Service Quality and Brand Image Influence Customer Satisfaction and Its Impact on Customer Loyalty CV. Asritama Lestari Environmental Consulting and Licensing Services

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Abstract: This study aims to analyze the influence of service quality and brand image on customer satisfaction and its impact on customer loyalty at CV. Asritama Lestari Environmental Consultant Services and Licensing. . This study examines the associative relationship between these variables. The results of the study show that all variables consisting of service quality, brand image, customer satisfaction, and customer loyalty have a significance level of <5%, which means that simultaneously there is a significant influence between service quality variables and brand image variables on customer loyalty with customer satisfaction as an intervening variable. Partially, the results of the analysis show that service quality and brand image have a positive and significant effect on customer satisfaction. In addition, the results of the analysis also show that service quality and brand image have a significant effect on customer loyalty. Furthermore, customer satisfaction is proven to have a significant and strengthening influence on customer loyalty.

Keywords: Service Quality, Brand Image, Customer Satisfaction, Customer Loyalty

INTRODUCTION

Increasingly competitive business competition in the era of globalization demands that every company continually improve the quality of its products and services. This is crucial for CV. Asritama Lestari, an environmental consulting and licensing company, which plays a crucial role in ensuring business compliance with business licensing regulations. This compliance is key to a smooth business operation and the avoidance of various legal issues. CV. Asritama Lestari, therefore, not only serves clients but also contributes to broader economic stability and growth.

Excellent service quality and a positive brand image are key factors in CV. Asritama Lestari's success in maintaining and increasing market share. Superior service quality, encompassing aspects such as responsiveness, reliability, empathy, and assurance, enables the company to build trust and long-term relationships with clients. A strong brand image, reflecting positive customer perceptions of the company's competence, integrity, and added value, creates a unique selling point amidst the competition. These two factors are interrelated and have a significant impact on customer satisfaction.

Customer satisfaction at CV. Asritama Lestari has far-reaching implications. Satisfied clients tend to be loyal, creating business stability and enabling the company to focus on

development and innovation. Furthermore, the compliance of entrepreneurs assisted by CV. Asritama Lestari positively impacts the surrounding economic ecosystem. The sustainability of clients' businesses leads to increased demand for various supporting services and products, such as employee boarding houses, food and coffee shops, public transportation, and so on, thus contributing to the economy of surrounding MSMEs. Therefore, this study focuses on the influence of service quality and brand image on CV. Asritama Lestari's customer satisfaction, as well as its impact on customer loyalty. A comprehensive understanding of these factors will provide valuable insights for the company in formulating appropriate strategies to increase customer satisfaction and loyalty, while contributing to sustainable economic growth.

In the modern business world, increasingly fierce competition demands that companies continuously innovate and improve their services to maintain and increase customer satisfaction (Aziez Herdian et al., 2022). Companies that fail to meet customer expectations will not only lose opportunities to acquire new customers but will also struggle to retain existing ones. In the information technology and services industry, this aspect becomes increasingly important given the rapid changes in technological needs and high customer expectations for the services they receive (Harto et al., 2023).

Service quality is a crucial element that determines how well a company interacts with its customers. In the service industry, particularly in the information technology sector, service quality encompasses various dimensions such as responsiveness, speed, reliability, and the ability to provide timely solutions to customer problems (Basten et al., 2024). Customers who are satisfied with the service provided will feel valued and prioritized, increasing their likelihood of remaining loyal to the company. Conversely, poor service can lead to dissatisfaction, which not only decreases loyalty but also damages the company's overall reputation (Hafidz & Muslimah, 2023).

In addition to service quality, brand image plays an equally important role in influencing customer satisfaction and loyalty. Brand image is the perception formed in the minds of consumers about a brand based on their experiences, interactions, and communications with the brand. Therefore, a brand with a strong and positive image will provide added value to the company, influence purchasing decisions, and encourage customer loyalty (Kevin Jonathan Kurniawan et al., 2023). In the context of CV. Asritama Lestari, a strong brand image can be reflected in the company's reliability in mastering the process and stages of preparing and managing Environmental Documents based on PP 22 of 2021, Regulation of the Minister of Environment and Forestry No. 4 of 2021, Regulation of the Minister of Environment and Forestry No. 5 of 2021, Regulation of the Minister of Environment and Forestry No. 6 of 2021, the Online Single Submission Risk Based Approach (OSS RBA) system, the Amdalnet system, and various image applications, as well as their reputation as a provider of solution-oriented, innovative, and fast consulting services.

