THE EFFECT OF SERVICE QUALITY AND PRICE ON LOYALTY THROUGH SATISFACTION OF “RUMAH PANGAN KITA” (RPK) PROGRAM IN PERUM BULOG MEULABOH BRANCH

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ABSTRACT
This research aims to test the satisfaction mediation role on the service quality (servqual) and price effect on loyalty. This was conducted in the “Rumah Pangan Kita” (RPK) Program in the Perum Bulog, in Meulaboh Branch. The number of samples used was 190 people who were taken using the census technique. Data analysis used the Structural Equation Modeling (SEM) method. The result reveals that in the RPK Program, Servqual affects satisfaction, Price affects satisfaction, Servqual affects loyalty, Price does not affect Loyalty, Satisfaction affects Loyalty, Satisfaction partially mediates the Servqual effect on Loyalty, and Satisfaction fully mediates the Price effect on Loyalty. These findings prove that the model of increasing loyalty in the RPK program is a function of increasing Servqual and Price, which is mediated partially and fully by satisfaction. This finding explains that the model has been proven academically and can be used as a reference.

Keyword: Loyalty, Satisfaction, Service Quality, and Price.

1. INTRODUCTION
Logistics Affairs Agency Public Company or abbreviated as “Perum Bulog” is a state-owned public company in Indonesia engaged in food logistics (bulog.co.id). Perum Bulog in the logistics or warehousing business which consists of surveys and commodity supply, provision of plastic bags, transportation business, and food trade, becomes a company that carries out the duties of the government, in ensuring the availability, affordability, distribution of rice and maintaining the stability of national food commodity prices. The government assigns Perum Bulog to be able to guarantee/maintain in terms of food availability at both the consumer and producer levels. Covers types of staple food in the context of realizing national food security. In this case, Perum Bulog cooperates with cooperation partners, Perum Bulog, to ensure food security and the availability of national food stocks, especially rice (Ayuni, 2020). These partners to provide food stock for Perum Bulog, of course, must also meet certain standards. Perum Bulog’s partners in establishing cooperative relationships are in the form of business entities or individual businesses and farmer groups or a combination of farmer groups.

A distribution channel is a set of organizational participants who perform all the functions needed to distribute products/services from sellers to final buyers, who have an important role in the distribution of a product from producers to consumers (Tjiptono, 2015). Commercial distribution Perum Bulog uses a distribution system to gain profits for the company. This commercial channel seeks to build cooperation between the company and the community through
distribution/channeling patterns. Distribute rice evenly throughout the region so that rice can be accessed by the community. One of Perum Bulog's ways of distributing its products and responding to demands for improving the food sector, as well as carrying out the Government's mandate through Presidential Regulation Number 48 of 2016 concerning Perum Bulog, is to realize effective and safe food distribution and maintain food price stability. Achieve the targets set by Perum Bulog, namely availability, affordability, and price stability. This development program is called the "Rumah Pangan Kita" (RPK) program, which can be meant as "Our Home Food" Program. RPK is a small community-owned outlet that provides various food commodities which are often called basic necessities (nine staples) consisting of various rice, oil, sugar, chili, eggs, and other basic ingredients (Ayuni, 2020).

The commercial channel of various commodities through RPK is a program of cooperation between companies and the community through distribution/channeling patterns (bulog.co.id). The benefits obtained by RPK can be obtained from the purchase price of the product which is lower than the purchase price in the market. Commodities ordered by RPK will be delivered by the distribution department of the company, thus saving transportation costs for RPK friends which is another convenience that can be obtained. The sales outlet through RPK fostered by Perum Bulog, which is owned by the community, aims to maintain price stability in the community. The RPK friend concept was built to bring Perum Bulog closer to the wider community through equal partnerships and cooperation and mutually beneficial for each partner and company. Perum Bulog as a distributor in distributing food from the government to the community distributes food evenly throughout the region so that it can be accessed by all people at affordable prices.

