

## Analysis of the Company Image and Service Quality through Customer Satisfaction to Customer Loyalty (A Field Research in PT. Nusantara Water Centre)

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**Abstract:** This study aimed to analyze the influence of company image and service quality on customer loyalty through customer satisfaction in the environment laboratory PT. Nusantara Water Centre Jakarta. Data research conducted on selected customers during the period from April 2016 to November 2016. The study design is descriptive, where the method of sampling is done by purposive sampling (sample representative of the population). From the number of customers per month around 400 customers, the number of respondents that were sampled set by 161 respondents. Method of quantitative analysis using confirmatory factor analysis by using SEM tools *Lisrel* software version 8.71. The results showed the company image has a positive significant effect on customer satisfaction, service quality has a significant positive effect on customer satisfaction, company image has a significant positive effect on customer loyalty, and service quality has a significant positive effect on customer loyalty and satisfaction significant positive effect on customer loyalty. Quality of care is the most dominant variable toward service loyalty.

**Keywords:** laboratory environments, company image, service quality, customer satisfaction, customer loyalty.

### INTRODUCTION

Business competition demanding laboratory services sector businesses to continue to innovate in this area in maintaining customer loyalty. Bothe in Vanessa [1] defines customer loyalty as customers who are satisfied with the products or services of the company and they become enthusiastic word of mouth advertisers. To maintain customer loyalty, then the company should strive to gain customer satisfaction. According to Schiffman and Kanuk [2] customer satisfaction is a person's feelings on the performance of a product or service compared with expectations. Based on that customer satisfaction is highly dependent on the performance of the product and services that run. The company's performance can be improved by increasing the company's image and fulfilling the desire of the consumer in the form of service quality. To enhance the company image and provide good quality service, laboratory services within the PT. Nusantara Water

Centre has applied to receive a certificate of accreditation of testing laboratory water quality issued by the National Accreditation Committee in 2011. This laboratory accreditation is a recognition of the National Accreditation Committee (KAN) that laboratory of PT. Nusantara Water Centre has been implementing ISO / IEC 17025: 2008. Accreditation from KAN include, laboratory analysis procedures, customer service procedures, complaints procedures, health and safety procedures and periodic audits by an independent assessor appointed by KAN. Efforts for the establishment of a good company image and provide good service seems to show insignificant number of consumers who use the services of environmental laboratory PT. Nusantara Water Centre. Based on consumer data, since 2012 until 2014, the number of water samples received are not increased dramatically, but fluctuated in the range of 4,000 to 4,600 water samples. This can be seen in the following table:

**Table-1: List of Recetation of Water Samples and Number of Customers**

Year	Water Samples	Number of Customers	Re-purchases
2010	4.211	320	220
2011	4.105	326	223
2012	4.019	395	267
2013	4.679	396	305
2014	4.172	307	227
2015	4.293	311	231

Source: PT. Nusantara Water Centre

Based on the list above, before PT. Nusantara Water Centre has a certificate issued by the National Accreditation Committee the reception of water samples, number of customers and customers who make re-purchases tend to be fixed, the increase occurred in 2012 and 2013, where on that year the laboratory of PT. Nusantara Water Centre has a new certificate issued by the National Accreditation Committee, but by 2014 and 2015, the reception of water samples, number of customers and customers who make re-purchases declined as it was before having accreditation from the National Accreditation Committee. Based on the above, the problem can be identified: 1) Customer loyalty is not too much, it can be seen from the comparison companies that only do one water sample examination by companies that make repeat purchases and purchases another product. 2) Customer satisfaction is not maximized, it can be seen from customer loyalty, repeat purchase in doing from year to year not experienced substantial increases, it means that the non-fulfillment of the customer's perception of the performance of laboratory examination of water quality as they had hoped. 3) The role of the company's image and quality of service to attract and retain customers is not maximized; it is seen from the absence of additional amount of water samples examined and the number of customers who checks water samples in the laboratory PT Nusantara Water Centre. From the background of the problem, then the purpose of this study was to analyze the effect of partially, directly and indirectly from:

