. Sig. (2-tailed)		.055c	.112c	.069c	.125c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: SPSS.23 analysis results. 2021

Based on the table above, the values obtained from each variable show a significance value greater than or above 0.05. Thus it can be concluded that the data of all variables used in this study were declared normal.

4.4 Multiple Linear Regression Analysis

Table 4.4 Results of Multiple Linear Regression Analysis
 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.298	.209		-1.428	.157
X1	.314	.063	.290	4.993	.000
X2	.330	.112	.301	2,956	.004
X3	.452	.113	.412	4.001	.000

a. Dependent Variable: Y

Source: Primary data processed by the author. 2021

Regression equation model:

$$Y = -0.298 + 0.314 X1 + 0.330 X2 + 0.452 X3 + 0.787$$

The interpretation of the above regression model equation can be explained as follows:

1. The constant a value of = -0.298 means that if the quality of service, price and facilities have no value (X1, X2X3 = 0) then customer loyalty Y is worth = -0.298.
2. The value of the regression coefficient on the service quality variable = 0.314, indicating that every change or increase in the service quality unit by one unit will increase customer loyalty by 31.4%.
3. The value of the regression coefficient on the price variable = 0.330, indicating that every change in the unit price of one unit will increase customer loyalty by 33%.
4. The value of the regression coefficient on the facility variable = 0.452, indicating that every change or increase in the facility unit by one unit will increase customer loyalty by 45.2%.
5. *Standard Error Estimate (SEE)* on the variables of service quality (X1), price (X2) and facilities (X3) = 0.787, indicating that the number is relatively small so that the multiple linear regression model in this study is more accurate for presenting customer loyalty at the Central Motor workshop in Pandaan.

4.5 Simultaneous Test (F)

Table 4.5 Simultaneous Test Results (F)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	46.131	3	15,377	97,940	.000b
	Residual	15,072	96	.157		
	Total	61.204	99			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

Source: Primary data processed by the author. 2021

In Table 4, the results of the F test show that the variables of Service Quality, Product Quality, and Price simultaneously have an effect on Customer Loyalty which can be seen from the F Count 97,940 means F count > F table (df 96 ,0.05) 2.70 and the probability level of significance is 0.00 < 0.05.

4.6 Partial Test (T)

Table 4.6 Partial Test Results (T)
 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.298	.209		-1.428	.157
X1	.314	.063	.290	4.993	.000
X2	.330	.112	.301	2,956	.004
X3	.452	.113	.412	4.001	.000

Source: Primary data processed by the author. 2021

Based on the table above can be explained as follows:

- 1) The service quality variable (X1) obtained a T count = 4.993 > T table = 1.984 with a significance probability level of 0.000 < 0.05. it means Ha is accepted and Ho is rejected., then partially service quality variable (X1) has a significant effect on customer loyalty variable (Y)

- 2) The price variable (X2) obtained the value of T count = 2,956 > T table = 1,984 with a significance probability level of $0.004 < 0.05$. meaning that H_a is accepted and H_o is rejected, then partially the price variable (X2) has a significant effect on the customer loyalty variable (Y)
- 3) The facility variable (X3) has a value of T count = 4.01 > T table = 1.984 with a significance probability level of $0.000 < 0.05$. meaning that H_a is accepted and H_o is rejected, then partially the facility variable (X3) has a significant effect on the customer loyalty variable (Y).

4.7 Coefficient of Determination

The value of the coefficient of determination (R^2) aims to measure how far the model's ability to explain variations in the dependent variable, namely customer loyalty (Y).

Table 4.7 Results of the Coefficient of Determination
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868a	.754	.746	.39624

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

Source: Primary data, processed by the author. 2021

In the table above, the coefficient of determination (R^2) is 0.746. This means that 74.6% of customer loyalty variables are influenced by variables of service quality, price and facilities so that 25.4% are influenced by other variables outside this research model.

4.8 Multicollinearity Test

Table 4.8 Multicollinearity Test Results
Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.762	1.312
	X2	.248	4030
	X3	.241	4.144

a. Dependent Variable: Y

Source: Primary data processed by the author. 2021

Based on the table above, it is obtained the results of the tolerance value of each independent variable is greater than 0.1 and the VIF value of each independent variable is less than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model.

