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**EFFECT OF SERVICE QUALITY, PRICE AND  
PROMOTION ON CUSTOMER LOYALTY IN  
PT. GREAT SEASONS BATAM**

By

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**ABSTRACT**

Batam as a region with *brand* a very well-known that is due to the geographic location close to Singapore to make Batam into the area local and foreign tourist destinations. Along with these developments, there are many service companies in Batam City. PT. Great Seasons Batam is one of the companies in the field of services *travel* which is located at Ruko Fanido Blok O No 15 Tanjung Uncang Batam. The purpose of this study was to determine the effect of *service quality*, to determine the *price* and *promotion* carried out by PT. Great Seasons. The problems that occur in PT. Great Seasons is that the quality of service is still not good and there are still many complaints felt by customers, not only that, other problems are that prices are still high and promotions are minimal. The method used is by distributing questionnaires to customers of PT. Great Seasons in Batam. The number of respondents was 133 respondents. The results of the study show that 1) service quality has a significant effect on customer loyalty. 2) Price has an effect on customer loyalty and promotion has no effect on customer loyalty. F test results showed that the variables of *service quality* (X1) *Price* (X2) and *Promotion* (X3) influence on *Customer Loyalty* PT. Great Seasons in Batam. R Square Test Results showed that the variables of *service quality*, *price* and *promotion* can be explained by 85% while 15% is determined by other variables outside the research conducted

**Keywords:** *Service Quality, Price and Promotion and Customer Loyalty*

**INTRODUCTION**

The development of business at the present time has progressed rapidly and underwent continuous metamorphosis. These conditions make the company must be able to survive with the competition that occurs in the market due to intense competition, especially the competition that occurs

between similar companies. This makes the company must be able to implement appropriate and accurate marketing strategies in order to maintain the survival and progress of the

company. Seeing the current state of the market, companies are not only sales-oriented by creating quality products, but also must be able to understand what customers want and need. Every company in the business category is required to have sensitivity to any changes that occur and place an orientation to customer satisfaction as the main goal.

Based on the background of the research presented, the problems that arise are: 1. Service quality is slow in responding to consumer complaints. 2 Expensive prices compared to other agents such as traveloka, tiket.com etc 3. Promotion is lacking and only relies on recommendations from old customers, the explanation is on page three of three

*Service Quality* has an effect significant to Customer Loyalty at *PT. Great Seasons Batam*. *Price* influential significant to Customer Loyalty at *PT. Great Seasons Batam* *Promotion* is influential significant to Customer Loyalty at *PT. Great Seasons Batam* Service Quality, Price and Promotion have an effect significant to Customer Loyalty at *PT. Great Seasons Batam*

## METHOD

An overview which is a model of the systematic stages from beginning to end so that a clear line of thought can be read in development to get the desired results (Sugiyono, 2012: 80) Survey method with a questionnaire that aims to determine service quality, price and promotion to customer loyalty at *PT. Great seasons Batam*

### Population and Sample of

Customer *PT. Great seasons Batam* became the object of the population with a total sample of 133 out of a total population of 200 customers.

## RESULTS AND DISCUSSION

Table of Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4,655	1,077		3,799	,000
S_Quality	,412	,135	,431	2,098	,000
Price	,310	,147	,350	2,454	,002
Promotion	,242	,213	,188	1,382	,103

a. Dependent Variable: C\_Loyalty

The regression equation above is obtained as follows:

$$Y = 4.655 + 0.412 X_1 + 0.310 X_2 + 0.242 X_3$$

The regression equation can be interpreted as the result of the analysis as follows:

It means;

- 1) The constant value of 4.655 means that if the variables *service quality*, *price* and *promotion* have a value of 0 or do not change, then the variable *customer loyalty* will have a value of 4.655
- 2) The regression coefficient value for the variable *service quality* is 0.412, indicating that if the variable *service quality* increases by one point, then the variable *customer loyalty* will increase by 0.412 assuming other variables remain.
- 3) The regression coefficient value for the variable *price* is 0.310 and this shows that if the variable *price* increases by one point, the customer loyalty variable will increase by 0.310 with the assumption that other variables remain.
- 4) The regression coefficient value for the variable *promotion* is 0.242 and this shows that if the promotion variable increases by one point, the variable *customer loyalty* will increase by 0.242 assuming other variables remain.