The Perum Bulog Meulaboh Branch is a business actor (institution) in distributing its products through commercial channels distributes by forming the RPK channel which aims to shorten the distribution chain, provide jobs for people who want to set up a business, and provide convenience in finding food needs. The distribution channel through RPK aims to shorten the distribution chain that was previously from companies - distributors - wholesalers - small traders - the community, to become a company - RPK - the community (Witrina, 2019). Currently, the Perum Bulog Meulaboh Branch has 255 RPK spread across Nagan Raya Regency, West Aceh Regency, Simeulue Regency, and Aceh Jaya Regency. The success of RPK requires the loyalty of its members. Loyalty is a form of customer loyalty to a product which is reflected in their attitude who always buys and uses products or services from a company regularly regardless of product or service offers from other companies. Based on the results of the initial survey, it is known that customers are not very loyal because the average score obtained is 3.38. This shows that loyalty to the RPK program for the Perum Bulog, Meulaboh Branch is not so good. Based on the initial survey, respondents rarely follow any changes made to RPK program at the Perum Bulog and respondents lack confidence in RPK program at the Perum Bulog.

Many factors affect Loyalty, one of which is Satisfaction. Based on the initial survey, it is known that customers are not very satisfied because the average value obtained is 3.15. This shows that satisfaction with the RPK program for the Perum Bulog, Meulaboh Branch is not so good. Based on the initial survey, it is known that respondents feel they do not need to advance RPK program at the Perum Bulog. The next factor is Service Quality (servqual). Loyalty will arise when customers are satisfied with the quality of service offered by the company. Businesses in the food sector will benefit greatly when they can create satisfaction in every customer, satisfied customers.
will form their loyalty to the company. Service is the performance of the service received by the customers themselves and assessing the quality of the service they feel (Dharmayanti, 2006). The performance of the service received by the customer will affect loyalty. This is because the better the performance of services provided to customers, the more loyal customers will be to the company. The research by (Rahmawaty, 2011) and Nugroho (2013) show that servqual affects customer loyalty, which means that better servqual can increase customer loyalty. Based on the initial survey, it is known that customers are not very satisfied with the quality of service because the average value obtained is 3.37. This indicates that the quality of service in the RPK program for the Perum Bulog, Meulaboh Branch is not so good.

The next factor is Price. Price is also a consideration of Loyalty in choosing a product. The initial survey describes customers are not very satisfied with the price because the average value obtained is 3.39. This shows that the price for the RPK program for the Perum Bulog, Meulaboh Branch is not so good. It is also known that the prices offered in RPK program products at the Perum Bulog are not following the product quality.

2. LITERATURE

Loyalty

Loyalty is something that arises without coercion but arises by itself. According to (Sangadji & Sopiah, 2013), loyalty refers more to the behavior of decision-making units to make continuous purchases of goods or services from a selected company. (Wirtz, Chew, & Lovelock, 2012) put forward the definition of Loyalty to describe the willingness of customers to always use the company's products in the long term, especially if they use products exclusively, and recommend the company's products to friends and colleagues. According to (Nurullaili & Wijayanto, 2013), the factors that influence loyalty are the factors of price, service, servqual, and promotion. Furthermore, the factors that affect Loyalty according to (Tjiptono, 2015) are Value, Image, Convenience and ease of getting the product, Satisfaction felt by customers, Service, and Guarantees and guarantees. According to (Hasan, 2013), the main factors that affect customer loyalty are Customer Satisfaction, Product or servqual, Brand Image, Perceived value, Trust, Customer relationship, Switching costs, and Dependability (reliability). According to (Hidayat, 2009) Indicators of the Loyalty are Trust, Emotion commitment, Switching costs, Word of mouth (WOM), and Cooperation.

