

The Influence of Market Orientation, Service Quality & Service Orientation on Customer Satisfaction & Customer Loyalty of PT. Rapid Tirta Sejahtera in Makassar City

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Abstract

Research Objectives (1) to analyze the direct effect of market orientation, service quality and service orientation on customer satisfaction. 2) To analyze the direct effect of market orientation, service quality and service orientation on customer loyalty. 3). To analyze the direct effect of customer satisfaction on customer loyalty. 4) To analyze the effect of market orientation, service quality and service orientation. to loyalty through customer satisfaction. The object of research is the company PT. Rapid Tirta Sejahtera in Makassar City. The study used a quantitative approach by using primary data through 177 questionnaires which were distributed to respondents and then analyzed using the SPSS V. 25 and Amos v 25 programs. The study was conducted from October 2020 to February 2021. The results showed that market orientation and service quality had a positive and significant effect on customer satisfaction and loyalty. Service orientation has a positive and insignificant effect on customer satisfaction and loyalty

Keywords: Market Orientation; Customer satisfaction; Customer loyalty

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I. Introduction

Changes in people's behaviour that are increasingly leading to various practical things have become a separate phenomenon for the business world. This has given rise to many packaged product businesses that have practically become rife in the competitive arena. Likewise, the bottled water business or commonly known as bottled water is growing. This is indicated by the growing market for the bottled drinking water industry itself, namely more and more local domestic and international brands of bottled drinking water are popping up in this industry.

The rise of business in the bottled drinking water industry is based on the need for bottled water which is increasingly important among the community, considering that the availability of clean water in some places is very limited. AMDK is the community's choice to meet their healthy drinking water needs. This is seen as a promising business so that business in this industry is increasing rapidly and making competition more *competitive* (Anggreni, 2018). The tight competition makes business people have to be good at managing the business they are doing so that they can still exist and even develop. Globalization and increasing competition cause companies to compete with each other to get the attention of consumers, so companies are required to be proactive in responding to various changes in a dynamic environment (Tores, 2020). The form of competition can be in the form of price, product quality or war in service quality. This is done by companies that cannot be separated from the desire of consumers who always want to get goods with good quality, easy and cheap so that companies that exist today must have a competitive advantage for each of their products.

According to data from the Association of Indonesian Bottled Drinking Water Companies (Aspadin), the national need for bottled drinking water continues to increase every year (Yaniria & Hasan, 2020). This is in line with Indonesia's economic growth. Based on this, PT Rapid Tirta Sejahtera Makassar which is a gallon depot business that initially produced mineral water for the needs of employees and cleaning of raw material for buttons which became a subsidiary of PT. Rapid after seeing a promising prospect and reading the conditions in Makassar that there is no local AMDK company that produces deMineral type water, then after approximately 5 years of producing refilled gallon water they also develop their business by creating an AMDK company that produces deMineral type water. DeMineral Water, which makes it different from other AMDK companies in Makassar, is always trying to make changes so that later it is expected to be able to compete with other deMineral products that are produced and marketed from outside South Sulawesi.

PT Rapid Tirta Sejahtera Makassar, which is the focus of production research at the Makassar Industrial Estate Warehousing Complex (KIMA) Parangloe, Biringkanaya District, Makassar City. The more

companies that offer products and services, the consumers have more choices, thus the greater the bargaining power of consumers. Therefore, companies should know what the needs and wants of consumers are, then try to fulfil those needs and desires, because if this is ignored it often causes problems related to the low level of customer loyalty as a result of customer satisfaction in using the product. The level of customer loyalty and satisfaction has decreased because the company has not carried out market orientation, wherein this market orientation the entrepreneur must first know what the wants and needs of consumers are. The condition where deMineral bottled water is produced from outside Makassar which can be found easily in supermarkets, minimarkets, restaurants is one of the obstacles faced by PT. Rapid Tirta Sejahtera in terms of conducting market orientation.

The perceived Covid-19 pandemic condition also had a considerable impact on the development of Rapid AMDK, namely by reducing events or events in all sectors, both private, government and private activities, resulting in a reduction in demand for bottled drinking water (Aufar & Raharjo, 2020). This of course resulted in a decrease in production. This phenomenon attracts our attention because in the future PT Rapid deMineral wants how the demand for bottled water is not only for event needs but for daily needs.

