DETERMINANTS OF CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN THE MARKET PLACE: PRODUCT QUALITY AND SERVICE QUALITY (MARKETING MANAGEMENT LITERATURE REVIEW)

Mar’atush Sholihah
Institut Teknologi dan Bisnis (ITB Trenggalek)
e-mail: maratushsalsa@gmail.com

Abstract: In the current era of globalization, life can be said to be up to date. Business conditions can be said to be very competitive between companies and other companies where the level of competition has finally become very high. Judging from the price, customers will certainly look for the lowest but do not forget to use the good quality of the product quality. From customer satisfaction that has been formed, it will later lead to loyalty from that customer. Relevant research is very important in scientific articles. Previous research or relevant research can help strengthen the theory of the relationship or influence between variables. The purpose of writing this marketing management literature review article is to build hypotheses that can be used in further research. This article reviews events that affect customer satisfaction and customer loyalty, covering: service quality and product quality in the Market Place. The results of this research literature review article are: Product quality and service quality affect customer satisfaction and customer loyalty.

Keywords: Product Quality, Service Quality, Customer Satisfaction, Customer Loyalty.

INTRODUCTION
In the current era of globalization, technological advances have increased significantly. The growing internet technology makes it easier for people to communicate. Thus, various daily activities such as shopping, searching for various information and also other needs can be done practically and quickly just by accessing the internet. This can be seen with the availability of various online-based services that can facilitate the community. The increasing number of internet users today makes competition in the business world increase rapidly. One of the developments in internet technology is the creation of an online marketplace, with this online market every entrepreneur has the opportunity to run a business online. Business people are competing to think more creatively and make the latest innovations in order to run on every change that occurs. The shift in public interest to online media is due to the convenience provided by the internet, making people choose to shop online. Online shopping is a transaction activity to buy or sell products and services, this makes it easy for buyers to buy the products they want without having to come to the store directly. The internet provides a channel to market products or services online, namely e-commerce. E-commerce is all marketing activities, buying and selling transactions of goods or services carried out through electronic systems.
One of the e-commerce applications that is currently the majority of users among the general social media is shopee. Shopee is an online marketplace application that makes it easy for consumers and sellers to make buying and selling agreement activities easily, quickly, and comfortably with this convenience that makes online shopping enjoyed by many people. Shopee provides a wide variety of products ranging from household appliances, electronic goods, food, fashion, automotive, and various other products.

In running a business, one of the factors that can affect customer satisfaction is product quality. According to Kotler and Keller in a research journal, (Lathiifa & Hapzi Ali, 2013), product quality is the superiority of a product in providing performance results that match or even exceed what customers expect. Some customers take product quality into consideration before making their purchase.

The next factor that can affect service satisfaction is service quality. According to Sudarso in the journal (Rozi & Khuzaini, 2021) Service quality is an action offered by one party to another which is basically intangible and causes ownership of something. In this case, consumers tend to choose companies that provide good service quality. According to (Zeithmal & Bitner in research (Saidani & Arifin, 2012) customer satisfaction is the customer's reaction to the assessment of the discrepancy that the customer feels between expectations and actual service performance. Customer satisfaction is the main goal in the success of his business.

Many factors that will later suggest customer satisfaction and loyalty include price and product quality. Judging from the price aspect, customers will certainly look for the lowest but do not forget to use good quality from product quality. From the customer satisfaction that has been formed, it will later lead to loyalty from that customer.

Likewise, the authors will examine the Determination of Customer Satisfaction (X1) and (X2) Customer Loyalty in the Market Place on Product Quality (Y1) Service Quality (Y2).

PROBLEM FORMULATION

The problem formulation in this literature review is as follows:

1. Does product quality affect customer satisfaction?
2. Does product quality affect customer loyalty?
3. Does service quality affect customer satisfaction?
4. Does service quality affect customer loyalty?

The research objective of this marketing management literature review article is to build hypotheses that can be used in further research.