CV. Asritama Lestari is a company engaged in the field of Consulting Services for the preparation and management of Environmental Documents and Permits, services that help companies in meeting environmental and licensing requirements for carrying out business activities. CV. Asritama Lestari assists entrepreneurs in the preparation of environmental documents, environmental impact analysis, environmental management, as well as processing the necessary approvals and recommendations. a company that focuses on the preparation and management of Environmental Documents and Permits with a scope of work throughout Indonesia.

CV. Asritama Lestari offers Environmental Consulting Services solutions, providing advantages in terms of speed, free consultations for both prospective and existing clients, responsiveness, solutions and understanding the process of processing and formatting documents. CV. Asritama Lestari has more than 4 years of experience in the preparation and processing of environmental documents and permits. CV. Asritama Lestari, on the other hand, stands out in terms of responsive service, has a measurable SOP in terms of document preparation. Consultation services are also very informative because clients' technical questions are answered based on applicable rules and policies and are accessed through the

system according to the type of document to be processed by the client. Some of the services offered by CV. Asritama Lestari is the management of Approval of Suitability of Spatial Utilization Activities, preparation and management of Liquid Waste Technical Approval, B3 TPS Technical Approval, Air Technical Approval, Statement of Commitment to Environmental Management and Monitoring, Environmental Management Efforts and Environmental Monitoring Efforts, Environmental Impact Analysis, preparation and management of Traffic Impact Analysis, management of Site Plan approval, management of Building and Building Approvals and preparation and management of Functional Worthiness Certificates. Currently CV. Asritama Lestari has clients spread across various cities and districts in Indonesia.

Overall, CV. Asritama Lestari has a competitive advantage through its focus on responsive, solution-oriented service, clear standard operating procedures (SOPs), flexible service tailored to the characteristics of the client and the company, and cost certainty that provides added value in terms of customer convenience. These points are crucial for maintaining and increasing customer satisfaction and loyalty amidst increasingly fierce competition. Furthermore, several customer complaints have been reported regarding service.

These complaints indicate that there is still room for improvement in service to increase customer satisfaction and loyalty. The company needs to focus on improving service quality as a strategy to regain customer trust and maintain their loyalty, which is expected to help overcome declining revenue (Inayah Fikamalina et al., 2024). This decline and the reports received can be caused by various factors, one of which is the quality of service perceived by customers. Customers who are dissatisfied with the quality of service provided tend to seek alternatives that can provide better service and more in line with their expectations (Walyullah & Pudjoprastyono, 2024). In addition, a weak brand image can influence customers' decisions to no longer use products or services from the same company (Adelia & Cahya, 2023).

A poor brand image can damage customer trust in a company, especially in industries that rely heavily on reputation and reliability, such as the provision of regional tax application systems. Customer trust and loyalty are influenced not only by how well a company provides services, but also by their perception of the brand and the value it offers. Therefore, it is crucial for companies to continuously strengthen their brand image to retain existing customers and attract new ones (Lukitaningsih et al., 2023). In this regard, service quality and brand image play a crucial role in influencing customer satisfaction. Customer satisfaction is one of the main factors influencing their loyalty to a company (Kasinem, 2020). Customers who are satisfied with the service and have a positive perception of the company's brand image are more likely to continue using the products or services offered. Conversely, dissatisfaction and a negative brand image can lead to decreased loyalty and switching to competitors (Gultom et al., 2020).

