Analysis of the Effect of Service Quality and Customer Satisfaction on Customer Loyalty Through Customer Engagement (Case Study of AHASS Workshop PT. Buana Jaya Lestari, Medan Sunggal)

Muhammad Yuda Hendrawan¹, Aqwa Naser Daulay², Budi Harianto³

¹*Program Studi Manajemen Fakultas Ekonomi & Bisnis Islam,Universitas Islam Negeri Sumatera Utara*
Email : muhammadyudahendrawan@gmail.com
²*Program Studi Manajemen Fakultas Ekonomi & Bisnis Islam,Universitas Islam Negeri Sumatera Utara*
Email : aqwa_nd@yahoo.com
³*Program Studi Manajemen Fakultas Ekonomi & Bisnis Islam,Universitas Islam Negeri Sumatera Utara*
Email : budiharianto@uinsu.ac.id

A R T I C L E   I N F O

Email Correspondence:
muhammadyudahendrawan@gmail.com

Keywords:
Service Quality, Customer Satisfaction, Customer Loyalty and Customer Engagement.

A B S T R A C T

The purpose of this study was to analyze the effect of service quality, satisfaction on customer loyalty through customer engagement AHHAS Workshop PT Buana Jaya Lestari. The sample in this study were 100 customers of AHHAS workshop PT Buana Jaya Lestari. Data collection was carried out through surveys using valid and reliable research instruments. Data analysis using path analysis assisted with the help of Smart PLS (Partial Least Square) software version 4.1.0.3. The results of this study indicate that customer satisfaction and customer engagement have a positive influence on customer loyalty, while service quality has no significant effect on customer loyalty. The novelty of this study appears in the finding of an insignificant effect of service quality on customer loyalty. AHHAS Workshop PT Buana Jaya Lestari needs to make efforts to improve service quality towards Customer Loyalty. AHASS workshops can make several efforts to improve the quality of its services, among others: Improve timeliness in completing services, speeding up customer waiting time, building trust with customers by providing quality service and trust with customers by providing quality service and integrity. with integrity.

INTRODUCTION

The AHASS motorbike repair shop industry in Indonesia is currently experiencing rapid growth. This is in line with the increasing number of motorbike users in Indonesia. Quoting data from Astra-Honda.com in June 2021, there are 5,539 Honda AHASS workshops and dealers spread throughout Indonesia. Official Honda AHASS Service workshops always try to meet customer needs so they can compete with other workshops in the area which are also engaged in motorbike servicing. However, there are several problems in workshop services that are often complained about by consumers in general, such as customer dissatisfaction, quality of work, delays in work, poor communication, availability of spare parts, unexpected costs and quality of service. These problems require the owner or motorbike

repair shop managers to create good service so they can compete and excel compared to other repair shops.

Service quality and customer satisfaction are two important factors that can influence customer loyalty. Service quality refers to the level of service excellence that a company provides to its customers. Customer satisfaction refers to feelings of satisfaction and will tend to return again to use the company's services and even recommend them to other people. Customer satisfaction influences loyalty, so it can be said that developing service quality to fulfill customer satisfaction will ultimately lead to loyalty. This statement is also supported by (Lupiyoadi, 2013) who states that "the basis for true loyalty lies in customer satisfaction, where quality services are the main input. Customers who are very satisfied or even those who enjoy the service tend to become loyal supporters of the company." According to (W Agiesta, 2021) in this case, when the service provided to customers is of high quality and a feeling of satisfaction arises in the customer, it will make the customer loyal to the company, p. It shows how good or bad the service provided by the company to customers is. Customers tend to be loyal if their expectations and what they get are in line with customer expectations. If the company has provided good quality service and customers get what they want in proportion to what they expected, then a sense of satisfaction will emerge from customers which will make customers loyal to the company. The relationship between service quality, customer satisfaction and customer loyalty is an important element that are closely related to each other. Good service quality will increase customer satisfaction, and high customer satisfaction will encourage customer loyalty. Therefore, companies need to always try to improve the quality of their services in order to satisfy customers and increase their loyalty.

