

# EFFECTS OF SATISFACTION, TRUST AND COMMITMENT ON CUSTOMER LOYALTY

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**Abstract**---This research is conducted in PT. MDPU Finance Branch of Kendari with 680 people as the population. There are 102 people as the research samples and it is used multiple linear regression as the analysis tool. Results of the research indicate that simultaneously there are positive and significant effects of the satisfaction (X1), trust (X2) and commitment (X3) variables on customer loyalty (Y) in PT. MDPU Finance Branch of Kendari. Higher level of customer satisfaction, trust and commitment will lead to higher customer loyalty in PT. MDPU Finance Branch of Kendari. Meanwhile, partially it is also found out that the satisfaction variable (X1) affects positively and significantly on customer loyalty (Y), trust (X2) affects positively and significantly on customer loyalty (Y). Commitment variable (X3) affects positively and significantly on customer loyalty (Y) in PT. MDPU Finance Branch of Kendari. Based on these issues, it can describe that partially the customer satisfaction, trust and commitment variables provide effects on the customer loyalty in PT. MDPU Finance Branch of Kendari.

**Index Terms** -- : PT. MDPU Finance, Satisfaction, Trust, Commitment and Customer Loyalty

## 1 INTRODUCTION

Mitra Dana Putra Utama Finance is a private company engaging in the field of motor cycle financing which initially it provides credit for new motor cycle and then by the growing community demand, currently PT. MDPU Finance develops its business by providing cash funds with a warranty of motor vehicle owner certificate (BPKB) of two- and four- wheel-vehicles. PT. MDPU Finance engages in the field of service which its customers have *long time horizon*. Seeing at the condition, this company is aware of the importance of increased customer loyalty. PT. MDPU Finance in the business sector of *finance* competes with some existing *finance* companies in Kendari city, such as Adira Finance, Mega Auto Finance (MAF), Busan Auto Finance (BAF) Amanah Finance, Kredit Plus and others. In the future, there will be an increased number of finance companies giving service in the field of motor cycle financing, however in the future there will be increasing competition by the finance companies to maintain to obtain their prospective customers and maintain as well as improve their target markets. Hereby, it is necessary for the finance companies to have an ability to build customer loyalty so that they can win the market competition.

PT. MDPU Finance Branch of Kendari often faces problems related to the lack implementation of *relationship marketing*, lack of company performance and facility by the management of PT. MDPU Finance. Customers consider that the service given by PT. MDPU Finance is far less than their expectation. There are also other problems such as employees are less handy and proper in giving services for the customers, less commitment given by the party of PT. MDPU Finance, less adequate physical environment; these problems creates problems for the customers.

One of the problems faced by PT. MDPU Finance was presented in local printed media, namely one was experienced by Fadly in June 2015. This customer complained the management and employees of PT. MDPU Finance since they could not keep their promise stating that if the customer has paid off all of the

installment then the warranty would be immediately given at the same day, but after a month, Fadly paid off the installment in PT. MDPU Finance, the warranty in the form of vehicle owner certificate (BPKB) was yet given, by a reason of processing. (Kendari Pos Newspaper June 2015). Some customers also face the same problem. Data on the number of PT. MDPU Finance customers show a decreased number of customers each month. This research aims to analyze the PT. MDPU Finance customer loyalty through improved customer satisfaction, trust and loyalty.

## 2 REVIEW LITERATURE

### 2.1 Customer Satisfaction

Customer satisfaction is a part relating to the creation of customer value. The creation of customer satisfaction means some benefits for the company, such as a harmonious relation between the company and its customers, providing proper basic or creation of customer loyalty as well as forming a useful mouth-to-mouth recommendation for the company, so that there will be customer interest to purchase or use the company service. The customer satisfaction is created by the quality of offered good or service to the customers by the company. So that it can conclude that high level of customer satisfaction if influenced by high quality level of offered product or service to the customers (Lee et.al.,2000; 2001).

Lupiyoadi, R (2006), said that the customer satisfaction is measured by five factors that should be considered by the company: (a). product quality, means that the customers will be satisfied if the products that they use are qualified. (b) service quality, means that the customers will be satisfied if they can obtain proper or well-adjusted service to what they expect. (c) emotion, means that the customers will be proud and confident that others will be amazed if they use product with certain brands having a tendency of higher satisfaction level. The

satisfaction is obtained not because of product quality but of social or self esteem leading to the customer satisfaction on certain brand. (d) price, means determining relative cheap price so that it can provide higher value to the customers. (e) environment, means real spatial aspect including consumer activity when they have activities.