CV. Asritama Lestari experienced a significant decline in the number of customers from year to year, indicating a gap in maintaining customer loyalty. Data shows a decline in customers for each product offered. Customer complaint reports indicate that there are still problems in the quality of service provided by CV. Asritama Lestari. Dissatisfied customers tend to look for other alternatives that can provide better service. This dissatisfaction can result in customers turning to competitors and further worsening the company's position in the market. With poor service quality, companies not only risk losing customers but also damaging the reputation that has been built, which is very important in the service industry. A bad brand image can damage customer trust, especially in an industry that relies heavily on reputation and reliability. This distrust not only affects the loyalty of existing customers but can also hinder the company's efforts to attract new customers.
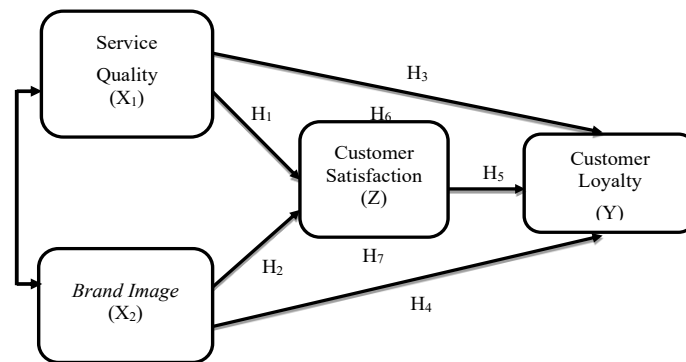
Hypothesis and Research Design

Figure 1. Hypothesis and Research Design

a) Hypothesis 1. Service quality influences customer satisfaction at CV. Asritama Lestari.
b) Hypothesis 2. Brand image influences customer satisfaction at CV. Asritama Lestari.
c) Hypothesis 3. Service quality influences customer loyalty at CV. Asritama Lestari.
d) Hypothesis 4. Brand image influences customer loyalty at CV. Asritama Lestari.
e) Hypothesis 5. Customer satisfaction has a positive and significant impact on customer loyalty at CV. Asritama Lestari.
f) Hypothesis 6. Customer Satisfaction Mediates the Effect of Service Quality on Customer Loyalty at CV. Asritama Lestari.
g) Hypothesis 7. Customer Satisfaction Mediates the Effect of Service Quality on Customer Loyalty at CV. Asritama Lestari.

METHOD

Panel Data Regression Analysis The research object in this study consists of independent variables, namely Service Quality and Brand Image, mediating variables, namely Customer Satisfaction, and dependent variables, namely Customer Loyalty at CV. Asritama Lestari. The analysis model used in this study is panel data. Panel data is a combination of cross-sectional and time series data. The first stage is the Chow test, the Chow test is conducted to compare whether the Common Effect or Fixed Effect model is good to use. The second stage is the Hausman test, the Hausman test is conducted to compare whether the Fixed Effect or Random Effect model is good to use. The third test stage is the Lagrange-Multiplier test, the Lagrange-Multiplier test is conducted to compare whether the Common Effect or Random Effect model is good to use. The Coefficient of Determination (R^2) test is used to measure how much the independent variable is able to explain the dependent variable. In mediation testing, there is the Product of Coefficient method. To test the influence of mediating variables in this study, the path analysis method is used.

RESULTS AND DISCUSSION

Table 1. Results of Validity Test of Research Variables

Question	Item	Sig.	r Count	r Tabel	Table
Service Quality (X1)	X11	0.000	0.329		Valid
	X12	0.000	0.399		Valid
	X13	0.000	0.463		Valid
	X14	0.000	0.481		Valid
	X15	0.000	0.474		Valid
	X16	0.000	0.310		Valid
	X17	0.000	0.553	0.1671	Valid
	X18	0.000	0.508		Valid
	X19	0.000	0.600		Valid
	X110	0.000	0.482		Valid
	X111	0.000	0.688		Valid

Variable					Information
	X112	0.000	0.651		Valid
	X113	0.001	0.415		Valid
	X21	0.000	0.395		Valid
	X22	0.000	0.494		Valid
	X23	0.000	0.568		Valid
Brand image	X24	0.000	0.351		Valid
(X2)	X25	0.000	0.516	0.1671	Valid
	X26	0.000	0.558		Valid
	X27	0.009	0.574		Valid
	X28	0.000	0.490		Valid
	X29	0.000	0.475		Valid
	Y1	0.000	0.793		Valid
Customer	Y2	0.000	0.519		Valid
Satisfaction	Y3	0.000	0.817	0.1671	Valid
(Y)	Y4	0.000	0.463		Valid
	Y5	0.000	0.817		Valid
	Z1	0.000	0.858		Valid
	Z2	0.000	0.576		Valid
	Z3	0.000	0.726		Valid
Customer Loyalty	Z4	0.000	0.858	0.1671	Valid
(Z)	Z5	0.000	0.617		Valid
	Z6	0.000	0.696		Valid
	Z7	0.001	0.233		Valid
	Z8	0.000	0.858		Valid