The phenomenon of decreasing customer loyalty for Rapid Demineral users is due to limitations in terms of promotion using large media to introduce to consumers about the benefits and water content of Rapid Demineral products as pure water, in contrast to other pure water products such as Cleo which promote their products through large media so that Cleo products are better known among the public. This shows that the level of loyalty has a relationship with customer satisfaction. The aspect of customer satisfaction is a consideration to be observed in seeing its effect on customer loyalty. In addition, Cleo is an old product that already has a name so that consumers are more interested in using Cleo's old product than the new Rapid admiral product. The second phenomenon is in terms of the production capacity of Cleo's larger number of products compared to Rapid admiral so that they can provide credit facilities for consumers in product payments, while Rapid de mineral applies a drop-out system for products sold.

As a result of this dissatisfaction, of course, customers will consider making repeated purchases, notifying the perceived service to other customers, getting a negative picture of the perceived service and not choosing poor service priorities as a consequence of service dissatisfaction which directly affects the level of loyalty. customers (Wangkar, 2013) (Haryanti & Baqi, 2019). To solve the gap problem of the influence of satisfaction on customer loyalty, it is necessary for the management of the company PT. Rapid Tirta Sejahtera to apply the theory of customer satisfaction from Parker and Mathews (2001), stating that providing service to customers exceeds the desired expectations. The result of the satisfaction felt by the customer is either happy or disappointed. Pleasant satisfaction causes customer loyalty to increase, while disappointingly causes customer loyalty to decrease.

The phenomenon shows that the implementation of service quality implemented by the Rapid Mineral product company shows that service quality is still far from what customers want. Customers judge that the services provided are of poor quality seen from five dimensions, namely lack of quality in providing responsive services, services that are not following physical evidence, serving not following understanding abilities, providing unreliable services and no guarantee of service certainty. The assessment of the services provided by the consumer influences the level of customer satisfaction and loyalty.

II. Research Methods

This research the approach is designed to answer the problems that have been formulated and the objectives to be achieved as well as to test hypotheses. The research design according to Kerlinger (2000) is an investigation structure that is structured in such a way so that researchers obtain answers to research questions

This research has been carried out at PT. Rapid Tirta Sejahtera to customers who are met both in stores that are distributors and on the road who are considered to be able to provide information related to their satisfaction and loyalty as customers in using Rapid Demineral in Makassar City and the source of sales data is taken from PT. Rapid Tirta Sejahtera in Makassar City. The reason that the object of this research is related to the influence of Market Orientation, Service Quality and Service Orientation on Customer Satisfaction and Customer Loyalty of PT. Rapid Tirta Sejahtera in Makassar City. Where references and sales strategies always rely on and follow the procedures and rules used by PT. Rapid Tirta Sejahtera.

The population in this study were users of Rapid De mineral in Makassar City. The criteria used in determining the population with the following considerations:

Space: The population in this study is limited to Rapid Demineral users in the city of Makassar who often buy for the last 3 (three) months continuously.

Time: Within 3 (three) months 2021) The

determination of the sample used in this study is Incidental Sampling (Sugiono, 2014), is a sampling technique based on chance. The technique of determining the sample in this study uses the Slovin formula,

namely by drawing a sample as a representative of the total population used and formulated by Slovin as many as 177 people.

Model suitability analysis is used to determine the degree of suitability of the estimated model with the data from the observations. The model built in this study is said to be following the observed data if the *chi-square value* is not significant, *RMSEA* 0.08, *GFI* 0.90, *AGFI* 0.90, *CFI* 0.90, *NFI* 0.90 and *TLI* 0.90. If the built model is not acceptable, the next step is to modify the index to get a model *fit*. The criteria used can be seen in the following: table

Table 1 Criteria for the suitability of the model fit (*goodness of fit*)

<i>Goodness of fit</i>	<i>Cut-off</i>	<i>Description</i>
Chi-square	Non-significant depending on used	Used n = 100-200. The model is good if the degrees of freedom are not much different.
Probability	0.05	A significant level is expected above 0.05.
CMIN/DF	2.00	Used for large n
RMSEA	0.08	Similar to in regression.
GFI	0.90	Similar to adjusted in regression.
AGFI	0.90	Not sensitive to sample size.
TLI	0.94	Comparing the <i>proposed model</i> with the <i>null model</i> .
CFI	0.94	Comparing the <i>proposed model</i> with the <i>null model</i> .