Satisfaction

According to (Zeithaml, Bitner, & Gremler, 2018), Satisfaction is the fulfillment response from customers to a product or service itself that has met customer needs and expectations. Furthermore, according to (Kotler & Keller, 2018) Satisfaction is the level of one's feelings after comparing the perceived (performance or results) compared to their expectations. Meanwhile, according to (Parasuraman, Zeithaml, & Malhotra, 2005), satisfaction is the customer's feeling about the type of service he gets (Firmansyah, 2018). Meanwhile, according to (Daryanto & Setyobudi, 2014) said Satisfaction is an emotional assessment of the customer after the customer uses a product where the expectations and needs of the customers who use it are met. According to (Wijayanti, 2017), the factors that influence satisfaction are customer needs, hidden expectations, special customers, emotional touch, and tolerance zones based on information from several sources.
including:

**Word of mouth (WOM)**
This influence arises from everything the customer hears from other customers. This is a potential factor because customers usually tend to trust other customers who have tried products or services provided by the company or agency.

**Personal needs**
This factor depends on the individual needs of each customer usually not the same between customers, so the expectations required by customers are not the same.

**Past experience**
The expected state cannot be separated from the past experience of each customer, because the higher the experience, the more very influential his expectations in influencing needs.

**External communication (external communication)**
External communication such as promotions, and counseling they provide accept will affect the expectations of customers.

According to (Kasmir, 2017) to achieve customer goals continues to increase, it is necessary to look at Pay Attention to Service, Approach Factors and Proximity to Interact, Price Factor Offered, Convenience and Security of Company Location, Ease of Obtaining Products, Handling Complaints or Complaints, Product Completeness and Use, and After Sales Service. According to (Firmansyah, 2018) the factors that affect satisfaction are Servqual, that is, customers will feel satisfied if the products they use are of high quality, Price, Situational factors, and Personal factors from customers. According to (Kotler & Keller, 2018), the factors that affect satisfaction are Service, Repeat purchase, Word of Mouth/Buzz, Evangelism, and Ownership.

**Service quality (Servqual)**
Various items briefly with good reliability and validity can be used by retailers to better understand the services expected and perceived by consumers and as a result improve service (Zeithaml et al., 2018). According to (Kaura, Prasad, & Sharma, 2015) that servqual can increase customer satisfaction. In this case, tangible attributes in the form of employees provide the maximum contribution to influencing customer satisfaction. This is because interpersonal interactions between consumers and employees can increase customer satisfaction. According to (Salehnia, Saki, Eshaghi, & Salehnia, 2014) Servqual shows high servqual. So all customer consumption experiences are representative of the servqual experience experienced by customers. So Servqual affects customer satisfaction and impacts WOM. Therefore, Servqual is the main input to building and improving customer satisfaction. (Tjiptono & Chandra, 2013) identify 10 indicators of servqual, which are summarized into 5 indicators, namely, Reliability, Responsiveness, Assurance, Empathy, and Physical Evidence (tangibles).

**Price**
According to (Tjiptono, 2015) price is directly related to income and profit. Price is the only element of the marketing mix that generates revenue for the company. Value is the ratio or
comparison between perceived benefits and the costs incurred to obtain the product (such as reliability, durability, performance, and resale value). According to the opinion of the experts above, it can be concluded that the price is the amount of money needed to exchange it for products or services that can meet customer needs as well as one of the marketing mix that plays an important role in marketing. According to (Kotler & Keller, 2018) define four indicators that characterize prices, namely: Price affordability, Price compatibility with product value, Price competitiveness, and Price compatibility with benefits.

Hypothesis
H1 : Servqual affects satisfaction.
H2 : Price affects satisfaction.
H3 : Servqual affects loyalty.
H4 : Price affects Loyalty.
H5 : Satisfaction affects Loyalty.
H6 : Satisfaction mediates the Servqual contribution on Loyalty
H7 : Satisfaction mediates the Price contribution on Loyalty.

3. METHOD
This study was conducted in the “Rumah Pangan Kita” (RPK) Program, Perum Bulog, in Meulaboh Branch. The structural Equation Modeling (SEM) rule was used to determine the number of samples, the formula 10 times the number of all indicator, totaling 19 indicators used (Ferdinand, 2014), so the sample was 190 respondents. The data collected were primary data and secondary data. Researchers used SEM-AMOS to test the Data. This analysis tool is an inferential statistical tool which is used for hypothesis testing (Hair, Black, Babin, & Anderson, 2014). Before the structural test, confirmatory factor analysis (CFA) must be used. CFA in SEM is to ensure that the data are in a fit condition (Hair et al., 2014).