### Test Results Analysis (R<sup>2</sup>)

The coefficient of determination (R<sup>2</sup>) explain *customer loyalty* in the dependent variable (Y) which is explained by the independent variable (more than one variable X) together. To determine the magnitude of the influence of variables *service quality* (X<sub>1</sub>), *Price* (X<sub>2</sub>) and variables *promotion* (X<sub>3</sub>) on *customer loyalty* (Y) can be seen in the table of determination coefficient test results below:

#### Determination Coefficient Test Results

##### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,879 <sup>a</sup>	,850	,796	2,766

a. Predictors: (Constant), promotioni, S\_Quality, Price

b. Dependent Variable: C\_Loyalty

Based on the table above, it can be seen that the value of *Adjusted R Square* is 0.850 or 85%. This means that the variable *customer loyalty* can be explained by the variable *service quality*, *price* and *promotion* by 85%, while the remaining 15% are influenced by other factors not included in this study

## DISCUSSION

### **Effect of Service Quality (X1) Partial To Customer Loyalty ( Y)**

The results of the study show that *service quality* has a significant effect on *customer loyalty*, where the t value for the variable is *service quality* 2,098, which is greater than the t table of 1,658. the significance of the variable *service quality* of 0.000 is smaller than the value of 0.06. This means that the higher the *service quality* provided, the higher the level of *customer loyalty*.

The results of this study are in accordance with research conducted by Dwi Aryani and Febrina Rosita (2018) which concludes that *customer loyalty* is influenced by *service quality*, meaning that the better the service quality, the higher the level of *customer loyalty*.

### **Effect of Price Partial(X2) on Customer Loyalty (Y)**

The results show that the price variable has a significant effect on *customer loyalty*, it can be seen in the t table above that the price variable has a significant and significant effect on customer satisfaction.

It is said to be influential because the calculated t value for the price variable is 2,454 which is greater than the t table of 1,658. It is said to be significant because the significance value of the price variable is 0.002 less than or equal to the value of 0.05. The results of this study are in accordance with research conducted by Meilin Sundari (2018) which concludes that price does not have an impact on customers to remain loyal to a particular brand.

### **Effect Promotion (X3) Partially Against Customer Loyalty (Y)**

The results show that the promotion variable does not have a significant effect on *customer loyalty*, it can be seen from the table above that the variable *promotion* has no and significant effect on customer loyalty. It is said to have no effect because the calculated t value for the variable *promotion* is 1.382 which is smaller than the t table of 1.658. It is said to be insignificant because the significance value of the location variable is 0.103 which is greater than the value of 0.05.

This means that customer loyalty is not influenced by promotion, meaning that the more promotion the customer does not increase the rate of increase. The results of the study are not in accordance with the research conducted by Meilin Sundari (2018) which concluded that the more promotions the more customer loyalty the

### **effect of Service Quality (X1) , Price (X2) and Promotion (X3) Simultaneous against Customer Loyalty (Y)**

F test results conclude that the variable *service quality*, *price* and *promotion* have significantly the effect on *customer loyalty*. This is evidenced by the calculated F value of 53 142 is greater than F table 2682, as well as the

significant value of 0.000 less than 0.05, so it can be interpreted that the variables of *service quality*, *price* and *promotion* with the same influence signifikan on *customer loyalty*

results are consistent with research conducted by Dwi Aryani and Febrina Rosita (2018), Rismatul Karomah et al (2018) and Meilin Sundari (2018) which concluded that service quality is the key to customer loyalty.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

1. Based on the results of research *on service quality* significantly influence *customer loyalty*, so the company must improve *service quality* to customers
2. Based on the findings that the *price* significantly influence the customer loyalty that companies must pay attention to price and *service quality* is good
3. based on the results *of promotion* no significant effect on customer loyalty due to that factor *service quality* satisfactory so that customers remain loyalty
4. based on the research results can be seen that the variable *service quality*, *price* and *promotion* simultaneously affect the *customer loyalty* that companies still need to improve the level of *customer loyalty*

### Suggestions

- 1 PT. Great Seasons Batam must further improve *service quality* to customers continuously so that *customer loyalty* is increasing
- 2 PT. Great Seasons must maintain competitive prices so that it will not be abandoned by new customers and existing customers of
- 3 PT. Great Seasons Batam in addition to improving *service quality*, maintaining price must also continue to increase promotions aimed at new consumers to get more customers

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