## 2.2 Customer Trust

Customer Trust is defined as a trust that words or promises given by the partners are trustable and they can meet all of the obligations to be met in a relation (Ndubisi, 2007). Smith (1997) states that commitment is the basis for an assessment on a relationship quality. The relationship quality is determined by the management relationship consisting of relationship investment, open communication and relationalism. Furthermore, Morgan and Hunt (2004), defined commitment as one comes from trust, shared values and belief that it will be difficult to find partners who can offer the same value. The commitment encourages partners to collaborate in order to preserve investment in relationships (Morgan & Hunt 2004). Rauyruen and Miller (2007) further determined commitment as "the mind psychological sentiment through attitudes about sustainable relationship with business partners". Relationships built on the basis of mutual commitment, and commitment levels have been found to be the strongest predictors of voluntary decision to pursue relationships (Ibrahim & Najjar 2008). Several parties have identified commitment as a key effort to develop and sustain their relationship. A high level of commitment provides a context in which the customers and companies achieve individual and shared goals without fear of opportunistic behavior. This is because a more committed partner will provide effort and balance short-term problems with achieving long-term goals. A higher level of commitment is expected to lead to a successful relationship. (Cai & Wheale 2004). The indicator of this study refers to Swan and Nolan's research in Kennedy et al. (2002) customer trust is measured through four indicators: Dependability, honest, competence and likable.

## 2.3 Customer Commitment

Commitment is defined by Moorman, Zalthman, and Despande (2003) as a relationship between attitude and physical evidences, process and employees with relatedness quality as well as its role in creating intention of repeated purchase and loyalty. Commitment is mentioned as desire to maintain long term relatedness (enduring desire). In this case, it emphasizes that commitment is the attitude element as an effort to maintain and preserve long term relation between both parties so that it can create meaningful relation. There will be no commitment when one of the parties or both consider the relation as useless one. With other words, commitment means as a priceless relation to be maintained, in which each party is willing to work together to maintain this relation.

Commitment in the relation of service provider and customer is defined as a promise expressed both explicitly and implicitly and continuously with its partners (Dweyer et al., 2007 in Ramadania; Trust and commitment serve as Key Intermediaries of Relationship Marketing in building loyalty).

Garbarino and Johnson (2009) found a fact that commitment has a tendency to resist preference changes as a pioneering key to loyalty, largely explained by the customer's desire to identify a brand.

There are several previous studies such as Nasrul, (2010) conducted as the researches on the commitment using indicators (a). adjusting needs (b). service offer (c). emotional bond (d). sense of belonging and (e). maintaining relationships. These indicators were developed from Anderson and Weitz (2002) and Moorman et al. (2003) with indicators: (a). sense of belonging. (c). desire to maintain and value relationships.

## 2.4 Customer Loyalty

Loyalty is literally interpreted as faithfulness, namely, one's loyalty to an object. Oliver, (2007) defined customer loyalty as an in-depth customer commitment to re-subscribe or re-purchase products / services consistently in the future, although the marketing situation and effort effects have potentials to cause behavioral changes Mowen, J.C, and Minor.M (2008) define customer loyalty as a condition in which the customer has a positive attitude to an object, has commitment to the object, and intends to continue purchasing in the future. (Griffin, 2002) states that loyalty is defined as non-random purchases expressed over time by making a series of decision-making. Based on these definitions, it can be seen that loyalty is addressed to a behavior that is shown by regular purchases based on decision-making units. Indicators of the loyalty used in this research are the indicators adapted by griffin (2002), and Bua (2007) namely: (1). Purchase intention, (2). Word of mouth, (3). Complaining Behavior.

## 3 RESEARCH METHODOLOGY

This research is a verification research, namely a research which tries to test the answer of temporary problems based on certain theory. Thus, the research method used is explanatory survey. This research is addressed to find out facts and information factually that are collected from the respondents by using questionnaires. In this study, there are 102 people as the number of research samples and the sample in this study are the customers who are still registered as the PT. MDPU Finance Branch of Kendari customers which are still doing transactions. Sampling method is purposive sampling method. The researchers classify the population according to certain criteria and determine the desired number of samples. According to Gay in Umar (2007), he suggests that the number 10% - 15% of the population is considered to be representative of the population.