4. RESULT
The structural analysis was processed after testing the CFA (after all the assumptions were met). Testing the 8 hypotheses was carried out based on the value of the Critical Ratio (CR <1.96) and its significance (p < 0.05) as shown in the Table below.

<table>
<thead>
<tr>
<th>Table 1 Standardized Regression Weight</th>
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<tbody>
<tr>
<td></td>
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<tr>
<td>Satisfaction &lt;--- Servqual</td>
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<tr>
<td>Satisfaction &lt;--- Price</td>
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<tr>
<td>Loyalty &lt;--- Servqual</td>
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<tr>
<td>Loyalty &lt;--- Price</td>
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<tr>
<td>Loyalty &lt;--- Satisfaction</td>
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<tr>
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<td>0.378</td>
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<tr>
<td>0.302</td>
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</tbody>
</table>

Source: Primary Data Processed, (2022)

Servqual on Satisfaction (H1)
Testing the Servqual effect on Satisfaction obtained a p 0.000. This figures servqual affects satisfaction. The magnitude of the influence of Servqual on Satisfaction is 0.490 or 49.0%. This describes the better the servqual impacts increasing satisfaction. Meanwhile, (Richard & Vanessa, 2007) explains that customer satisfaction is part of marketing and plays an important role in the
market. Customer-oriented marketing strategies provide customer satisfaction. Customer expectations are an important factor, servqual that is closer to customer satisfaction will provide more expectations and vice versa (Kapusuz, 2019). Servqual and customer satisfaction are important elements that must be accounted for to improve the company's goals (Haron & Ismail, 2016).

**Price on Satisfaction (H2)**

Testing the Price effect on Satisfaction obtained a p 0.000. This explains the price affects increasing satisfaction. The magnitude of the price effect on satisfaction is 0.435 or 43.5%. This reveals the higher the price level, the more satisfaction will increase. (Purnamasari & Kapalawi, 2013) explains that the price for customers is an important consideration for customers to buy products at a company because the price of a product affects customer perceptions of the product. Still, according to (Purnamasari & Kapalawi, 2013), it can be understood that price is one of the things that can affect customer satisfaction. Therefore, the issue of price also needs to be reviewed concerning customer satisfaction. (Lonardo & Soelasih, 2014) show that there is a positive effect of price on customer satisfaction.

**Servqual on Loyalty (H3)**

Testing the Servqual effect on Loyalty obtained a p 0.002. This shows Servqual affects Loyalty. The magnitude of the Servqual effect on Employee Performance is 0.299 or 29.9%. This describes the higher the level of Servqual will further increase Loyalty. Servqual affects loyalty which is mediated by satisfaction. Customers who are satisfied with servqual provided by the company, these customers become loyal to repurchase the services provided by the company, recommend the company to others, and are willing to buy services from the company at high prices (Jannang & Abdullath, 2016); (Ganiyu, 2016); (Saeedeh & Abolfazli, 2016); (Jumawan, 2018). Maximum servqual will also be able to increase customer loyalty mediated by customer satisfaction and trust in the services provided by the company (Nejadjavad & Gilaninia, 2016); (Dubey & Srivastava, 2016).

**Price on Loyalty (H4)**

Testing the Price effect on Loyalty obtained a p 0.000. This explains price influences loyalty because the significance value obtained is <0.05. Price is also a consideration of Loyalty in choosing a product. In general, consumers tend to choose companies that offer their products at relatively cheap and consistent prices. The results of Kumala's research (2019) show that price affects loyalty.