Customer engagement and customer loyalty are also two important aspects in business, especially for the AHASS Service Honda PT workshop. Buana Jaya Lestari. Customer engagement refers to the level of interaction with the repair shop, while customer loyalty shows the customer's tendency to continue using the repair shop's services and recommend them to others. Customer engagement is an intervening variable that plays an important role in the relationship between service quality, customer satisfaction and customer loyalty .Customer engagement can influence service quality through communication between the AHHAS PT.Buana Jaya Lestari workshop and customers, in order to understand customer needs and preferences, and increase the effectiveness of solutions provided by the workshop.Customer satisfaction is also influenced by customer engagement because involved customers tend to feel more appreciated and heard by the repair shop. According to (Raditha Hapsari., Clemes, D. Michael., and Dean, David, 2017) customer engagement will increase customer loyalty, involved customers tend to have a stronger emotional relationship with the company or repair shop , which makes them more likely to stay loyal. They may feel more emotionally connected and more likely to choose that workshop again in the future.

PT. Buana Jaya Lestari was founded on November 21 2005, led by Arifin Posmadi with an address at Jl. Medan-Binjai Km 11.2, Sunggal, Deli Serdang Regency, North Sumatra. PT. Buana Jaya Lestari itself is a branch of PT. Indako Trading Coy is a large motorbike company that was founded in 1966 with an address at Jl. Youth No. 18, Medan Maimun, Medan City, North Sumatra. PT. Buana Jaya Lestari is a company that operates in the field of motorbike sales and repair shops. This company has an official AHASS Service Honda workshop which serves various types and models of Honda motorbikes. This research only focuses on the official AHASS PT workshop. Buana Jaya Lestari. AHASS Workshop PT. Buana Jaya Lestari

is located on the edge of a cross-city road with consumers coming from every alley and area. Therefore, in an effort to serve customer needs, AHASS dealer PT. Buana Jaya Lestari wants to improve its quality. With so many competitors operating in the same field, the AHASS dealer PT. Buana Jaya Lestari must be able to retain customers, as well as reduce complaints from customers regarding PT AHASS services. Buana Jaya Lestari.

Based on data taken from the PT Buana Jaya Lestari AHHAS Workshop, there is a total of customer data for the last 3 years, namely 2021 -2023.

Table .1 Data on AHHAS PT Buana Jaya Lestari workshop customers 2021-2023

Year	Total number of customers
2021	14,743 Customers
2022	17,859 Customers
2023	15,075 Customers

Source: AHASS Workshop PT. Buana Jaya Lestari, 2024

According to (Hendratono, T, 2011) in his research, service quality has no influence and is not significant on customer loyalty. This research is also supported by research conducted by (Hapsari, R., Clemes, M. D & Dean, D, 2017) that service quality does not have a significant impact on loyalty. And according to (Fitria 2021) found that service quality has no effect on interest in repeat visits. Customer loyalty is a tendency to buy or use products or services repeatedly, and the important thing that AHHAS PT. Buana Jaya Lestari workshops can do in facing competition is by satisfying customers. Factors such as service quality and customer satisfaction are elements important in building customer loyalty at the AHHAS PT Buana Jaya workshop. Therefore, researchers are interested in researching the analysis of the influence of service quality and customer satisfaction on customer loyalty through customer engagement at the PT Honda AHASS Service Workshop. Buana Jaya Lestari.

THEORETICAL BASIS

1 Customer loyalty

According to Oliver (2014) in(Jeremiacolonialo & Djurwati Soepeno, 2019)Customer loyalty is a commitment held tightly by customers to buy or prioritize a product in the form of goods or services consistently, this causes repeated purchases of the same brand, even though the customer has situational or marketing influence from competitors to replace another brand. Customer loyalty in the context of marketing AHHAS workshop services is defined as a response from customers regarding the quality and continuity of interactions with the company and is reflected in ongoing transactions or purchases from the service providers provided.(Anastasia, Tjiptono Fandy, 2015)There are 3 indicators of customer loyalty according to(Kotler, Philip & Keller, K. L, 2016)that is :

a) Repeat (Repurchase), where customers will return to the company to look for goods/services and customers use the service again in the future,

b) Retention (resilience), not to switch to competitors, where it is unlikely that customers will move to another company and will remain loyal customers of the company

concerned, and this is reflected in that customers continue to use services when there is a choice from competitors.

c) Referalls (recommending services to other people), where customers will carry out vehicle repairs, promote positively the company services they have received to relatives, friends and Trust in the quality of service, recommend to other people to also use the services provided at the AHASS PT workshop . Buana Jaya Lestari.