The data measurement is used Likert scale namely each variable concept is illustrated in a question, by giving 5 answer categories. Each answer category is given a score based on the required information or based on the support to the studied problems:

1. Very agree is given a score by 5
2. Agree is given a score by 4
3. Neutral is given a score by 3
4. Disagree is given a score by 2
5. Strongly disagree is given a score 1

This research time horizon is cross sectional or a stage

namely a certain period of time that is conducted starting from January 2015 until December 2015 in PT. MDPU Finance Branch of Kendari as the research subjects. The instruments used to obtain the data from the respondents are necessary to be tested its validity and reliability to prevent any bias issues and harm the validity of this research. Then it is necessary for a testing on the measuring tools. The analysis used is statistic inferential analysis method with multiple linear regression with an assistance of SPSS version 20.0 software. The analysis method used is statistic inferential analysis method with multiple linear regression as follow:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + e$$

(Supranto, 2001:236)

In which:

- Y = Dependent variable
- X1-X3 = Independent variable
- $\beta_0$  = Constanta
- $\beta_1 - \beta_3$  = regression coefficient of X variable
- e = error factor / level

from the equation, then the model in this research is as follow:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

In which:

- Y = Loyalty variable
- $\beta_1 - \beta_3$  = regression coefficient
- $\beta_0$  = Constanta
- X1 = Satisfaction variable
- X2 = Trust variable
- X3 = commitment variable
- e = error factor / level

## 4 DESCRIPTION ANALYSIS

### 4.1 Description of Satisfaction Variable

Based on the research results obtain through the questionnaire, then the objective condition for the satisfaction variable (X1) that is intended in this research is measured by 3 (three) indicators, namely: (1) service quality, (2) price and (3) physical environment. The respondent responses on the satisfaction variable indicators can be seen in table 4.1 as follow:

Table 4.1. Description of Respondent Answers on The Satisfaction (X<sub>1</sub>)

Indicators	Items	Frequency of Respondent Answer (f) and Percentage (%)										Total of scores	Mean	
		SS (5)		S (4)		N (3)		TS (2)		STS (1)				
		f	%	F	%	F	%	F	%	f	%			
Service Quality	X <sub>1.1.1</sub>	51	50,00	31	30,39	11	10,78	5	4,90	4	3,92	426	4,18	
	X <sub>1.1.2</sub>	34	33,33	37	36,27	18	17,65	9	8,82	4	3,92	394	3,86	
Indicator Score													4,02	
Price	X <sub>1.2.1</sub>	30	29,41	36	35,29	17	16,67	12	11,76	7	6,86	376	3,69	
	X <sub>1.2.2</sub>	44	43,14	33	32,35	13	12,75	5	4,90	7	6,86	408	4,00	
Indicator Score													3,84	
Physical Environment	X <sub>1.3.1</sub>	47	46,08	34	33,33	11	10,78	7	6,86	3	2,94	421	4,13	
	X <sub>1.3.2</sub>	46	45,10	25	24,51	16	15,69	11	10,78	4	3,92	404	3,96	
Indicator Score													4,04	
Mean of Satisfaction Variable (X <sub>1</sub> )													3,97	

Source: Processed Primary Data in 2016

Table 4.1 shows that the customer satisfaction to the management of PT. MDPU Finance Branch of Kendari is in the good category shown by the mean of assessment score for the

customer satisfaction variable by 3.97; this indicates that the customers have a good level of satisfaction to the management of PT. MDPU Finance Branch of Kendari. But on the other hand, there are still other customers who declare their disagreement and strongly disagreement for the statement item of customer satisfaction. Factors causing customer dissatisfaction are that there are still any customers having low perception to the indicator of customer satisfaction; among of which is that the customer considers that the services provided by the PT. MDPU Finance Branch of Kendari is slow, this can be seen from long queues; the customers consider to obtain less information about the interest rate of financing; the customers consider very high cost of administrative financing applied by the company and the customers consider that there is less attention given by the employees of PT. MDPU Finance Branch of Kendari at the queue time.

