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THE EFFECT OF RETAILER AWARENESS, RETAILER QUALITY PERCEPTION, RETAILER RELATIONSHIP OUALITY ON CUSTOMER LOYALTY MEDIATED CUSTOMER SATISFACTION (A STUDY OF PERAHU **SALT BRANDS**)

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ABSTRACT

Salt is a basic need that is no less important than sugar. Almost every household needs consumption salt every day. The existence of salt in everyday life cannot be ignored. The problem that arises in this study is that in recent years sales at perahu salt have experienced fluctuating sales, some complaints about the services provided by Perahu salt principal sales are still unsatisfactory to retailers, especially wholesalers. The purpose of this study is expected to be used by company management as a reference to provide customer satisfaction through the services provided by the principal of the Perahu salt producer through retailer awareness, perceived retailer quality, relationship quality, customer satisfaction and customer loyalty. Quantitative data is taken directly from filling out questionnaires from shops, especially wholesalers in the Central Java area. The results showed that in order to increase customer loyalty in purchasing Perahu salt through retailers, Perahu salt customer satisfaction through retailers needs to be improved. Increasing Perahu salt customer satisfaction through retailers can be done through retailer awareness, perceived retailer quality and relationship quality. Retailers have a big role in driving sales of Perahu salt. When the retailer has the power where the customer realizes the existence of the retailer, the customer will want to make a purchase at the retailer, especially when the customer and the retailer have a good quality relationship such as the customer has a long transaction relationship with the retailer, then this will satisfy the customer more. When customers feel this satisfaction, there is an increase in customer loyalty where customers will want to continue making purchases.

Keywords: Retailer Awareness; Perception of Retailer Quality; Customer Loyalty; Customer Satisfaction

INTRODUCTION

In the business world, every firm place customer satisfaction as the company's goal because it leads to a stronger competitive position under intense competition according to Fornel, (1992) in (Kahreh et al., 2011). It is common practice that the true purpose of a business relationship is to create and maintain reciprocal value between seller and buyer (Christopher, 2011). The effect of the company's service quality on the company's profitability has increased due to increased consumer movements and increasingly fierce global competition. Because of this, the business community has realized that customer satisfaction is the key to business success, as satisfied customers not only have higher returns but also bring in more customers, while dissatisfied customers cause negative publicity and shrinking company profits. The business-to-business (B2B) model involves the marketing characteristics of high customer loyalty, high customer switching costs, specific marketing channels, and a distinct corporate image of brand cognition (P.-L. Huang et al., 2019).

Salt is a basic need that is no less important than sugar. Almost every household need salt consumption every day. The existence of salt in everyday life cannot be ignored. Based on its use, salt is grouped into two groups, namely consumption salt and industrial salt.

The problem that arises in this study is that in recent years sales of Perahu salt have fluctuated, some complaints about the service provided by Perahu salt principal sales are still unsatisfactory to retailers, especially wholesalers. Retailer awareness states that consumers have the ability to recognize or remember that a retailer is a member of a particular retailer category (Pappu & Quester, 2006). Retailer awareness is the extent to which the retailer's name is familiar to shoppers.



According to Aaker (1991) This is the strength of the retailer's presence buyer's mind. The power of retailer awareness is again influenced by the expertise to recognize retailers in several conditions including store recognition and store recall (Keller, 2013). The study explains that the retailer is an information-rich cue for its image (Grewal et al., 2004).

Kotler, (2001) defines the quality required as the entirety of the characteristics of a product/service derived from its ability to meet all express/implied needs. Literature finds two forms of quality: objective and subjective (Y. Huang & Huddleston, 2009). While objective quality refers to actual quality, the latter means consumers' perception of quality (Kotler, 2001). According to Zeithaml, (1988) states that perceived quality represents the consumer's assessment of their overall superiority/superiority. The perception of quality can be derived from the product to the product market. However, on the goods service continuum of the retail business, the product can be either a good or a service. So, here the perceived quality retailer is defined as the retailer's perception of quality as well as the perception of the quality of the product of goods or services offered by the retailer (Pappu & Quester, 2006).