- Company Image to Customer Satisfaction
- Service Quality to Customer Satisfaction
- Company Image to Customer Loyalty
- Quality of Service to Customer Loyalty
- Customer Satisfaction to Customer Loyalty

## LITERATURE REVIEW

### Company Image

According to Kotler [3] the company's image is the overall customer response to the offer given the company and is defined as a number of beliefs, ideas, and impress people at a company. According Dewney [4] says that the company's image is an overall impression of the company in the mind of consumers. According Steinmentz [5] corporate image can be defined as the public perception of its corporate identity. Based on the above definition, it can be concluded that the company's image can not be engineered; a positive corporate image can be built with communication and openness to the public. Corporate image is all perception of the object formed by the customer by way of processing information from various sources all the time. In the context of the company's image, according to Zhang [20] or sub variable dimension image of the company is as follows:

- Likeability, namely the ability to be liked by demonstrating the appeal of the message source in the eyes of the audience or the public.
- Competence, namely through the integration of knowledge, skills, and attitudes that allow it to carry out an effective way.
- Quality, ie everything that is able to meet the desires or needs of customers.
- Performance, which results or overall success rate of a person during a certain period in carrying out the task as compared to the possibilities.
- Responsibility, which is the company's obligation to carry out the responsibilities

### Service Quality

Quality of care can be interpreted as an effort to fulfill the needs and desires of consumers and delivery accuracy in balancing the expectations of consumers [6]. Quality of service can be defined as the difference between the expectations of the customer service provided by the perception of the service received [7]. From the definitions of the quality of service it can be concluded that the quality of service is any activity carried out by the company in order to meet consumer expectations. In the context of quality of service, according to Parasuraman *et al*, quoted from Kotler and Keller [8], the measurement of the quality of services consists of:

- Tangibles, namely the ability of a company to demonstrate its existence to the customer. Appearance and abilities of physical infrastructure companies and the state of the surrounding environment is tangible proof of the services provided by the service provider to its customers.
- Reliability, namely the ability of a company to provide the promised services are accurate and reliable.
- Responsiveness, which is the company's ability to assist and provide services to customers quickly and accurately, with clear information delivery.
- Assurance, the knowledge, the ability of the company's employees to gain confidence of the customers to the company.
- Empathy, which gives genuine concern and is individualized to the customers, working to understand the desire of the customer.

### Customer satisfaction

According to Schiffman and Kanuk [2] customer satisfaction is a person's feelings on the performance of a product or service compared with expectations. According to Kotler [3] is the level of customer satisfaction customer's feelings after comparing the perceived performance with expectations. Based on the above understandings, customer satisfaction can be defined as an assessment of the customer's perceptions and expectations regarding the value of a product or service offered by

the company. In the context of customer satisfaction, according to Qing and Victor [21] indicators of customer satisfaction consists of:

- Expectation, the customer's expectations before receiving services from the company.
- Experience, the experience gained customers on the benefits of the products or services provided by the company to meet customer needs.
- Overall satisfaction, the level of customer satisfaction after receiving the products or services of the company.

**Customer loyalty**

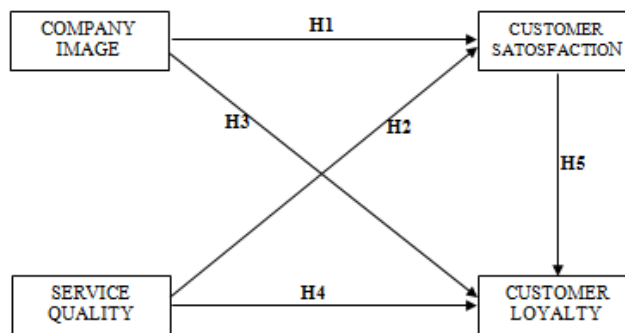
According to Griffin [9] customer loyalty is a behavioral manifestation of these units to make a purchase decision on an ongoing basis to the goods / services of a company that is selected. Bothe in Vanessa [1] defines customer loyalty as customers who are satisfied with the products or services of the company and they become word of mouth advertisers are enthusiastic. Based on the above definitions it can be concluded that customer loyalty is the loyalty of customers towards the products and services provided by the supplier and in the long term with a positive appreciation is continuously use such products and services and recommend it to others. Thus forming a positive communication between customers and suppliers. The dimensions of customer loyalty according to Griffin [9] are as follows:

- Regular makes repeat purchase.