III. Results

Market Orientation, Service Quality, Service Orientation, Customer Satisfaction and Loyalty

Based on the method of determining the value in the model, the first model test is grouped into *exogenous variables*, which are variables whose values are determined outside the model (Nurdiansyah, Syamsuar & Negara, 2018). While the endogenous variable is a variable whose value is determined by the equation or from the relationship model that is formed. Included in the group of exogenous variables are Market orientation, Service quality, Service orientation while the endogenous variables are customer satisfaction and loyalty (Wardiah & Indrasary, 2016). The model is said to be good if the development of a hypothetical model is theoretically supported by empirical data. The results of the complete *Structural Equation Modeling* (SEM) analysis in the early stages can be seen in Figure 12 below.

Structural Model The Influence Of Market Orientation, Service Quality And Service Orientation On Customer Satisfaction And Customer Loyalty At Pt. Rapid Tirta Sejatra in Makassar City.

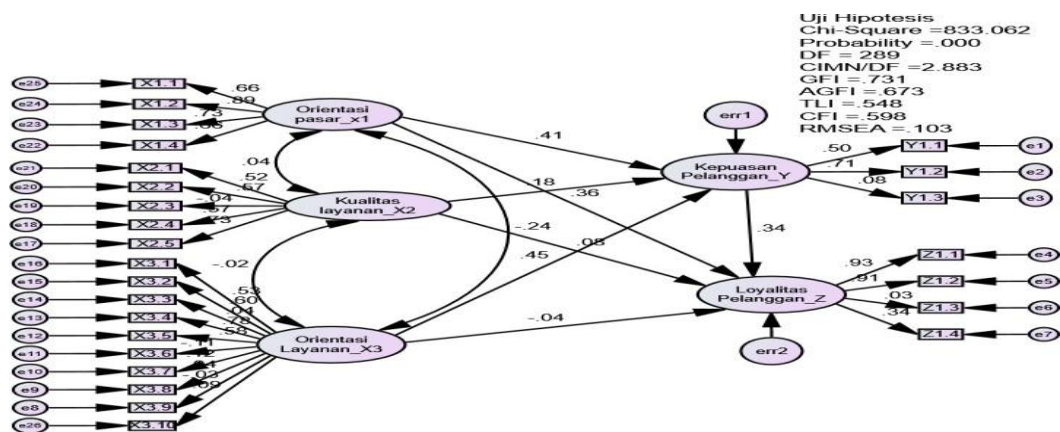


Figure 1 Results of Initial Structural Model Testing

From the evaluation of the model, it shows that from the eight criteria, the *goodness of fit indices* the *Chi-square value* is still too large and the overall criteria are not following the specified cut off value, so it is necessary to modify the model by doing a correlation between error indicators. - indicators according to the instructions of the modification indices. The results of the analysis after the final model are obtained as follows: Structural Model The Effect of Market Orientation, Service Quality and Service Orientation on Customer Satisfaction and Customer Loyalty At Pt. Rapid Tirta Sejatra in Makassar City