According to Hennig-Thurau and Klee, (1997) argue that relationship quality is the degree to which a relationship fits to meet customer needs related to the relationship. Whereas Grönroos, (2000) states that relationship quality as the dynamic of long-term quality formation in sustainable customer relationships and shows that from the customer's point of view, relationship quality is a perception of quality that continues to evolve over time.

According to Griffin, (1995) defines loyalty as the regular repurchase of a particular product or service, the act of recommending this to others, and immunity to promotion of similar and competing products or services. Kotler, (2003) states that the cost of developing new customers is five times the cost of retaining existing customers in a competitive environment, highlighting the importance of increasing or maintaining the loyalty of existing customers. So, repurchase behavior is a direct measurement used to evaluate customer loyalty.

Based on this background, researchers are interested in taking research with the title "The Effect of Retailer Awareness, Perception of retailer quality, quality of Retailer Relationships on Customer Loyalty by Mediating Customer Satisfaction"

RESEARCH METHOD

Types of research

This study used primary data for analysis purposes, while the tool used to collect data was in the form of questionnaires, which allowed researchers to get diverse responses from respondents (Sekaran & Bougie, 2016). Secondary data collection, such as information from publication journals, websites, or other media will help researchers in compiling research at an early stage (Sekaran & Bougie, 2016). Therefore, secondary data such as publication journals, master theses, doctoral dissertations, websites, and other supporting media are also used in this study to develop research models. Data was taken directly from filling out questionnaires from shops, especially wholesalers in the Central Jawal area. Secondary data is data obtained indirectly. This indirect data is obtained from Retailer stores in the Central Jawa Area.

Population and Sample

The population in this study is all wholesale retailers in Central Java. The representative and ideal number of samples is between 100-200. The samples used in this study were wholesale retailers in the cities of Juwana, Pati, Kudus.

Data collection

The instrument used to obtain and collect data in this study was through the distribution of online questionnaires using a *google form* media containing a list of questions regarding individual perceptions related to variables in this study. Furthermore, data collection in this study was carried out through 2 (two) kinds of questions in the questionnaire, including:

- 1. Closed question questionnaire, in the form of closed questions used to obtain data on respondents' perceptions of Reseller Awareness, Retailer Quality Perception, Reseller Relationship Quality, Customer Satisfaction and Customer Loyalty.
- 2. Open-ended questionnaire, in the form of questions used to obtain input and additional information from respondents related to variables in the study.

Metode Analisis

This study used mediation variables, namely knowledge sharing behavior. A variable can be said to be a mediator variable if it can explain the extent of the relationship between the independent and dependent variables" (Baron & Kenny, 1986). Mediation testing is carried out by procedure "(Sobel, 1982) which is carried out by testing the effect of the independent variable (X) on the dependent variable (Y) through the mediation variable (M). Furthermore, the standard error coefficients a and 1 b are denoted with Sa and Sb. The magnitude of the indirect effect Sab is calculated by the formula:

$$sab = \sqrt{b^2 sa^2 + a^2 sb^2 + sa^2 sb^2}$$

Description:

sab : The magnitude of the standard error indirect influence
a : independent variable path (X) with interverning variable (I)
b : intervening variable path (I) dengan variable dependen (Y)

sa : standard error of coefficient a sb : standard error of coefficient b

Further to test the significance of indirect influencers, it is necessary to calculate the t value of the ab coefficient with the formula:

$$t = \frac{ab}{Sab}$$

The calculated t value compared with the table t value, among others t table ≥ 1.961 for 5% significance and t table ≥ 1.641 showed 10% significance. If the calculated t value > the table t value, then there is a mediation effect" according to Ghozali, (2009).