4.9 Heteroscedasticity Test

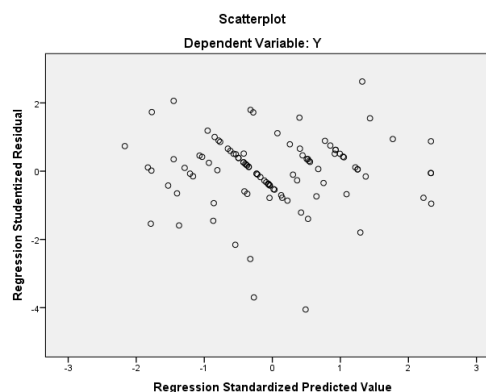


Figure 2 Heteroscedasticity Test Results

Source: Primary data processed by the author. 2021

Based on the graph above, it is known that the points or plots do not form a certain pattern and the points or plots spread above and below the number 0 on the Y axis. Thus, it can be concluded that the regression model used in this study does not occur heteroscedasticity.

4.10 Normality Test

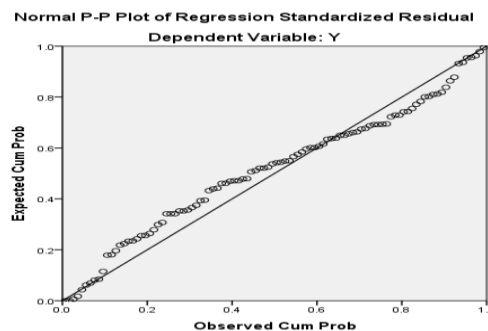


Figure 3 Normality Test Results

Source: primary data processed by the author. 2021

Based on the graph in the picture above shows the points or plots spread around the diagonal line and follow the direction of the diagonal line. Thus, it can be assumed that the regression model in this study is normally distributed.

4. Conclusion

Based on the results of research and data analysis The conclusions from the results of this study are: Based on the simultaneous test (F) that all research variables consisting of service quality, price and facilities simultaneously have a significant effect on customer loyalty variables. This is proven by the results of the calculated F value > F table which is $97.490 > 2.70$ with a probability level of < 0.05 , namely $0.00 < 0.50$. Thus, the first hypothesis that the author put forward in this study is empirically proven true and can be accepted. Based on the partial test (T) that all variables in the study consisting of service quality, price and facilities partially have a significant effect on the customer loyalty variable. This is evidenced by the results of the calculated T value of each variable > T table, namely the service quality variable $4.993 > 1.984$ with a significance probability level of < 0.05 that is $0.000 < 0.05$, the price variable is $2.956 > 1.984$ with a significance probability level of < 0.05 that is $0.004 < 0, 05$ and the facility variable $4,001 > 1,984$ with a significance probability level of < 0.05 , which is $0.000 < 0.05$. Thus the second hypothesis that the author put forward in this study is empirically proven true and can be accepted.

The results also show that the service quality variable is the dominant variable that affects customer loyalty compared to the price and facilities variable. From the results of multiple linear regression equations, it is known that the variables of service quality, price and facilities show a positive influence on customer loyalty at Uniqlo Tujungan Plaza Surabaya. From the results of the coefficient of determination (R²) obtained a value of 0.746, meaning that 74.6% of the customer loyalty variable is influenced by the variables of service quality, price and facilities so that 25.4% is influenced by other variables outside this research model.

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Biography / Biographies

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I Putu Artaya. Born in Jakarta on June 29, 1966, obtained a master's degree in human resource management from Narotama University, Surabaya, in 2002. An economics degree in marketing management from the same campus, graduated in 1991. Besides teaching, he was also active in activities research, as a researcher and as a principal researcher. Other activities carried out are routine writing books, and the most phenomenal is the book entitled Salesmanship - Building a Sales Network, Optimizing small business centers in the field of food security and much more.

Joko Suyono, is a lecturer at Narotama University, Surabaya, Indonesia. He is also as head of Master of Management at Narotama University, Surabaya, Indonesia. He got a bachelor's degree in business administration and also accounting, he got a master's degree in industrial management and also in marketing management, and he got a doctoral degree in business administration. Prior to becoming a lecturer, he is a practitioner as senior manager in some multinational corporation such as Stanley Works Indonesia (USA Company), Ericsson Indonesia (European Company) and Loutus Indah Textile Industries, a multinational company in the textile, spun yarns.