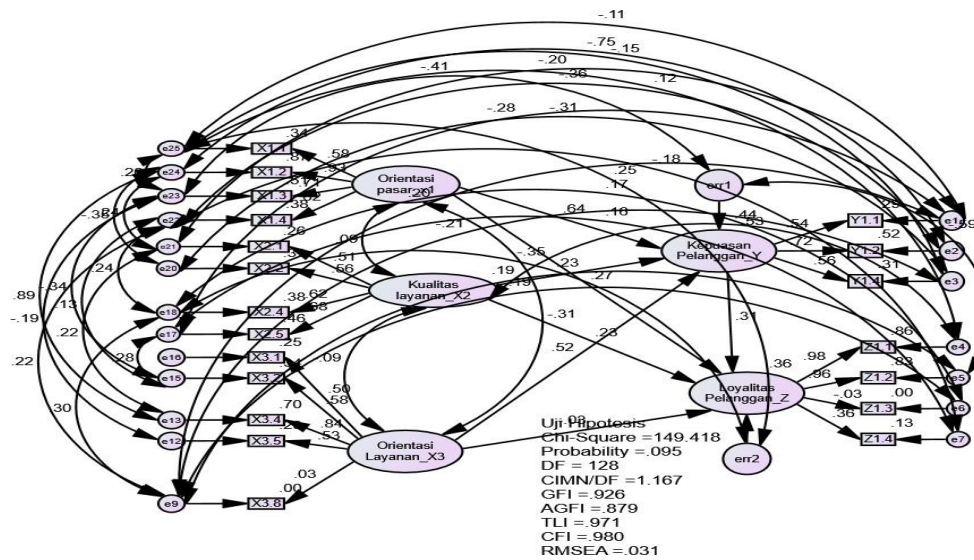


Figure 2. Structural Model Test Results Final

The results of the model test presented above are then evaluated based on the goodness of fit indices in the following table with the presentation of all model criteria and critical values that have data suitability.

Table 2 . Evaluation of criteria for the goodness of fit indices overall models

The goodness of fit index	Cut-of value	Initial model results	Ket.	The results of the final model	Ket
X2-Chi-Square	Is expected thatsmall>	895 683 (0:05: 289 = 329 648)	Marginal>	155 404 0.05: 128= 149 418	Good
Probabiliy	≥ 0:05	0000	Marginal	0095	Good
CMIN /DF	≤2.00	2,883	Marginal	0.1.167	Neither
GFI	≥ 0.90	0.731	Marginal	0.926	Good
AGFI	0.90	0.673	Marginal	0.879	Marginal
TLI	0.90	0.548	Marginal	0.971	Good
CFI	0.90	0.598	Marginal	0.980	Good
RMSEA	0.08	0.103	Marginal	0.031	Good

Source: Data after processing (2020)

3. Hypothesis Testing

Based on the empirical model conducted in this study, it is possible to test the proposed hypothesis through path coefficient testing on the structural equation model. The table is a hypothesis testing by looking at the value, if the p-value is less than 0.05, then the influence between the variables is significant. The test results are presented in the following table:

Table. Total Effect, Direct Effect and Indirect Effect Between Variables

No	Variable			P-Value	Direct Effect	Indirect Effect	Total Effect	Description
	Exogenous	Intervening	Endogenous					
H-1	Market orientation (X1)	Customer satisfaction (Y)	-	0.000	0.641	-	0.641	(+) Significant
H-2	Quality of service (X2)	Customer satisfaction (Y)	-	0.042	0.235	-	0.235	(+) Significant
H-3	Service orientation (X3)	Customer satisfaction (Y)	-	0.675	0.519	-	0.519	(+) Not Significant
H-4	Customer satisfaction (Y)	-	Customer loyalty (Z)	0.016	0.313	-	0.313	(+) Significant
H-5	Market orientation (X1)	-	Customer loyalty (Z)	0.021	0.268	-	0.268	(+) Significant
H-6	Quality of service (X2)	-	Customer loyalty (Z)	0.016	0.234	-	0.234	Significant
H-7	orientation Service(X3)	-	Customer loyalty (Z)	0.814	0.030	-	0.030	(+) Not Significant
Indirect Effects Between Variables								
	Variable			P-Value	Direct Effects	Indirect Effect	Total Effect	Information
	Exogenous	Intervening	Endogenous					
H-8	Market orientation (X1)	Customer satisfaction (Y)	Customer loyalty (Z)	0.017	0.641	2.110	2,751	Significant
H-9	Service quality (X2)	Customer satisfaction (Y)	Customer loyalty (Z)	0.022	0.235	2005	2.240	Significant
H-10	Service orientation (X3)	Customer satisfaction (Y)	Customer loyalty (Z)	0.023	0.519	1985	2,504	Significant

Source: Results of 2021 Data Processing (Appendix 4).