Table 2. Reliability Test Results

No	Variable	*Cronbach's Alpha*	Limit Critical	Information
1	Service Quality	0.721		Reliable
2	*Brand image*	0.606	> 0.6	Reliable
3	Customer Satisfaction	0.732		Reliable
4	Customer Loyalty	0.833		Reliable

Respondent Overview

Table 3. Respondent Characteristics Based on Gender

No	Gender	Amount	%
1	Men	103	82,4%
2	Women	22	17,6%
	Number	**125**	**100%**

This shows that the majority of respondents in this study were men.

Table 4. Respondent Characteristics Based on Age

No	Age	Amount	%
1	19-25 Years	23	18,4%
2	26-35 Years	89	71,2%
3	36-45 Years	13	10,4%
	Amount	**125**	**100%**

Respondent characteristics based on age show that the majority of respondents are aged 26-35 years, as many as 89 people, followed by respondents aged 19-25 years as many as 23 people and respondents aged 36-45 years as many as 13 people.

Table 5. Respondent Characteristics Based on Education

No	Level of education	Respondent	Percentage (%)
1.	High School	77	61,6%
2.	Package	37	29,6%
3.	D3	11	8,8%

4.	S1		0	0
	Total		125	100%

The majority had a final education of D3 as many as 77 people, followed by respondents with a Bachelor's degree as many as 37 people, respondents with a Master's degree as many as 11 people and no respondents had a Doctoral degree so that most respondents had a higher educational background.

Table 6. Respondent Characteristics Based on Position

No	Position	Amount	%
1	Director	23	27,2%
2	Manager	28	51,2%
3	General Affairs	74	21,6%
	Total	**125**	**100%**

The majority of respondents' characteristics based on position show that the majority of respondents are staff, amounting to 74 people, followed by sub-division heads, amounting to 28 people, and division heads, amounting to 23 people.

Table 7. Respondent Characteristics Based on Regency/City

No	Regency/City	Amount	%
1	Regency	105	84%
2	City	20	16%
	Total	**125**	**100%**

It can be seen that of the total 125 respondents, there were 105 respondents from districts which contributed 84% to the total sample and 20 respondents from cities with a contribution of 16%.

Metode Product of Coefficient
1. The Influence of Service Quality on Customer Loyalty Through Satisfaction
In mediation testing, the Product of Coefficient method is used. This method uses a procedure developed by Sobel, known as the Sobel Test. The Sobel Test used in this study examines the mediating role of satisfaction in explaining the influence of service quality and brand image on customer loyalty. The calculated t value (1.62) < t table (1.96) means Ha is rejected and H0 is accepted. This means that satisfaction is not able to mediate the influence of service quality on customer loyalty.

2. The Influence of Brand Image on Customer Loyalty Through Satisfaction
The calculated t-value (4.74) > t-table (1.96), therefore H0 is rejected and Ha is accepted. This means that satisfaction significantly mediates the influence of brand image on customer loyalty.

Path Analysis Hypothesis Testing
In the path analysis, the structural equation can be determined as follows:

Table 8. Path Analysis Hypothesis Test Results

Variable	Path Coefficient	t	Sig t	F	Sig F	Adjusted R^2
Model 1 (X1, X2 Terhadap Z)						
Service Quality	-0,0087	-1,6526	0.0990	14,4938	0,0000	0,0485
Brand Image	-0,0159	-5,2227	0,0000			
Model 2 (X1, X2, Z Terhadap Y)						
Service Quality	0,0857	1,3183	0,1879			
Brand Image	0,0230	0,5479	0,5840	15,6394	0,0000	0,0766
Satisfaction	3,7370	6,9652	0,0000			