- Purchases across product and service lines.
- Recommend other products (Refers other).
- Shows immunity against offerings from competitors (demonstrates an immunity to the full of the competition).

**Conceptual Framework**

Conceptual Framework is to design the influence or relationship between variables, that the company's image and quality of service through customer satisfaction and significant positive effect on customer loyalty, either directly or indirectly. This study design is based on the research results 1) Yu Te Tu [12] and Dr. Moeed Ahmad Sandhu *et al.* [10], that the company's image positive and significant impact on customer satisfaction, 2) Zhao Hua Deng *et al.* [11], Lo Liang Kheng *et al.* [13], Masood ul Hasan [10], Niven El Saghier and Demyana Nathan [14], Riki Kristomi and Ali, Hapzi [15]. That service quality positive and significant impact on customer satisfaction, 3) Adji djoyo and Ali , Hapzi [16] and Yu Te Tu [12], that the company's image positive and significant impact on customer loyalty, 4) Lo Liang Kheng [13], Masood UI Hassan [17]. Ali, Hapzi and Baruna Hadibrata [16], that service quality and significant positive effect on customer loyalty; 5) Mohsin Zafar [18] and Imran Ali *et al.* [19]. That customer satisfaction is positive and significant impact on customer loyalty. Then the conceptual framework of this study design as Figure 1 below:



**Fig-1: Design of Conceptual Framework**

Based on the purpose and design of framework, the research hypothesis are:

- The effect on the Company Image on Customer Satisfaction
- Service Quality effect on Customer Satisfaction
- Company Image effect on Customer Loyalty
- Service quality effect on Customer Loyalty
- Customer Satisfaction effect on Customer Loyalty

**METHODS**

This is a descriptive study with a quantitative approach, in which sampling method is purposive sampling, with consideration of selected respondents representing customers; the sampling technique is done

by asking the respondents' willingness to serve. At first the number of respondents was given a questionnaire of 170, but that returns and was elected by 161 respondents. The scale of measurement using a Likert scale. Quantitative analysis method using a SEM with lisrel 8.7 tools and SPSS version 22. Before the questionnaire were analyzed to test the validity and reliability test. Further variables are valid and reliable, used as a questionnaire, in which the results were analyzed by using SEM, which further test the correlation between variables using linear regression. Based on the structure of the resulting coefficient values SEM analysis, it can be analyzed the influence of the direct, indirect effect and the total effect.

**RESULT & DISCUSSION**

**Analysis of Validity and Reliability Presurvey**

Before instrument questionnaire given to respondents, the validity and reliability are tested first

which presurvey does. The validity test of analyzing pearson correlation and significance value <significance level  $\alpha = 0,05$

**Table-2: Validity Test Variable Company Image**

Indicator	Pearson Correlation	Sig.(1-tailed)	Validity
X 101	0,932**	0,000	Valid
X 102	0,885**	0,000	Valid
X 103	0,936**	0,000	Valid
X 104	0,937**	0,000	Valid
X 105	0,968**	0,000	Valid
X 106	0,895**	0,000	Valid
X 107	0,848**	0,000	Valid
X 108	0,851**	0,000	Valid
X 109	0,239	0,105	Not Valid
X 110	0,822**	0,000	Valid

Source: Data Processing

From Table 3 above, it appears that the value of the image X 109 has a number of Pearson correlation <0.25 and the Sig. (One-tailed) >  $\alpha = 0.05$  significance level it can be said that the image of the variable X 109 is invalid. For more corporate image variable, has a

significance level <  $\alpha$  significance level (0.05), but it looks Pearson correlation value is at 1% confidence level, so that variables other corporate image can be said to be valid.