IV. Discussion

1. Effect of *Market Orientation* on customer satisfaction.

There is an influence between market orientation and the level of consumer satisfaction. By establishing a market-oriented marketing strategy, the company will know the needs and desires of consumers. The company can see the situation and market conditions, knowing the market segment to be targeted based on the needs, characteristics and behaviour of the product. Having a target market and being able to maintain it for a long time..

PT Rapid Tirta Sejahtera innovates bottled and glass-bottled drinking water packaging which is different and gives a more exclusive impression when compared to other products on the market with the same price. From the interviews conducted according to the respondents, the exclusive packaging that is different from other bottled drinking water gives its value and impression to consumers.

2. The influence of service quality on customer satisfaction

Service quality is the level of excellence (*Excellence*) that is expected and control over these advantages to meet customer desires PT.Rapid Tirta Sejahtera in Makassar City applies the concept of expected and perceived service quality is determined by service quality following the theory proposed by Parasuratman (2011) The theory of service quality dimensions that quality service is a consideration for customers to fulfil customer satisfaction and loyalty.

The ability shown by PT Rapid Tirta Sejahtera in Makassar City in providing guarantees for products and making replacements if there are defective products, the existence of accurate service consistency provides added value for deMineral Rapid water consumers in Makassar so that consumers are satisfied with the services provided. given.

3. The Influence of Service Orientation on Customer Satisfaction

The pandemic that has hit the world since December 2019 has brought about enormous changes in all sub-sectors of life. PT Rapid Tirta Sejahtera in Makassar City is also feeling the impact of this pandemic. The occurrence of restrictions on activities of both private and government causes fluctuations in bottled drinking water orders. This of course has an impact on the decrease in the number of employees, one of which is sales marketing who also markets products and also reduces admin services. This is one of the reasons why service orientation has a positive and insignificant effect on customer satisfaction. The occurrence of a reduction in employees accompanied by the ability and professionalism of employees in carrying out limited work in carrying out their professional expertise has an impact on declining performance and in the end, the public as consumers/customers perceive the services provided as unprofessional and cause dissatisfaction.

4. The influence of customer satisfaction on customer loyalty

The main variables that determine customer satisfaction, namely *expectations* and *perceived performance*. If the *perceived performance* exceeds *expectations*, the customer will be satisfied, but otherwise, the customer will be dissatisfied. There are two kinds of satisfaction felt by customers, namely functional satisfaction is the satisfaction obtained from the function or use of a product, for example by eating will make people feel full and their bodies healthy, then Psychological Satisfaction is the satisfaction obtained from intangible attributes of purchasing product purchases, For example, people will be proud if they eat at expensive restaurants. This is what PT Rapid Tirta Sejahtera Makassar does to customers so that customers feel satisfied functionally and psychologically satisfied so that they become loyal customers. In addition, the provision of a point-of-purchase system to distributors is one of the attractions given by PT. Rapid Tirta Sejahtera to increase customer loyalty. The values of marketing relationships in an Islamic perspective are also always implemented by PT Rapid Tirta Sejahtera Makassar where the form of services carried out is always based on sharia philosophical values that have a transcendental relationship, where these values are guided by Wahyu Allah, which has not been reached in theory. conventional marketing. Where these values will provide two dimensions of relationship values, namely vertical and horizontal relationships (*habl min-Allah wa habl min naas*).

5. The Effect of *Market Orientation* on Customer Loyalty

From the results of hypothesis testing, it is obtained that the fifth hypothesis (H5) Market Orientation (*Market Orientation*) has a positive and significant effect on loyalty. The increasing Market Orientation (*Market Orientation*) then the level of customer loyalty will be higher. Referring to previous research, market-oriented organizations will have a strong customer focus so that they can provide services with a high level of customer satisfaction and build loyalty (Best, 2009), the relationship between Market Orientation and customer loyalty according to a literature review, the degree of Market Orientation can lead to customer satisfaction, which in the long run contributes to better business performance.