LITERATURE REVIEW

Customer Satisfaction

In general, satisfaction is a person's feeling of joy or frustration that exists because of comparing the perceived performance of the product against expectations. If the performance does not meet expectations, then the customer will not be relieved. Customer evaluation of product performance depends on many factors, especially the classification of loyalty ties that customers have. The company will act wisely by measuring customer satisfaction regularly, because one of the keys to retaining customers is customer satisfaction according to Kotler in research (Anggriana, Qomariah, and Santoso, 2017).

Measuring Customer Satisfaction

To regulate customer satisfaction there are several methods that can be identified, namely, cyclical surveys can track satisfaction exclusively and also ask additional questions to measure repurchase intentions and other possibilities or according to Kotler in research
There are several methods that every company can use to measure and monitor customer satisfaction and competitor customers. According to Kotler in (Anggriana, Qomariah, and Santoso, 2017) identified four methods for measuring customer satisfaction.

a. Every complaint and suggestion
   All customer-oriented organizations need to provide practical and convenient options and accessibility for customers to submit suggestions, criticisms, opinions, and complaints.

b. Ghost shopping (mystery shopping)
   Thanks to the use of some ghost shopping who see or claim to be potential customers of the company's products and competitors. They are then invited to interact or claim to be potential customers of the company's products and competitors.

c. Lost customer analysis
   If possible, companies should contact customers who have ended shopping or changed suppliers so that they are able to interpret why this happened and take further improvement strategies.

d. Customer satisfaction survey
   Through investigations the company will receive feedback and direct responses from customers and will also present an actual impression that the company pays special attention to its customers.

Customer Loyalty

Definition of Customer Loyalty

Customer loyalty as it is known that the original goal of a business is to build satisfied customers, the creation of satisfaction can convey several benefits, including the bond around the company through customers being harmonious to provide a good basis for reducing and creating loyalty to them and making a recommendation from verbal to oral (word to mouth) which is beneficial to the company according to Tjiptono in (Erica and Rasyid 2018).

Based on Tjiptono in (Erica and Rasyid 2018) customer loyalty means customer loyalty to a brand, as well as suppliers based on positive traits in long-term purchases. In interpretation, it can be interpreted that adherence to the brand is obtained because of a combination of satisfaction and objection. Meanwhile, customer satisfaction is absent from some of the company's performance to cause that satisfaction by minimizing complaints as a result of which long-term purchases are made by consumers.

Product Quality

According to Philip Kotler in a research journal, (Agussalim & Ali, 2017) defines that product quality is the whole of a product everything that can be offered to a market to fulfill the wants or needs of consumers on quality products.

Meanwhile, according to (Habibah, 2016) product quality is the expertise of a product to perform its role including, durability, reliability, accuracy, ease of process and revision, and its valuable attributes.

According to (Assauri, 2009) Product quality is the main important matter that needs attention by the manufacturer / industry. Quality is the main equipment for achieving product positioning. Quality shows the level of expertise of a brand or product in performing roles and expectations. Product quality can be seen from the size of how long the product lasts, so that it can be trusted by consumers.

Factors Affecting Product Quality
According to Tjiptono (Tjiptono, 2008) Product quality is influenced by several factors. Therefore, business actors in various fields of industry depend on the characteristics of their products and production, namely 6M:
1. Market
2. Money
3. Management
4. Men
5. Motivation
6. Material

Product Quality Indicators

According to Kotler and Keller in (Cahyani & Sitohang, 2016) there are nine indicators of product quality, namely:

a. Shape, including the size, shape, or physical structure of the product.
b. Features, product characteristics that complement the basic functions of the product
c. Performance, which is the level to which the main characteristics of the product work well.
d. Impression of quality, which is the result that comes from the assessment of use that is unconsciously carried out at the time of use, due to the possibility that consumers do not understand the product concerned or the lack of information about the product used.

Service Quality

(Fandy Tjiptono, 2008) states that service quality is the level of excellence expected and control over the level of excellence to meet consumer expectations. According to (Krisnawati, 2016) Service Quality is the company's expertise to meet customer expectations and also if the service received or experienced is as expected, so that the quality is perceived as good and can explain that service quality is a statement about behavior, a bond derived from considerations between desires (expectations with performance carried out (results)). And according to (Gunara & Sudibyo, 2016) the importance of providing quality service is because service is not only limited to delivering or serving.