**Table-3: Validity Test Variabel Service Quality**

Indicator	Pearson Correlation	Sig.(1-tailed)	Validity
X 201	0,946**	0,000	Valid
X 202	0,924**	0,000	Valid
X 203	0,905**	0,000	Valid
X 204	0,966**	0,000	Valid
X 205	0,947**	0,000	Valid
X 206	0,898**	0,000	Valid
X 207	0,951**	0,000	Valid
X 208	0,968**	0,000	Valid
X 209	0,948**	0,000	Valid
X 210	0,947**	0,000	Valid

Source: Data Processing

From Table 3 above, it appears all the variables of service quality has a significance level < significance level  $\alpha$  (0.05) and had a Pearson correlation values are

at 1% confidence level, so that all the variables of service quality can be said to be valid.

**Table-4: Validity Test Variabel Customer Satisfaction**

Indicator	Pearson Correlation	Sig.(1-tailed)	Validity
Y 1	0,947**	0,000	Valid
Y 1	0,915**	0,000	Valid
Y 1	0,949**	0,000	Valid
Y 1	0,943**	0,000	Valid
Y 1	0,879**	0,000	Valid
Y 1	0,898**	0,000	Valid
Y 1	0,947**	0,000	Valid

Source Data Processing

From Table 4 above, the entire visible variable customer satisfaction has a significance level < significance level  $\alpha$  (0.05) and had a Pearson correlation

values are at 1% confidence level, so that all customer satisfaction variables as valid.

**Table-5: Validity Test Variabel Customers Loyalty**

Indicator	Pearson Correlation	Sig.(1-tailed)	Validity
Z 1	0,895**	0,000	Valid
Z 2	0,932**	0,000	Valid
Z 3	0,866**	0,000	Valid
Z 4	0,897**	0,000	Valid
Z 5	0,919**	0,000	Valid
Z 6	0,937**	0,000	Valid
Z 7	0,943**	0,000	Valid
Z 8	0,884**	0,000	Valid

Source: Data Processing

From Table 5 above, the entire visible variable customer loyalty has a significance level <  $\alpha$  significance level (0.05) and had a Pearson correlation values are at 1% confidence level, so that all the variables of customer loyalty can be said to be valid.

Furthermore, the reliability test performed on all variables, by looking at the value of alpha, Cronbach s. If the value of alpha cronbach is > 0.6, then the variable has a high reliability.

**Table-6: Reliability Test**

Variabel	Alpha's Cronbach	Reliability
Company Image	0,967	Reliabel
Quality Service	0,985	Reliabel
Customer Satisfaction	0,964	Reliabel
Customer Loyalty	0,969	Reliabel

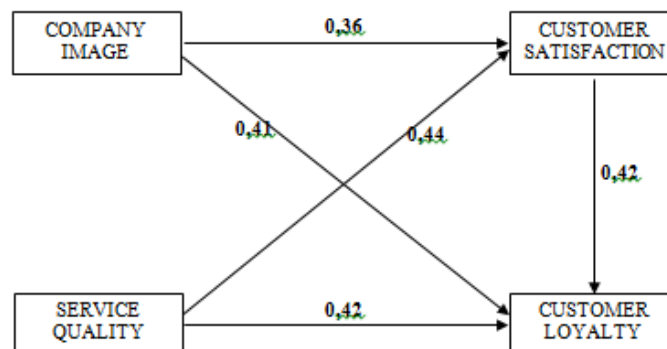
Source Data Processing

Based on Table 6 above, it appears that all the variables have alpha's cronbach value more than 0.6, then all variables have high reliability to be used as a measurement instrument.