2   Customer Engagement

Customer engagement is a key concept in marketing that highlights the interaction and active involvement of customers with a brand or company. AHHAS workshops implement various strategies to increase customer engagement, including loyalty programs, personalized customer service, and the use of technology to facilitate interactions (Zhang et al., 2022).

Customer Engagement is a psychological process that involves the emotional aspects of customers to establish a relationship between customers and the company, and encourage customer loyalty. Customer engagement at the AHASS PT Buana Jaya Lestari workshop refers to the level of interaction, participation and emotional relationship built between customers and the workshop. . In this research, customer engagement will be understood through three main dimensions: cognitive, affective, and behavioral.(Hollebeek, LD, 2011)

- According to(Hoyer and Macinnis., 2010)Cognitive engagement reflects the level of thinking a customer does about a brand or company. Cognitive involvement includes customer understanding and knowledge about the AHASS Honda workshop. This includes knowledge of the services offered, repair processes, and mechanical expertise.

- According to(Richins, M.L, 1997)Affective engagement can create stronger relationships between customers and brands. Affective involvement refers to the feelings and emotions that customers feel towards the AHASS Honda workshop. This includes levels of satisfaction, trust and emotional loyalty.

- According to(Brodie, RJ, Hollebeek, LD, Juric, B., & Ilic, A., 2011)Behavioral engagement reflects a customer's level of commitment and active contribution to a brand or company. Behavioral engagement involves the actions and interactions that customers carry out with the AHASS Honda repair shop. This includes frequency of visits, participation in loyalty programs, and recommendations to others.

Customer engagement can be done in various ways, such as good communication, providing personalized service, and providing loyalty programs. Good customer engagement can increase customer satisfaction and customer loyalty. Whether a customer is satisfied or not after using a service depends on the performance of the offer in relation to customer expectations, and whether the customer interprets any deviation between the two.(Kotler, Philip., Keller, Kevin Lane., 2009).

3   Service quality

(Armaniah, H., Marthanti, AS, & Yusuf, F, 2019)states that service quality is a level of service that is related to the fulfillment of the expectations and needs of customers or users. The quality of service provided by a company to customers will be assessed later by customers whether it is good or not. Customers will compare their expectations with the experience

received from the product or service.(M Syahbudi, 2020).Positive perceptions from customers about service quality are important for the sustainability of the relationship between customers and the company. Having perceptions from customers about service quality will build customer attitudes towards the services available in the company.(Parasuraman, 1990)Five dimensions/indicators have been developed to assess service quality, namely physical evidence, reliability, responsiveness, assurance and empathy. In this case, service quality is the company's ability to provide promised services accurately. Performance must be in accordance with customer expectations, which means punctuality and the same service to customers who come to the AHASS PT workshop. Buana Jaya Lestari for all customers without error.

4 Customer satisfaction

Band Theory, 1991 in(Telagawathi., 2020)states that customer satisfaction is an action where the needs, desires and expectations of customers are met which will result in repeat purchases and loyalty. If customer satisfaction has been fulfilled then these consumers will be loyal to the products we offer where they have given their trust through fulfilling satisfaction carried out by the company. Without customers, a company that is running will of course die or be unable to do anything, this is what becomes The company's focus is to always develop its products and always be able to fulfill what consumers need(S Aisyah, 2020).The goal of a business is to create customer satisfaction which will then contribute benefits to the company, namely creating long-term, harmonious relationships between the company and customers, and becoming a source of repeat purchases, creating customer loyalty, as well as generating positive word of mouth that is profitable for company (Fandy Tjiptono, 2015). There are 3 indicators to measure customer satisfaction according to (Indrasari, 2019; 92) in(Veronika Masili, 2022)that is :

a) Conformity to expectations, namely satisfaction is not measured directly but is concluded based on the conformity or discrepancy between customer expectations and actual company performance.

b) Intention to revisit, namely customer satisfaction is measured by asking whether the customer wants to buy or use the company's services again.

