

SERVICE QUALITY INFLUENCES TOWARD CONSUMER SATISFACTION AND CONSUMER LOYALTY IN UM TRADING BUSINESS (UD. UM) IN CENTRAL CELEBES

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ABSTRACT

This research aims to examine service quality that influences toward consumer satisfaction of UD. UM in Central Celebes and to examine consumer satisfaction and service quality that influences toward consumer loyalty of UD. UM in Central Celebes. This research uses Partial Least Square (PLS) method. In this research, the population used consists of UD. UM consumers in Central Celebes who purchase during period of January 2014 to May 2015 as 72 consumers by using sample-taking technique of non probability sampling. The analysis technique chosen for analyzing data and examining hypothesis in this research is The Structural Equation Model (SEM) by software of Partial Least Square (PLS). This research results show that (1) Service Quality influences toward Consumer Satisfaction of UD. UM in Central Celebes by value of T-Statistic as $10.68 > 1.65$; (2) Consumer Satisfaction influences toward Consumer Loyalty of UD. UM in Central Celebes by value of T-Statistic as $8.4145 > 1.65$; (3) Service Quality influences toward Consumer Loyalty of UD. UM in Central Celebes by value of T-Statistic as $3.942 > 1.65$.

Keywords: service quality, consumer satisfaction, consumer loyalty

INTRODUCTION

Indonesia is one of developing countries in ASEAN, Indonesia which the economical growth is more and more rapid and has experienced many advances very rapid compared with the previous eras. This case can be seen from more and more tight competitions and the total producers who involve in fulfilling consumer wills so it causes each company should place orientation in consumer as the main purpose. The company should be able to give satisfaction toward goods or service consumers that has higher values with better qualities, cheaper prices, adequate facilities and better service than the competitors.

UD. UM is one of distributors and shops that is active in Building Material field in Palu city, that is led by Merry Umega as the *Owner*, and Hans as the director in the company. UD. UM is active in building material field that began the business in 2010, in which UD. UM is a branch of UD. UJ that is active in building material field and housing developer. In business activities,