To test the un dimensional constructs of exogenous and endogenous used confirmatory factor analysis techniques, where the variables observed will be a reflection of latent variables, which will be confirmed by using the measurement model. The results of analysis of the overall suitability as models generate path diagram in Figure 2 below:

**RESEARCH RESULT**

**Confirmatory Factor Analysis**



**Fig-2: Result of confirmatory factor analysis**

**Validity and Reability Test**

At this stage, the variables or indicators observed in each latent variable must meet the

requirements of validity and reliability first. The results of testing the validity and reliability calculations for all variables are shown in the following table:

**Table-7: Validity Test and Realbility Calculation of Cooperate Image**

Indicator Code	SLF > 0,50	SLF <sup>2</sup>	Standard Errors	Measurment Error	t-value	Information	Reliability	
							CR > 0,70	VE ≥ 0,50
X 101	0,91	0,8281	0,18	0,82	14,84	Good Validity	0,90	0,76
X 102	0,82	0,6724	0,32	0,68	12,67	Good Validity		
X 103	0,88	0,7744	0,23	0,77	14,13	Good Validity		
X 104	0,89	0,7921	0,21	0,79	14,38	Good Validity		
X 105	0,89	0,7921	0,21	0,79	14,44	Good Validity		
X 106	0,85	0,7225	0,28	0,72	13,29	Good Validity		
X 107	0,88	0,7744	0,22	0,78	14,17	Good Validity		
X 108	0,86	0,7396	0,25	0,75	13,63	Good Validity		
X 110	0,86	0,7396	0,25	0,75	13,59	Good Validity		

Source : Data Processing

**Table-8: Validity Test dan Realbility Calculation of Quality Service**

Indicator Code	SLF > 0,50	SLF <sup>2</sup>	Standar Errors	Measurment Error	t-value	Information	Reliability	
							CR > 0,70	VE ≥ 0,50
X 201	0,90	0,81	0,18	0,82	14,79	Good Validity	0,91	0,78
X 202	0,87	0,76	0,24	0,76	13,95	Good Validity		
X 203	0,87	0,76	0,24	0,76	13,85	Good Validity		
X 204	0,90	0,81	0,19	0,81	14,70	Good Validity		
X 205	0,89	0,79	0,21	0,79	14,38	Good Validity		
X 206	0,86	0,74	0,26	0,74	13,64	Good Validity		
X 207	0,85	0,72	0,28	0,72	13,35	Good Validity		
X 208	0,84	0,71	0,29	0,71	13,24	Good Validity		
X 209	0,91	0,83	0,16	0,84	15,13	Good Validity		
X 210	0,94	0,88	0,11	0,89	15,86	Good Validity		

Source : Data Processing

**Table-9: Validity Test dan Realbility Calculation of Customer Satisfaction**

Indicator Code	SLF > 0,50	SLF <sup>2</sup>	Standar Errors	Measurement Error	t-value	Information	Reliability	
							CR > 0,70	VE ≥ 0,50
Y1	0,90	0,81	0,18	0,82	**	Good Validity	0,86	0,72
Y2	0,86	0,74	0,27	0,73	15,85	Good Validity		
Y3	0,92	0,85	0,15	0,85	18,90	Good Validity		
Y4	0,86	0,74	0,25	0,75	16,18	Good Validity		
Y5	0,77	0,59	0,40	0,6	12,86	Good Validity		
Y6	0,75	0,56	0,43	0,57	12,31	Good Validity		

Source : Data Processing

Note: \*\* = Defaults by LISREL, t-value was not estimated



**Table-10: Validity Test and Reability Calculation of Customer Loyalty**

Indicator Code	SLF > 0,50	SLF^2	Standar d Errors	Measur ement Error	t-value	Information	Reliability	
							CR > 0,70	VE ≥ 0,50
Z1	0,76	0,58	0,43	0,57	**	Good Validity	0,89	0,66
Z2	0,81	0,66	0,34	0,66	10,95	Good Validity		
Z3	0,81	0,66	0,30	0,70	10,82	Good Validity		
Z4	0,80	0,64	0,36	0,64	10,71	Good Validity		
Z5	0,85	0,72	0,28	0,72	11,47	Good Validity		
Z6	0,88	0,77	0,22	0,78	11,98	Good Validity		
Z7	0,81	0,66	0,34	0,66	10,95	Good Validity		
Z8	0,77	0,59	0,40	0,60	10,32	Good Validity		

Source : Data Processing

Note: \*\* = Defaults by LISREL, t-value was not estimated

From the above calculation shows that all indicators have good validity and reliability is good. It can be seen from the loading factors > 0.50 are met, the value of the t-value entirely > 1.96, CR > 0.70 and value VE ≥ 0.50, so that helped prove the consistency of the variables observed.