**Satisfaction on Loyalty (H5)**

Testing the Satisfaction effect on Loyalty obtained a p 0.012. This concludes Satisfaction affects Loyalty. The magnitude of the Satisfaction effect on Loyalty is 0.302 or 30.2%. This describes the higher the satisfaction will have a direct influence on loyalty. (Tjiptono, 2015) defines satisfaction as an emotional response to experiences related to certain purchased products or services, retail outlets, or even behavioral patterns, as well as the market as a whole. Based on the above understanding, it concludes satisfaction will affect loyalty. This is because the more
satisfied customers are with a company, the more loyal customers will be to the company. The research by (Rahmawaty, 2011) and (Wardhana, Hudayah, & Wahyuni, 2017) show that satisfaction positively affects loyalty.

**Servqual on Loyalty through Satisfaction (H6)**

The Sobel test was used to calculate this H6 model. The result is 2.365 with p 0.018. So this means satisfaction acts as a mediator in the Servqual effect on Loyalty. Because the satisfaction contribution is significant and it can act as a mediator, and also the servqual affects loyalty, the role of satisfaction in the model of H6 is as a partial mediator. A partial mediator means that the Servqual can affect directly the Loyalty and can affect indirectly through Satisfaction.

<table>
<thead>
<tr>
<th>Input</th>
<th>Test statistic:</th>
<th>Std. Error:</th>
<th>p-value:</th>
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</thead>
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<td>0.01809627</td>
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<tr>
<td>b 0.302</td>
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<td>0.06371563</td>
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<tr>
<td>s_a 0.113</td>
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<tr>
<td>s_b 0.107</td>
<td>2.23404924</td>
<td>0.054052273</td>
<td>0.01580197</td>
</tr>
</tbody>
</table>

Satisfaction affects loyalty, so it indicates the development of servqual to fulfill satisfaction will ultimately lead to loyalty. (Putra, Hartoyo, & Simanjuntak, 2017) shows that servqual both directly and indirectly can affect loyalty through satisfaction. (Lupiyoadi, 2013) also states that the basis for true loyalty lies in satisfaction, where servqual is the main input. Highly satisfied customers or even those who enjoy service tend to be loyal supporters of the company.

**Price on Loyalty through Satisfaction (H7)**

The Sobel test was used to calculate this H7 model. The result is 2.430 with p 0.015. So Satisfaction acts as a variable that mediates the Price effect on Loyalty. So, because the satisfaction contribution is significant and it can act as a mediator in the price effect on loyalty, and price does not directly affect loyalty, then the role of satisfaction in mediating the price effect on loyalty is as a full mediator. Full mediator means that the Price effect on Loyalty is only significant if through Satisfaction (indirectly).

<table>
<thead>
<tr>
<th>Input</th>
<th>Test statistic:</th>
<th>Std. Error:</th>
<th>p-value:</th>
</tr>
</thead>
<tbody>
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<td>0.054052733</td>
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</tbody>
</table>

Thus consumer satisfaction will arise by itself if the products sold by the company match or even exceed the expectations desired by consumers. The factors that shape consumer satisfaction include the price offered, and the conveniences that are expected by consumers to get the goods or products they need. The creation of customer satisfaction can provide benefits, including the relationship between companies and consumers or customers to be harmonious and closer to
customers, providing a good basis for consumers to make repeat purchases, then creating profitable customer loyalty for the company. The research by Iriyanti et al. (2016) shows that satisfaction mediates the effect of price on loyalty.

5. CONCLUSION

The result reveals that in the RPK Program, Servqual affects satisfaction, Price affects satisfaction, Servqual affects loyalty, Price does not affect Loyalty, Satisfaction affects Loyalty, Satisfaction partially mediates the Servqual effect on Loyalty, and Satisfaction fully mediates the Price effect on Loyalty. These findings prove that the model of increasing loyalty in the RPK program is a function of increasing Servqual and Price, which is mediated partially and fully by satisfaction. This finding explains that the model has been proven academically and can be used as a reference. For further research, it is hoped that this model can be developed by adding variables that are indicated to affect loyalty to community programs such as this RPK, or other broader and strategic subjects. The limitations of this research are on the variables, scope, and subject. The findings resulted in recommendations for research subjects, Perum Bulog as the driver of the RPK program, namely that servqual must be further improved and prices must continue to be adjusted.

REFERENCES