RESULT AND DISCUSSION

Research results

The respondents in this study were wholesalers who were in the city of lJuwana, Pati, Kudus. The questionnaire has been distributed until 254 respondents are eligible to be processed. Data from sample collection was obtained through two ways of distributing questionnaires door to door and *online* such as Google Form with dissemination through WhatsaApp groups. Respondents are described in general terms through profile criteria consisting of the last level of education, and income per month.

The respondents used were wholesalers who were in the city of Juwana, Pati, L Kudus dominated by respondents from the high school education level of 134 respondents with a percentage of 52.8% of the total respondents. In addition, there were respondents with Diploma education levels of 48 people (18.9%), S1 with 63 people (24.8%), and S2 with 9 people (6.5%).

SEM Analysis

Exogenous and Endogenous Confirmatory Factor Analysis

Table 1 Goodness-of-fit Test Results of Exogenous Construct Confirmatory Factor Analysis

Goodness of Fit Index	Cut of Value	Analysis Results	Model Evaluation
Probability	≥0,05	0,000	Marjinal

CMIN/DF	≤2,00	1,986	Fit
GFI	≥0,90	0,937	Fit
AGFI	≥0,90	0,904	Fit
NFI	≥0,90	0,914	Fit
CFI	≥0,95	0,955	Fit
IFI	≥0,90	0,956	Fit
TLI	≥0,95	0,942	Marjinal
RMSEA	≤0,08	0,062	Fit

Source: Processed primary data, 2023

To obtain the results of the extracted indicators in forming latent variables can be generated from the value of the standardized loading factor. Each loading factor is required to meet a value of >0.50 or have an ideal value of 0.7 according to Ghozali, (2014). In accordance with these criteria, it can be indicated that the indicator is good enough to be able to form a latent variable.

Endogenous Variable Constructs

Table 2 Goodness-of-fit Test Results Endogenous Constructory Confirmatory Factor Analysis

Goodness of Fit Index	Cut of Value	Analysis Results	Model Evaluation Fit	
Probability	≥0,05	0,080		
CMIN/DF	≤2,00	1,498	Fit	
GFI	≥0,90	0,974	Fit	
AGFI	≥0,90	0,948	Fit	
NFI	≥0,90	0,941	Fit	
CFI	≥0,95	0,979	Fit	
IFI	≥0,90	0,979	Fit	
TLI	≥0,95	0,967	Fit	
RMSEA	≤0,08	0,044	Fit	

Source: Processed primary data, 2023

To produce indicators that are extracted in forming latent variables can be seen from the value of *standardized loading factors*, each *loading factor* is required to meet the value >0.50 or have an ideal result of 0.7 according to Ghozali, (2014). These criteria are able to indicate that the indicator has good criteria to be able to form a latent variable.

Normality Test

Table 3 Full Model Goodness-of-fit Test Results Full Model Construct Goodness-of-Fit Criteria

Goodness of Fit Index	Cut of Value	Analysis Results	Model Evaluation
Probability	≥0,05	0,006	Marjinal
CMIN/DF	≤2,00	1,312	Fit
GFI	≥0,90	0,928	Fit
AGFI	≥0,90	0,901	Fit
NFI	≥0,90	0,911	Fit
CFI	≥0,95	0,977	Fit
IFI	≥0,90	0,977	Fit
TLI	≥0,95	0,971	Fit
RMSEA	≤0,08	0,035	Fit

Source: Processed primary data, 2023

From the table, it is known that the Goodness of Fit Index with each cut of value, where the results of the analysis of this research model show that it must meet the specified cut of value criteria. Of all Goodness of Fit Index, there is a marginal result value in probability with a value of 0.006 with a classification for probability ≥0.05. Other Goodness of Fit Indices, namely CMIN/DF, GFI, AGFI, NFI, CFI, IFI, TLI, and RMEA have met the fit criteria based on their respective cut of value.