Based on the above information, then the PT. MDPU Finance Branch of Kendari is necessary to improve their customer perceptions of the satisfaction variable by increasing the speed of services provided to the customers; this can be done through a strategy of enabling all employees so that it can prevent any long queues and long waiting time to obtain services; providing training to employees about the importance of fast service because customer is a king who must be served in a quick manner; providing accurate and transparent information and appropriate services with honest strategies in providing the customers with any required information and improving availability of financing rate information; improving employee friendliness while waiting for queues with strategies of greeting, providing waiting rooms, magazines, newspapers and bulletins.

### 4.3 Description of Trust Variable

Based on the research results obtain through the questionnaire, then the objective condition for the trust variable (X<sub>2</sub>) that is intended in this research is measured by 4 (four) indicators, namely: (1) depending the expectation on the promise, (2) honesty, (3) competence and (4) enjoyable personnel staffs. The respondent responses on the trust variable indicators can be seen in table 4.2 as follow:

Table 4.2. Description of Respondent Answers on The Trust (X<sub>2</sub>)

Indicators	Items	Frequency of Respondent Answer (f) and Percentage (%)										Total of score	Mean	
		SS (5)		S (4)		N (3)		TS (2)		STS (1)				
		F	%	F	%	f	%	F	%	f	%			
Depending expectation on the promise	X <sub>2.1.1</sub>	43	42,16	40	39,22	11	10,78	5	4,90	3	2,94	421	4,13	
	X <sub>2.1.2</sub>	46	45,10	31	30,39	17	16,67	5	4,90	3	2,94	418	4,10	
Indicator score													4,11	
Honesty	X <sub>2.2.1</sub>	34	33,33	29	28,43	24	23,53	9	8,82	6	5,88	382	3,75	
	X <sub>2.2.2</sub>	34	33,33	29	28,43	17	16,67	12	11,76	10	9,80	371	3,64	
Indicator score													3,69	
Competence	X <sub>2.3.1</sub>	48	47,06	35	34,31	13	12,75	4	3,92	2	1,96	429	4,21	
	X <sub>2.3.2</sub>	39	38,24	29	28,43	20	19,61	10	9,80	4	3,92	395	3,87	
Indicator score													4,04	
Enjoyable personnel staffs	X <sub>2.4.1</sub>	43	42,16	32	31,37	17	16,67	6	5,88	4	3,92	410	4,02	
	X <sub>2.4.2</sub>	51	50,00	34	33,33	10	9,80	2	1,96	5	4,90	430	4,22	
Indicator score													4,12	
Mean of Trust Variable (X <sub>2</sub> )													3,99	

Source: Processed Primary Data in 2016

Data in the table 4.2 shows that in general, the customer trust to the management of PT. MDPU Finance Branch of Kendari is in the good category shown by the mean of assessment score for the customer trust variable by 3.99; this indicates that the customers have a good level of trust to the management of PT. MDPU Finance Branch of Kendari. But on the



other hand, there are still other customers who declare their disagreement and strongly disagreement for the statement item of customer trust. Factors causing customer distrust are that there are still any customers having low perception to the indicator of customer trust; among of which is the inability to realize the promise given to the customers, less proper and slow service, less honest in providing information and service that is required by the customers and less attention given to the customers.

Based on the information above, then PT. MDPU Finance Branch of Kendari can improve its reliability in realizing its promises by making realistic promises, enabling promises and all personnel with high keeping promise intension, improving honesty and transparency in providing required information and service by the customers, improving attention given by the PT. MDPU Finance Branch of Kendari employees to the customers by strategies of giving solutions when they customers are confused, knowing the customer demands and desire.

### 4.3 Description of Commitment Variable

Based on the research results obtained through the questionnaires, then the objective condition for the commitment variable (X1) that is intended in this research is measured by 2 (two) indicators, namely: (1) high sense of belonging and (2) maintain and respecting relations. The respondent responses on the commitment variable indicators can be seen in table 4.3 as follow:

Table 4.3. Description of Respondent Answers to the Commitment (X<sub>1</sub>)

indicators	Items	Frequency of Respondent Answers (f) and Percentage (%)										Total of score	Mean
		SS (5)		S (4)		N (3)		TS (2)		STS (1)			
		f	%	f	%	f	%	f	%	f	%		
High sense of belonging	X <sub>3.1.1</sub>	42	41,18	39	38,24	8	7,84	11	10,78	2	1,96	414	4,06
	X <sub>3.1.2</sub>	51	50,00	32	31,37	10	9,80	6	5,88	3	2,94	428	4,20
Indicator score													4,13
Maintaining and Respecting relation	X <sub>3.2.1</sub>	51	50,00	32	31,37	9	8,82	6	5,88	4	3,92	426	4,18
	X <sub>3.2.2</sub>	58	56,86	34	33,33	5	4,90	4	3,92	1	0,98	450	4,41
Indicator score													4,29
Mean of Commitment variable Score (X <sub>1</sub> )													4,21

Source: Processed Primary Data in 2016

Data in the table 4.3 shows that in general, the customer commitment to the management of PT. MDPU Finance Branch of Kendari is in the good category shown by the mean of assessment score for the customer commitment variable by 4.21; this indicates that the customers have a good level of commitment to the management of PT. MDPU Finance Branch of Kendari. But on the other hand, there are still other customers who declare their disagreement and strongly disagreement for the statement item of customer commitment. Factors causing customer having low commitment level are among others are still any customers having low perception to the indicator of customer commitment; among of which is that there are still any customers that do not maintain good name and facility owned by PT. MDPU Finance Branch of Kendari; there are still customers that do not maintain good relations with the PT. MDPU Finance Branch of Kendari; as well as there are still customers that are not respect the good relation with PT. MDPU Finance Branch of Kendari.

Based on the information, then PT. MDPU Finance Branch of Kendari can improve the customer commitment by giving

awareness to the customers that PT. MDPU Finance Branch of Kendari always tries to make the customers as the part of the company big family, giving understanding to the customers so that they can maintain the company good name as well as they do not damage any facilities owned by PT. MDPU Finance Branch of Kendari as well as the PT. MDPU Finance Branch of Kendari employees try to maintain good relations with the customers

### 4.3 Description of Loyalty Variable

Based on the research results obtain through the questionnaire, then the objective condition for the customer loyalty variable (Y) that is intended in this research is measured by 3 (three) indicators, namely: (1) repeated purchase, (2) word of mouth and (3) complaint behavior. The respondent responses on the customer commitment variable indicators can be seen in table 4.4 as follow:

Table 4.4. Description of Respondent Answers on The Loyalty Variable (Y)

Variable indicators	Items	Frequency of Respondent Answers (f) and Percentage (%)										Total of Score	Mean
		SS (5)		S (4)		N (3)		TS (2)		STS (1)			
		f	%	F	%	f	%	f	%	f	%		
Repeated purchase	Y <sub>1.1.1</sub>	44	43,14	31	30,39	19	18,63	5	4,90	3	2,94	414	4,06
Word Of Mouth	Y <sub>1.2.1</sub>	37	36,27	32	31,37	20	19,61	10	9,80	3	2,94	396	3,88
Complaint behavior	Y <sub>1.3.1</sub>	42	41,18	33	32,35	18	17,65	6	5,88	3	2,94	411	4,03
Mean of Loyalty Variable Score (Y)												1221	3,99

Source: Processed Primary Data in 2016

Table 4.4 shows that the customer loyalty level to the management of PT. MDPU Finance Branch of Kendari is in the good category shown by the mean of assessment score for the customer loyalty variable by 3.99; this indicates that the customers have a good level of loyalty to the management of PT. MDPU Finance Branch of Kendari. But on the other hand, there are still other customers who declare their disagreement and strongly disagreement for the statement item of customer loyalty.

## 5 RESULT

### 5.1 Analysis Results

Results of multiple linear regression analysis of simultaneous and partial influence of satisfaction, trust and commitment to customer loyalty.

Table 4.5. Results of Linear Regression Analysis

Variable Independen (X)	Koefisien Regresi (β)	t <sub>hitung</sub>	Signifikan	Information
Satisfaction (X <sub>1</sub> )	0,163	2,359	0,020	Signifikan Signifikan
Trust (X <sub>2</sub> )	0,170	3,202	0,002	
Commitmen (X <sub>2</sub> )	0,166	2,487	0,015	
Konstanta (β <sub>0</sub> ) = 0,123 with t signifikan 0,856				N = 102 α = 0,05
R Square = 0,752				
R = 0,867				
F <sub>hitung</sub> = 98,934				
Signifikan = 0,000				
Standar error = 1,658				

Source : Processed SPSS Data

Based on the calculation results as in table 4.5. it can be explained as follows:

1. The number of constants (β<sub>0</sub>) is 0.123 with a significance

value of 0.856 which means smaller than the value  $\alpha = 0.05$ , it can be interpreted that the statistically constant value ( $\beta_0$ ) is significantly different from zero ( $\beta_0 = 0$ ). Therefore, the value of the constant ( $\beta_0 = 0.123$ ) can be included in the regression model.