Factors that affect Service Quality

According to (Lupiyoadi, Rambat & Hamdani, 2006), the factors of service quality include the following:

a. Consumer perceptions of the ongoing service they receive (perceived service)
b. With the actual service expected by consumers (expected service)

Service Quality Indicators

According to (Tjiptono, F., & Chandra, 2012) in the case of service marketing, the dimensions of quality that are often used as a reference are:

a. Reliability, namely the ability to provide services to customers as promised quickly, accurately, and satisfying customers.
b. Responsiveness, which is the initiative and availability of employees to provide services quickly and responsively to customers.
c. Assurance, which includes knowledge, competence, courtesy, and trustworthiness of employees, free from physical danger, risk or doubt.
d. Empathy, includes comfort in establishing effective communication relationships, personalized attention, and understanding the individual needs of customers.
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<th>No</th>
<th>Author, year</th>
<th>Research Results (from Abstract/Conclusion)</th>
<th>Similarities with this Research</th>
<th>Difference with this Research</th>
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<tbody>
<tr>
<td>1</td>
<td>(Wulandari et al., 2020)</td>
<td>The results of his research show that product quality has no significant effect on customer satisfaction, price and service quality have a positive and significant effect on customer satisfaction.</td>
<td>Service quality affects customer satisfaction</td>
<td>Price has an effect on customer satisfaction, product quality has no effect on customer satisfaction</td>
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<td>(Setyarko, 2016)</td>
<td>The results of his research show that consumer price perceptions have no effect on purchasing decisions, while service quality promotion and ease of use have a significant effect on purchasing decisions for online products.</td>
<td>Service quality affects purchasing decisions</td>
<td>Price perceptions have no effect on purchasing decisions, promotions and convenience affect purchasing decisions</td>
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<td>3</td>
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<td>4</td>
<td>(Meilina Boediono &amp; sari Immanuel, 2018)</td>
<td>Product quality has a positive and significant effect on purchasing decisions and service quality has a positive and significant effect on purchasing decisions.</td>
<td>Product quality and service quality affect purchasing decisions</td>
<td>Product quality and service quality have no effect on customer satisfaction</td>
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<td>5</td>
<td>(Hamidi &amp; Prakoso, 2018)</td>
<td>The results of his research show that product quality and service quality have a significant effect on purchasing decisions.</td>
<td>Product quality has a positive and significant effect on customer satisfaction and purchasing decisions.</td>
<td>Service quality has no effect on purchasing decisions.</td>
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6. (Sriyanto & Utami, 2016) on purchasing decisions

Product quality and service quality affect purchasing decisions

Brand image affects purchasing decisions


The results showed that product quality affects purchasing decisions.

Product quality affects purchasing decisions

Brand awareness affects purchasing decisions and price

8. (Cahyani & Sitohang, 2016)

Consumer satisfaction has a significant positive effect on purchasing decisions.

Product quality and service quality affect consumer satisfaction

Service quality and product quality affect customer satisfaction

9. (Diza et al., 2016)

The results showed that the three independent variables (product quality, brand image, and service quality) were considered important as determinants of purchasing decisions for Dadone products at PT. Super Safe Sejati Jakarta.

Service quality and product quality affect customer satisfaction

Price affects customer satisfaction

10. (Arianty, 2016)

The results of the study state that product quality and brand awareness have an effect

Product quality and service quality affect customer satisfaction

Trust has a positive influence on customer satisfaction

**METHOD**

This research is a qualitative type using a literature study approach that aims to receive a description of the factors that influence the marketing consequences of higher education. The step taken is the collection of issues from online journal literature by making meta-analysis of journals into primary origin. Furthermore, it is complemented by book references,
online writings related to using research emphasis. So the research activity is only a literature study, not yet a search for current data on a location quantitatively through field studies by researchers. The method of writing this scientific article is to use a qualitative method with a literature study approach (Library Research). The origin used as a reference means books, google scholar, online scientific articles, and scientific blogs. (Musthofa et al. 2021).