Hypothesis Test

Table 4 Regression Weight Full Model

HIPOTESIS	JALUR	ESTIMATE	S.E	C.R	P	CONCLUSION
H1	$KP \rightarrow KP$	0,365	0,077	4,738	0,000	Positif signifikan
H2	PKP→KP	0,043	0,204	0,212	0,832	Positif insignifikan
Н3	КН→КР	0,519	0,236	2,201	0,028	Positif signifikan
H4	KP→LP	0,178	0,086	2,069	0,039	Positif siginfikan

Source: Processed primary data, 2023

Hypothesis testing is based on the value of critical ratio and significant level of regression weight, seen from the value of c.r. ≥ 1.96 and significant $\leq \alpha = 0.05$. The statement indicates that the conditions of the hypothesis are accepted.

1. Test Hypothesis 1 (Relationship of Reseller Awareness to Customer Satisfaction)

Based on the test results, C.R. retailer awareness of customer satisfaction was 4,738. This value has qualified > 1.96 with sig. 0.000 < 0.05; So it is concluded that hypothesis 1 which states retailer awareness has a positive effect on customer satisfaction is accepted.

2. Test Hypothesis 2 (Relationship of retailer quality perception with customer satisfaction)

Based on the test results, obtained C.R. Retailer quality perception of customer satisfaction of 0.212. This value is smaller than 1.96 with sig. 0.832 > 0.05; So it was concluded that hypothesis 2 which states the perception of retailer quality has a positive effect on customer satisfaction is rejected.

3. Test Hypothesis 3 (Relationship of Quality relationship with Customer satisfaction)

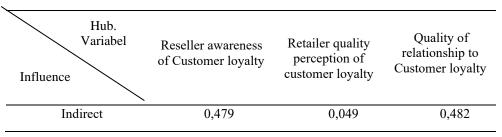
Based on the test results, C.R. Quality relationship to customer satisfaction was obtained at 2,201. This value has qualified > 1.96 with sig. 0.028 < 0.05; So it is concluded that hypothesis 3 which states the quality of the relationship has a positive effect on customer satisfaction is accepted.

4. Test Hypothesis 4 (The relationship of customer satisfaction with customer loyalty)

Based on the test results, C.R. customer satisfaction with customer loyalty was obtained at 2,069. This value has qualified > 1.96 with sig. 0.039 < 0.05; So it is concluded that hypothesis 4 which states customer satisfaction has a positive effect on customer loyalty is received.

Indirect Effects Analysis

Table 5 Indirect Value



Source: Processed primary data, 2023

Based on the test results, there is an intersection between retailer awareness and customer loyalty. There is an indirect relationship between retailer awareness and customer loyalty through customer satisfaction of 0.479. Based on the test results, there is an intersection between retailers' quality perceptions of customer loyalty. There is an indirect relationship of retailer quality perception to customer loyalty through customer satisfaction of 0.049. Based on the test results, there is an intersection between relationship quality and customer loyalty. There is an indirect relationship between relationship quality and customer loyalty through customer satisfaction of 0.482. From these results, it is known that there is an indirect relationship between independent variables (retailer awareness, retailer quality perception, relationship quality) with dependent variables (customer loyalty). These results prove the customer satisfaction hypothesis mediates the influence of retailer awareness, retailer quality perception and relationship quality on customer loyalty making a purchase.

Discussion

The Effect of Reseller Awareness on Customer Satisfaction

Based on the test results in this study, it was concluded that retailer awareness has a positive and significant influence on customer satisfaction. The strength of retailer awareness is again influenced by the ability to recognize retailers in several conditions including store recognition and store recalls. Retailer awareness is the extent to which the retailer's name is familiar to buyers. The power of retailer awareness is again influenced by the expertise to recognize retailers in several conditions including store recognition and store recalls. Consumers rely on outside information when they evaluate product quality. The information includes brand names and store names. A brand is usually used as a source of information. It is applied to distinguish a company's products or services from their competitors. The more able consumers are aware of a retailer who is able to meet their needs well, the more satisfied the customer will be with the retailer because his needs are met by the retailer.