- The value of F is 98.934 with the significance value Sig = 0,000 which means ( $0,000 < 0.05$ ), then the satisfaction variable (X1), trust (X2) and commitment (X3) simultaneously significant together with customer loyalty (Y) at a 95% confidence level.
- The value of R2 (R-Square) of 0.752 indicates that the magnitude of direct influence of satisfaction variable (X1), trust (X2) and commitment (X3) to customer loyalty (Y) is 75.2% which means that variable satisfaction (X1), trust (X2) and commitment (X3) affects customer loyalty (Y) at PT. MDPU Finance Kendari Branch. The remaining 24.8% is influenced by other variables outside of this study.
- The value of R (the correlation coefficient number) of 0.867 indicates that the closeness of direct relationship between the satisfaction variable (X1), trust (X2) and commitment (X3) to customer loyalty (Y) is 86.7%. This relationship is statistically very strong, as suggested by Sugiono (2009: 216) that the relationship is classified as very strong at 0.80-1. Therefore, the resulting regression model can be regarded as a "Fit" model or can be a good model of estimator in explaining the influence of satisfaction, trust and commitment to customer loyalty at PT. MDPU Finance Kendari Branch. On this basis, the regression model generated as an explanatory model of the effect of satisfaction, trust and commitment to customer loyalty at PT. MDPU Finance Kendari Branch can be stated as follows :

$$Y = 0,123 + 0,163 X1 + 0,170 X2 + 0,166 X3 + 1,658$$

Dimana :

Y	= Customer Loyalty	$\beta 1$	= 0,288
X1	= Satisfaction	$\beta 2$	= 0,405
X2	= Trust	$\beta 3$	= 0,220
X3	= Commitmen	$\epsilon$ (standar error)	= 1,658
$\beta_0$	= 0,123		

## 5.2 Apartial Regression Model

The result of regression analysis in table 4.5. above can be interpreted as follows:

- The significance of the influence of satisfaction variable (X1) on customer loyalty (Y) obtained by significance value of Sig = 0,020 which means smaller than value  $\alpha = 0,05$ . This indicates that the value of  $\beta_1$  coefficient of 0.163 is statistically significantly different with the  $\alpha$  set at 0.05. Therefore, the satisfaction variable (X1) is partially significant to customer loyalty (Y). On the basis of this also so that the variable satisfaction (X1) can be included as one variable estimator for customer loyalty at PT. MDPU Finance Kendari Branch.
- Significance of the influence of confidence variables (X2) obtained by the significance value of Sig = 0.002 which means smaller than the value of  $\alpha = 0.05$ . These results indicate that the value of  $\beta_2$  coefficient of 0.170 is statistically significantly different from the  $\alpha$  set at 0.05. Therefore, the trust variable (X2) is partially significant to

customer loyalty (Y). On this basis also so that the trust variable (X2) can be included as one of the variable estimator for customer loyalty at PT. MDPU Finance Kendari Branch.

- Significance of influence of the commitment variable (X3) obtained by the significance value of Sig = 0.015 which means smaller than the value  $\alpha = 0.05$ . These results indicate that the value of  $\beta_2$  coefficient of 0.166 is statistically significantly different from the  $\alpha$  set at 0.05. Therefore, the commitment variable (X3) is partially significant to customer loyalty (Y). On the basis of this also so that the commitment variable (X3) can be included as one of the variable estimator for customer loyalty at PT. MDPU Finance Kendari Branch.