RESULT AND DISCUSSION
The Effect of Product Quality on Customer Satisfaction

Product quality really needs to be considered by all businesses because it is necessary for the business to survive and fulfill customer desires. Then the company must make good quality products so that customers will feel satisfied. Building good product quality will meet customer expectations which can create customer satisfaction. According to the results of research (Ibrahim & Thawil, 2019), it shows that there is a significant influence between product quality and customer satisfaction. So that product quality can affect the increase in customer satisfaction because customers consider the quality received, the better the product quality, the more customer satisfaction increases, on the contrary, if the product is of poor quality, the customer will be disappointed. Product quality affects customer satisfaction, this statement can be supported based on the results of relevant research, namely (Saidani & Arifin, 2012) (Limakrisna & Ali, 2016) (Wulandari et al., 2020).

The Effect of Product Quality on Customer Loyalty

Product quality has a close relationship with customer loyalty, because product quality is a characteristic of a product provided to customers and loyalty is a strong customer commitment to ensure that customers buy the product again. According to (Dennisa and Santoso 2016) product quality has a positive and significant influence on customer loyalty. The relationship or influence of the Product Quality variable with Customer Loyalty is in line with previous research articles, namely: (Kusumasasti and Djuamilah Hadiwidjojo 2017), (Kurniawati 2014), (Cahyati 2018).

Effect of Service Quality on Customer Satisfaction

Service quality is a factor that needs to be considered by every company, by trying to provide quality service quality that will meet customer expectations. Customers will be more selective in choosing a marketplace because fast service will make customers not have to wait long for complaints, on the contrary, if the service is long, customers will not feel satisfied with the service provided. Service quality is also the key to creating customer satisfaction after shopping. The results of research according to (Arianty, 2016) show that service quality has an effect on customer loyalty. This proves that if the quality of service received by customers is in accordance with what is expected by customers, it can affect customer satisfaction. Service quality affects customer loyalty, this statement can be supported based on the results of relevant research, namely: (Diza et al., 2016) (Wulandari et al., 2020).

Effect of Service Quality on Customer Loyalty

Service quality is the level of excellence or consumer expectations to fulfill consumer desires. If the company provides the best service in the form of a quick response when responding to consumer complaints, in accordance with what is expected by consumers, consumers will feel satisfied with the services or services provided and become the place
where consumers go to make purchases. The results of research according to (Maftukhah & Familiar, K, 2015) show that there is a significant influence between service quality on customer loyalty. In conclusion, the higher the quality of service, the higher customer loyalty, this statement can be supported based on the results of relevant research, namely: (Normasari, S., Kumadji, S., & Kusumawati, A. (2013)), Putri, Y. L., & Utomo, H. (2017) and Putri, Y. L., and Utomo, H. (2017).

CONCEPTUAL FRAMEWORK

Based on the formulation of the problem, theoretical studies, previous research and this conceptual framework is as follows:

CONCLUSION

Based on the problem formulation, theory, and discussion, the conclusion of this article is to generate a hypothesis, which will be continued in further research: Product quality affects customer satisfaction. Product quality affects customer satisfaction. The better the perception of product quality by this customer will have an impact on customer satisfaction with a product. Product quality affects customer loyalty. The better the quality of the product provided, the more loyal the customer will be to the product. Service quality affects customer satisfaction. The better the quality of service provided, the better the level of customer satisfaction. Service quality affects customer loyalty. The better the quality of service provided, the better the level of customer loyalty.

The marketplace must pay attention to the quality of service and the quality of the products to be offered and always make new innovations to create satisfaction that customers feel after shopping so that customers will always remember the marketplace when they want to make a purchase.

Based on the above conclusions, the suggestion of this article is that there are still many other factors that affect product quality and service quality on customer satisfaction and loyalty, therefore further studies are needed to complete the factors that can affect customer satisfaction and customer loyalty.
REFERENCES