This result is in line with the research of Huang & Huddleston (2009) and Gronroos (2000) which states the positive and significant influence of retailer awareness on customer satisfaction.

The Effect of Retailer Quality Perception on Customer Satisfaction

Based on the test results of this study, retailer quality perception variables did not have a significant influence on customer satisfaction. The perceived quality of the retailer is defined as the perception of the quality of the retailer as well as the perception of the quality of the product, goods or services offered by the retailer. Perceived quality as a brand association is elevated to the status of dimensional brand assets. The perception of quality can be derived from the product to the product market. However, on its goods - the service continuum of the retail business, the product can be goods. The problem arises, not all customers perceive that the perception of retailer quality is important information for customers because the average retailer sells products that are almost similar at almost the same price, this result shows that customers look more at the ability of retailers to meet their needs compared to the quality of products and services from these retailers.

These results are in line with the study (Hwang & Choi, 2013), and Pappu and Queste (2006), which stated that retailer quality perception variables did not have a significant impact on customer satisfaction.

The Effect of Relationship Quality on Customer Satisfaction

Based on the test results in this study, there is a positive and significant influence of relationship quality on customer satisfaction. Good relationship quality will increase commitment, trust, long-term sustainable relationships between customers and the company. In addition, the quality of a good relationship can reduce the level of conflict that may occur between customers and the company. In other words, if a good relationship is built between the company and its customers, then customers will be satisfied due to low levels of conflict, high

commitment and trust between the two parties, and the occurrence of mutual relationships in the long run. Customers who feel a good quality relationship with the company, then these customers will feel more satisfied with the company's products and services. A high level of customer satisfaction will result in profitability for the company. Satisfied customers will judge the company's reputation as good because the company is communicative and this makes customers more satisfied.

These results are in accordance with the research of Santouridis & Veraki (2017) and Balaji, et al (2014), which stated that there is a positive and significant influence of relationship quality on customer satisfaction.

The Effect of Customer Satisfaction on Customer Loyalty

The results of this research test state, customer satisfaction variables have a positive and significant influence on customer loyalty variables. Customer satisfaction is the combined result of perceptions, evaluations, and psychological reactions to experiences gained from consuming goods or services. Thus, it can be said that excitement is relative. The only thing that can measure satisfaction with a product is the consumer who uses or consumes the product. Customers can derive satisfaction from the service or product as a whole; performance of certain products representatives of companies or departments of various transactions such as sales presentation, product delivery, repair service, after-sales service, complaint handling; and post-purchase and pre-purchase relationships created by companies with their customers. If customers are satisfied with the services or products offered by a brand then they are more willing to recommend those services or products to others; have less likelihood of switching brands, and are more likely to buy back from the same brand (Bennett & Rundle-Thiele, 2004). prove that customer satisfaction greatly influences loyalty intentions such as the intention to buy back (Kandampul y and Suhartano, 2000) Various literature on customer satisfaction and loyalty shows that customer satisfaction is the main determinant of customer loyalty.

This is in accordance with the research of Richard and Detrick (2003) and Tu and Chang (2012) which states the variable of customer satisfaction has a positive and significant impact on the variable of customer loyalty.

CONCLUSION

Based on the test results and analysis that have been explained based on the samples used in this study, the following research problems can be drawn: a) In increasing customer loyalty to purchase Perahu salt through retailers, Perahu salt customer satisfaction through retailers needs to be improved. Increasing salt Perahu customer satisfaction through retailers can be done through retailer awareness, retailer quality perception and relationship quality. b) Retailers have a big role to play in driving sales of salt Perahus. When the retailer has the power where the customer is aware of the existence of the retailer, then the customer will want to make a purchase at the retailer, especially when the customer and retailer have a good quality relationship such as the customer has been in contact with the retailer for a long time, then this will be more satisfying to the customer. When customers feel the satisfaction, there is an increase in customer loyalty where customers will want to continue making purchases.

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