## 5.3 Effect of Satisfaction, Trust and Commitment on Loyalti

Based on the results of data analysis in this study, it is obtained regression coefficient value that shows the effects of satisfaction, trust and commitment on the customer loyalty at PT. MDPU Finance Branch of Kendari in positive value. This shows that the improved satisfaction, trust and commitment will affect on the customer loyalty, this is because satisfaction, trust and commitment encourage any prospective customers to have more information on the specifications and expectations and other desires that should be met by the service so that customers have loyalty. The effect direction and significance of satisfaction, trust and commitment on the customer loyalty indicate that satisfaction, trust and commitment have significant effects on the customer loyalty. Results of this study support the theory and some research results giving conclusion that the customer satisfaction has positive and significant effects on the customer loyalty (Leila Rahmani-Nejad, Zahra Firoozbakht, Amin Taghipoor, 2014). Changes on the improved customer satisfaction are in line with the increased customer loyalty.

These research results support previous research results conducted by Razak, Abdul (2017), Kuan-Yin Lee, Hui-Ling Huang and Yin-Chiech Hsu. 2007 : Faris Mujaddid Adinugroho, (2015), stating that the success key of service company in building customer loyalty is customer trust to the company. Customers trust the company since they assess that the company is honest and transparent in providing any information to the customers, good and fast service, appropriate product or service value that is expected by the customers as well as is able to solve the customer complaints in a proper manner.

These research results strengthen the research theory and results expressing that the customer commitment provides positive and significant effects on the customer loyalty (Henning et al., 2002: Pritchard, Havitz and Howard. 2009 : Fullerton 2003). Its basic logic of thought is that there will be customer loyalty if the customers certainly have strong commitment to maintain long term relation with the management of PT. MDPU Finance Branch of Kendari that can be seen by high closeness relation between the customers and the personnel of PT. MDPU Finance Branch of Kendari, the customers have high sense of belonging, the customers consider that it is important to maintain the relation since it

provides the expected values as well as the customers also have high concern of losing the relation so that it can create customer loyalty in PT. MDPU Finance Branch of Kendari; this can be seen in the indicators such as repeated purchase, telling and giving recommendations to others, and making positive complaints to the company.

These research results are in line with a research conducted by Razak, Abdul (2017) having conclusion that the customers with high sense of belonging to the company will improve their desire to tell and recommend others to use the same products. This certainly will provide positive effects on the company since the customers sincerely recommend to others as a form of free promotion for the company and this can reduce the cost of promotion.

#### **5.4 Effect of Satisfaction on Customer Loyalty**

Testing results in this research prove that the satisfaction affects positively and significantly on the customer loyalty. The effect coefficient with positive value means that high satisfaction tends to improve the customer loyalty. The research result can conclude that satisfaction changes are in line positively and significantly on the improved customer loyalty. It also means that better customer satisfaction will lead to higher customer loyalty to use the same service in the future in PT. MDPU Finance Branch of Kendari. Improved satisfaction changes are in line positively and significantly on the improved customer loyalty. Therefore, the success key to be achieved in the future for the improved customer loyalty is by improving customer satisfaction.

Its basic logic of thought is that there will be customer loyalty if the customers are certainly satisfied with the service and economic as well as non economic benefits given by the management of PT. MDPU Finance Branch of Kendari. These research results support the theory and some research results giving conclusion that the customer satisfaction affects positively and significantly on the customer loyalty (Daniel P. Kessler et al, 2009; Leila Rahmani-Nejad, Zahra Firoozbakht, Amin Taghipoor (2014).

Changes on improved customer satisfaction are in line with the improved customer loyalty. On this basis, if the management of PT. MDPU Finance Branch of Kendari wants to improve the customer loyalty, then it can improve one of the aspects namely customer satisfaction by giving proper service based on the customer demand, improving economic benefits obtained by the customers by adjusting the interest rate and decreasing administration cost, giving fast service by improving personnel ability in giving service, as well as the staffs must improve their friendliness to the customers making complaints.

These research results reject the research results conducted by Razak, Abdul (2017) having conclusion that satisfaction does not effects on the loyalty. This can be caused by many satisfied customers shift to competitor companies since the competitor companies provide more interesting offers and there is also customer willingness to try new product or service. Razak Abdul also expressed that one loyalty will be different by demography factors such as income, gender, and age which lead to different loyalty by customers with given satisfaction.

#### **5.5 Effect of Trust on Customer Loyalty**

Based on the research results, it can be seen that trust has significant effects on the customer loyalty. This proves that trust can form customer loyalty. Without full customer trust, a company can create real customer loyalty in a long term manner since customers are faced by risk of unguaranteed product and service quality to be received by the company.