**Test Match Overall Model**

From printed output generated on Lisrel program, resulting in a match analysis of the data model as a whole or in Lisrel called Goodness of Fit (GOF). As shown in the following table:

**Table-11: Goodness of Fit**

Size of GOF	Target Level Compatibility	Estimation Results	Compatibility Level
Chi Square P value > 0,05	of little value P value > 0,05	X <sup>2</sup> = 518,28 (P = 0,06112)	Good fit
RMSEA	RMSEA ≤ 0,05	0,025	Good fit
ECVI	of little value and dekat dengan ECVI Saturated	M* = 4,38 S* = 7,01 I* = 173,15	Good fit
AIC	a small value and close to AIC Saturated	M* = 700,28 S* = 1122,00 I* = 27703,74	Good fit
CAIC	of little value and close to CAIC Saturated	M* = 1071,69 S* = 3411,67 I* = 27838,42	Good fit
NFI	NFI ≥ 0,90	0,98	Good fit
NNFI	NNFI ≥ 0,90	1,00	Good fit
CFI	CFI ≥ 0,90	1,00	Good fit
IFI	IFI ≥ 0,90	1,00	Good fit
RFI	RFI ≥ 0,90	0,98	Good fit
RMR	RMR ≤ 0,05	0,029	Good fit
GFI	0,8 ≤ GFI ≤ 0,90	0,84	Marginal fit
AGFI	0,8 ≤ AGFI ≤ 0,90	0,80	Marginal fit

Source: Data Processing Results

Table 11 above concludes the overall suitability test models. From the discussion that has been done before, there are 11 GOF size showed a good fit and 2 sizes GOF indicate a match being (marginal fit), so it can be concluded that the overall suitability of the model is good (good fit).

**Hypothesis test**

After the fit model obtained, only then the hypothesis can be done. Tabulations for the test results are adjusted to table 12 information on the following:

**Table-12: Hypothesis test**

Hypothesis	Path	SLF	Estimate	T-value	Information	Results
H1	Company Image → Customer Satisfaction	0,36	0,36	4,28	Positive, Significant	Received
H2	Quality Service → Customer Satisfaction	0,44	0,44	5,19	Positive, Significant	Received
H3	Company Image → Customer Loyalty	0,29	0,29	3,48	Positive, Significant	Received
H4	Quality Service → Customer Loyalty	0,27	0,28	3,28	Positive, Significant	Received
H5	Customer Satisfaction → Customer Loyalty	0,32	0,32	3,78	Positive, Significant	Received

Source : Data Processing

Hypotheses above is the direct effect (direct effect) of the independent variable on the dependent variable, where the value of positive estimate and the value of t-Value > 1.96, which means that the variable independent positive and significant effect on the

dependent variable, thus the entire hypothesis be accepted.

**Correlation between Variables**

To see dimensional correlation between variables in the study, can be seen in Table 13 below:

**Table-13: Inter-Dimensional Correlation Matrix Variables**

Variabel	Dimensi	Indikator	Customer Satisfaction	Customer Loyalty
			Y	Z
Cooperate Image	Likeability	X 101	0,545**	0,552**
		X 102	0,454**	0,481**
	Competence	X 103	0,562**	0,615**
		X 104	0,615**	0,621**
	Quality	X 105	0,560**	0,619**
		X 106	0,515**	0,570**
	Performance	X 107	0,601**	0,572**
		X 108	0,595**	0,594**
	Responsibility	X 110	0,550**	0,529**
	Kualitas Pelayanan	Tangibels	X 201	0,568**
X 202			0,600**	0,573**
Reliability		X 203	0,554**	0,583**
		X 204	0,648**	0,666**
Responsiveness		X 205	0,581**	0,576**
		X 206	0,629**	0,596**
Assurance		X 207	0,531**	0,571**
		X 208	0,564**	0,549**
Emphaty		X 209	0,620**	0,619**
		X 210	0,629**	0,623**
Customer Satisfaction	Y			0,656**