6. Effect of service quality on customer loyalty

The test results *indirect effect* show the direct effect of service quality on customer loyalty, in this case, the magnitude of the direct effect is 0.234 and significant at 0.021, so this study succeeded in proving the sixth hypothesis which states that the effect of service quality on customer loyalty According to Engel (1995) loyalty is a deep commitment to repurchase or repeat the preferred pattern of products or services in the future, which causes repeated purchases of the same brand or the same set of brands, despite the involvement of situational factors and marketing efforts. that have the potential to cause brand switching behaviour. A customer may be loyal to a brand because of the high barriers to switching brands caused by technical, economic or psychological factors.

7. The influence of service orientation on customer loyalty

The results of the study in table 17, show that the seventh hypothesis can be observed from the results of the *direct effect* showing that service orientation has a positive and insignificant effect on customer loyalty. This shows that the better service orientation provided by PT. Rapid Tirta Sejahtera in Makassar City, has not been able to increase customer loyalty. The *direct effect* of service orientation on customer loyalty with a value of 0.03 and p-value = 0.814 > 0.05 (not significant) This means that service orientation consisting of service

technology, service vision and service standard communication has no effect on customer loyalty at PT.Rapid Tirta Sejahtera in Makassar city.

8 The effect of *service quality* on customer loyalty through customer satisfaction.

Service quality itself can be interpreted as the level of excellence expected and control over the level of excellence to meet customer desires. So to meet the quality of service as expected by customers, PT Tirta Sejahtera Mandiri Makassar City must provide excellent and superior service. Good service quality is a very important thing to reach the market. Customer satisfaction is a very decisive factor in marketing, on the other hand, customer disappointment in providing services can lead to the destruction of the company in the future. For customers to be maintained, of course, it must be done with optimal service steps for customers. In addition, changes in the competitive environment can lead to changes in consumer behaviour, people's incomes are gradually increasing, the development of education, technological advances, the influence of increasingly broad social relations are some of the factors that allow changes in consumer behaviour.

9. The influence of *service orientation* on customer loyalty through customer satisfaction We can use technology which is usually called online technology for service, in this case, Rapid Demineral service also utilizes this technology, either through Facebook, Instagram, WhatsUp, because many people in Indonesia use technology mobile phones to communicate with friends, transaction partners, relatives or to find any information. The public can easily access all information through digital technology. In addition, to improve the concept of service to customers, both through mobile phone technology applications and direct communication. Because it is believed that this is also able to form satisfaction and ultimately lead to customer loyalty.

V. Conclusion

1. Market orientation is carried out properly will increase customer satisfaction. This shows that the better the customer's market orientation will be followed by an increase in customer satisfaction.
2. Service quality directly affects customer satisfaction. This shows that an increase in the variable *service quality* will be followed by an increase in customer satisfaction.
3. Service orientation directly affects customer satisfaction. This shows that an increase in the variable *service orientation* will be followed by an increase in customer satisfaction
4. Customer satisfaction directly affects customer loyalty. This shows that an increase in customer satisfaction will be followed by an increase in customer loyalty.
5. Market orientation is carried out properly will increase customer loyalty. This shows that the better the market orientation, the higher the customer loyalty will be.
6. Service quality directly affects customer loyalty. This shows that an increase in the variable *service quality* will be followed by an increase in customer satisfaction.
7. Service orientation directly affects customer satisfaction. This shows that an increase in the variable *service orientation* will be followed by an increase in customer loyalty
8. Indirectly, market orientation affects customer loyalty through customer satisfaction. This shows that customer satisfaction can increase the effect of market orientation on customer loyalty
9. Indirectly, service quality affects customer loyalty through customer satisfaction. This shows that customer satisfaction can increase the effect of service quality on customer loyalty.
10. Indirectly service orientation affects customer loyalty through customer satisfaction. This shows that customer satisfaction can increase the effect of service orientation on customer loyalty.

VI. Suggestions

1. It is recommended that PT. Rapid Tirta Sejahtera in Makassar City can maintain or further increase the market orientation variable on customer satisfaction and loyalty so that the company's survival in the long term.
2. It is recommended that PT. Rapid Tirta Sejahtera in Makassar City can maintain or further improve service quality variables on customer satisfaction and loyalty to retain customers to achieve company goals.
3. Service orientation towards the papacy and customer loyalty needs serious attention at PT. Rapid Tirta Sejahtera in Makassar City. This can be seen from the respondents' responses.

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