These research results support previous research results conducted by Razak, Abdul (2016) : Kuan-Yin Lee, Hui-Ling Huang and Yin-Chieh Hsu. 2007 and Faris Mujaddid Adinugroho, 2015), stating that a service company success key in building customer loyalty is customer trust on the company. Customers trust the company since the customers think that the company is honest and transparent in providing information to the customers, providing proper and fast service, providing product or service value that is expected by the customer, as well as having ability to solve customer complaints in a correct manner. On the basic, then if the management of PT. MDPU Finance Branch of Kendari wants to improve the customer loyalty so that it can maintain long term relation with the customers, then it must improve the customer trust.

#### **5.6. Effect of Commitment on Customer Loyalty**

Based on the research results, it can be seen that commitment has significant effects on the customer loyalty. This proves that commitment can form customer loyalty.

These research results support previous research results expressing that the customer commitment affects positively and significantly on the customer loyalty (Henning et al., 2002: Pritchard, Havitz and Howard. 2009 : Fullerton 2003). Its basic logic of thought is that there will be customer loyalty if the customers really have strong commitment to maintain long term relation with the management of PT. MDPU Finance Branch of Kendari that can be seen by high closeness relation between the customers and the personnel of PT. MDPU Finance Branch of Kendari, the customers have high sense of belonging, the customers consider that it is important to maintain the relation since it provides the expected values as well as the customers also have high concern of losing the relation so that it can create customer loyalty in PT. MDPU Finance Branch of Kendari; this can be seen in the indicators such as repeated purchase, telling and giving recommendations to others, and making positive complaints to the company.

These research results are in line with a research conducted by Razak, Abdul (2016) having conclusion that the customers with high sense of belonging to the company will improve their desire to tell and recommend others to use the same products. This certainly will provide positive effects on the company since the customers sincerely recommend to others as a form of free promotion for the company and this can reduce the cost of promotion. On the basic, then if the management of PT. MDPU Finance Branch of Kendari wants to improve and maintain the customer loyalty, then it should provide serious attention to one of the factors namely improving customer commitment to maintain long term relation with PT. MDPU Finance Branch of Kendari.



## 6 LIMITED RESEARCH

The researchers are aware that in this research implementation, there must be any limitations, beyond time and cost limitations, namely:

1. The model specification developed in this research is still general so that it cannot obtain complex results. Also, this research is only conducted based on cross-sectional data, meanwhile to know attitude and behavior, it should conduct a research with long period of time and interview.
2. This research is only focused on one financing company in Kendari city, namely PT. MDPU Finance Branch of Kendari, in the future, it can conduct a research with broader scope.
3. There are a number of variables affecting on the customer loyalty, but the variables used in this research are satisfaction, trust and commitment variables so that it cannot be generalized that the customer loyalty is affected by the satisfaction, trust and commitment variables.

## 7 CONCLUSION

Based on the analysis and discussion results, then it can draw a conclusion as follow : (1). Simultaneously, there are positive and significant effects of satisfaction (X1), trust (X2) and commitment (X3) variables on the customer loyalty (Y) in PT. MDPU Finance Branch of Kendari. Higher customer satisfaction, trust and commitment will lead to higher customer loyalty in PT. MDPU Finance Branch of Kendari. This fact indicates that higher satisfaction, trust and commitment have contribution in the improved customer loyalty. (2). Satisfaction (X1) variable affects positively and significantly on the customer loyalty (Y) (3). Trust (X2) variable affects positively and significantly on the customer loyalty (Y) and (4). Commitment (X3) variable affects positively and significantly on the customer loyalty (Y) in PT. MDPU Finance Branch of Kendari.

## 8 SUGGESTIONS

Based on the conclusion, then it can propose the recommendations as follow:

1. For the management of PT. MDPU Finance Branch of Kendari, it is recommended to build and maintain the customer loyalty by a strategy of improving satisfaction, trust and commitment by considering the indicators of existing variables in this research.
2. For further researches, to obtain more comprehensive description on the effects of satisfaction, trust and commitment on the customer loyalty, then in further researches it is recommended that researchers can develop other variable dimensions such as adding brand equity and company image variables which both also affects on the customer loyalty.

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