The results of the calculations for the indirect influence and total influence are as follows:

a) Based on table 8, it shows that model 1, namely the variables of Service Quality and Brand Image as independent variables, has a linear relationship with the Satisfaction variable as the dependent variable with a sig value of F = 0.0000 <0.05, which means that Service Quality and Brand Image simultaneously have a significant effect on Satisfaction. The magnitude of the influence of Service Quality and Brand Image on Satisfaction is 0.0485 (adjusted R2) or 4.85%, which means that the contribution of the variables of Service Quality and Brand Image to Satisfaction is 4.85%, the remaining 95.15% is influenced by other variables outside the model.

b) The results of the first hypothesis test show a sig t value = 0.0990 > 0.05 which means that Service Quality has no effect on Satisfaction with a path coefficient value of -0.0087. The results of the second hypothesis test show a sig t value = 0.0000 > 0.05 which means that Brand Image has a negative effect on Satisfaction with a path coefficient value of -0.0159.

c) The test results of model 2 show that there is a relationship between the variables of Service Quality, Brand Image and Customer Satisfaction on Customer Loyalty with a sig value of F = 0.0000 <0.05 which means that Service Quality, Brand Image and Customer Satisfaction have a significant effect on Customer Loyalty. The magnitude of the influence between the variables of Service Quality, Brand Image and Customer Satisfaction on Customer Loyalty is 0.0766 (adjusted R2) or 7.66% which means that the contribution of the variables of Service Quality, Brand Image and Customer Satisfaction to Customer Loyalty is 7.66% the remaining 92.34% is influenced by other variables outside the model.

The results of the third hypothesis test show a sig t value = 0.1879 > 0.05 which means that Service Quality has no effect on Customer Loyalty with a path coefficient value of 0.0857. The results of the fourth hypothesis test show a sig t value = 0.5840 > 0.05 which means that Brand Image has no effect on Customer Loyalty with a path coefficient value of 0.0230. The results of the fifth hypothesis test show a sig t value = 0.0000 < 0.05 which means that Satisfaction has a significant effect on Customer Loyalty with a path coefficient value of 3.737. The results of the test are presented in the following diagram:
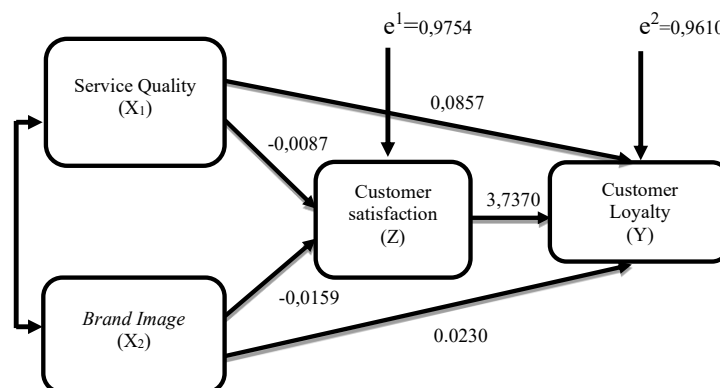

Figure 2. Empirical Path Diagram

CONCLUSION

The Influence of Service Quality on Customer Loyalty Through Satisfaction In mediation testing, the Product of Coefficient method is used. This method uses a procedure developed by Sobel, known as the Sobel Test. The Sobel Test used in this study examines the mediating role of satisfaction in explaining the influence of service quality and brand image on customer loyalty. The Influence of Brand Image on Customer Loyalty Through Satisfaction. This means that satisfaction can significantly mediate the influence of brand image on customer loyalty. shows that model 1, namely the variables of Service Quality and Brand Image as independent variables, has a linear relationship with the variable of Satisfaction as the

dependent variable, which means that Service Quality and Brand Image simultaneously have a significant effect on Satisfaction. The magnitude of the influence of Service Quality and Brand Image on Satisfaction means that the contribution of the variables of Service Quality and Brand Image to Satisfaction is influenced by other variables outside the model. The results of the second hypothesis test show that Brand Image has a negative influence on Satisfaction. The magnitude of the influence between the variables of Service Quality, Brand Image and Customer Satisfaction on Customer Loyalty is which means that the contribution of the variables of Service Quality, Brand Image and Customer Satisfaction to Customer Loyalty is influenced by other variables outside the model. The results of the fourth hypothesis that Brand Image has no effect on Customer Loyalty. The results of the fifth hypothesis that Satisfaction has a significant effect on Customer Loyalty.

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