Source : Data Processing

Based on Table 13 above it can be concluded that the company's image variable most dominant influence on customer satisfaction and customer loyalty is the dimension of competency (competency), while the variable quality of service of the most dominant influence on customer satisfaction and customer loyalty is the dimension of reliability (reliability). Besides, it also can be seen that the dimension with the lowest correlation value is a dimension that should receive

attention for improvement. For variable image of the company that should receive attention is the dimension of likeability, while the variable quality of service that should receive attention is the dimension of the guarantee (assurance).

**Indirect Influence and Impact Total**

To view indirect and total effect, then the value of the effect is measured by the coefficient of structure.



Table 14 below, illustrates the magnitude of the effect is indirect and total effect.

**Table-14: Effect of Direct, Indirect and Total**

Correlation	Direct	Indirect	Total
Company Image → Customer Satisfaction	0,36		
Quality Service → Customer Satisfaction	0,44		
Company Image → Customer Loyalty	0,29	0,1152	0,4052
Quality Service → Customer Loyalty	0,28	0,1408	0,4208
Customer Satisfaction → Customer Loyalty	0,32		

Source : Data Processing

The amount of indirect influence company image to loyalty through customer satisfaction of 0.1152 obtained from  $0.36 \times 0.32$ . While the indirect effect of service quality on customer loyalty of 0.4208 obtained from  $0.44 \times 0.32$ . Based on this it can be concluded that: There is no direct influence of corporate image on customer loyalty through customer satisfaction.

- There is no direct influence of company image on customer loyalty through customer satisfaction.
- There is the indirect effect of service quality on customer loyalty through customer satisfaction.
- Company image has a smaller indirect effect on customer loyalty through customer satisfaction, rather than direct influence.
- Quality of service has a smaller indirect effect on customer loyalty through customer satisfaction, rather than direct influence.
- The net effect of service quality on customer loyalty is greater than the total influence of corporate image on customer loyalty.

### CONCLUSION

Based on the above results, it can be concluded about the effect of the company's image and service quality through customer satisfaction on customer loyalty in PT. Nusantara Water Centre is:

- Company image positive and significant effect on customer satisfaction. The better the image of the company, hence increasing customer satisfaction.
- Service quality positive and significant effect on customer satisfaction. The better the quality of services provided, it increases customer satisfaction.
- Company image positive and significant effect on customer loyalty. Increasing the company's image, the better the customer loyalty.
- Service quality positive and significant effect on customer loyalty. Increasing the quality of services provided, the better the customer loyalty.
- Customer satisfaction positive and significant effect on customer loyalty. Increasing customer satisfaction, it also increases customer loyalty By creating an overall satisfaction, fulfillment of customer expectations and memorable experience

is good, then customer satisfaction will be able to increase customer loyalty.

- Based on the total effect of the analysis of the structural model, it can be seen that the variable service quality is more dominant in shaping customer loyalty.

To achieve customer satisfaction and enhance customer loyalty, PT Nusantara Water Centre can do the following things:

- To improve the company's image and service quality, to reach customer satisfaction and customer loyalty, PT Nusantara Water Centre should be able to do things as follows:
  - To improve the image of the company, then the company's competency must be maintained, means of accreditation issued by national accrediting agencies, as well as increasing the company's customer likeability. This effort will be able to improve customer satisfaction and customer loyalty.
  - To improve the quality of service, it should be noted the reliability of products and improved company insurance, especially the promise of job completion time. These efforts will boost customer satisfaction and customer loyalty.
- The indirect effect and the total effect of service quality on customer loyalty are greater than the indirect effect and the total effect of corporate image on customer loyalty. To maintain customer loyalty, then the PT. Nusantara Water Centre should keep the quality of its services and continue to strive to improve the company's image.

Future studies are expected to review the current research and previous studies using other variables that affect customer loyalty so expect further studies will be better.

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