c) Willingness to recommend, namely customer satisfaction is measured by asking whether the customer would recommend the product or service to other people such as family, friends, and others.
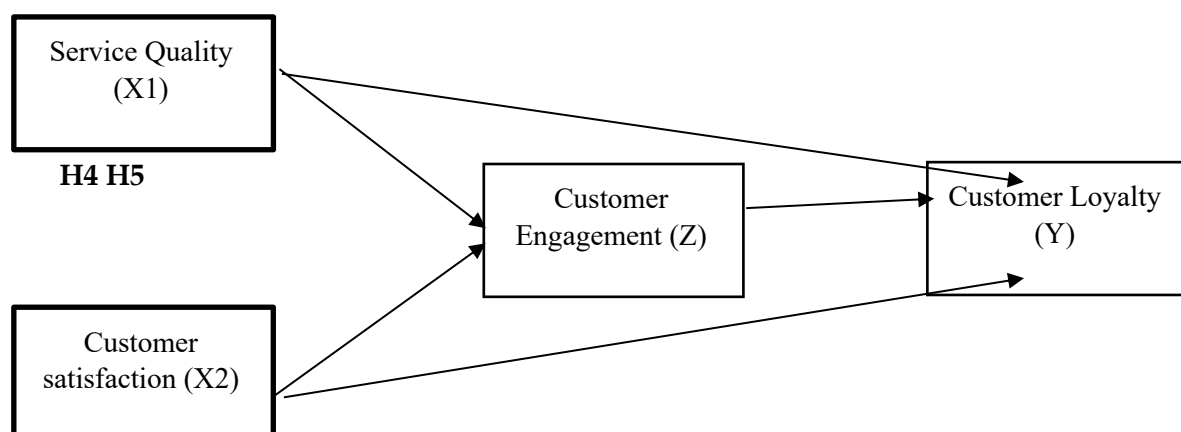
Research Thinking Framework

Figure 1. Research rationale framework

METHOD

This research method uses quantitative methods with primary data and secondary data with the data acquisition method using questionnaires using a Likert scale. The Likert scale is used to measure the attitudes, opinions and perceptions of a person or group of people about social phenomena(Sugiyono, 2019)The scale is created with a gradation from strongly agree (score = 5) to strongly disagree (score = 1). The data analysis method for this research uses path analysis or path analysis. Path Analysis is used to analyze the pattern of relationships between variables with the aim of determining the direct or indirect influence of a set of independent variables (exogenous) on the dependent variable (endogenous).(Sani, A., & Maharani, S., 2013)This analysis was assisted with the help of Smart PLS (Partial Least Square) software version 4.1.0.3.

This research was conducted at the AHHAS Workshop PT. Buana Jaya Lestari which is located on Jalan Medan-Binjai Km 11.2 Medan Sunggal, with the population studied in this research being consumers of the AHASS Workshop PT. Buana Jaya Lestari, who owns a Honda motorbike, has purchased spare parts and has had his vehicle serviced. The population in this study is the number of consumers in 2023. Based on the data source at the AHHAS PT Workshop. Buana Jaya Lestari's number of consumers in 2023 will be 15,075 consumers. Determining the number of samples used in this research uses the Slovin formula(Sugiyono, 2019)that is:

$$n = \frac{N}{1+N\ (e)^2}$$

Known: n : Number of samples required N : 15,075 (Number of population)e2 : 10% or 0.1 (Research sample error rate)

If, the sample error rate used in this research is 10% or 0.1, the sample size obtained is:

$$n = \frac{15.075}{1+15.075\ (0,1)^2}$$

$$n = \frac{15.075}{1+150,75}$$

$$n = = 99,341\frac{15.075}{151,75}$$

Based on the sample calculation above, the number of respondents used as a sample in this study was 99,341 respondents and the author rounded it up to 100 respondents who were consumers of the AHHAS PT workshop. Buana Jaya Lestari. The sampling technique used in this research is non-probability sampling. The type of non-probability sampling used is accidental sampling or incidental sampling based on chance, that is, anyone who by chance meets directly or indirectly with the author can be used as a sample if deemed suitable as a data source.(Sugiyono., 2017)

RESULTS AND DISCUSSION

1 Evaluation of Measurement Models

Testing the measurement model (Outer model) in this research consists of a reflective measurement model where the variables of service quality, customer satisfaction, customer loyalty and customer engagement are measured reflectively. Evaluation of the reflective measurement model consists of outer loading (loading factor with a correlation value above 0, 70), evaluate discriminant validity with cross loading, composite reliability with the composite reliability coefficient must be greater than 0.70((Hair JF, 2014),Cronbach's alpha(>_70), and Average Variance Extracted (AVE >_0.50)

1.1 Loading Factor (outer loading)

In(Rahmasari, 2022)said the Autor model with reflexive indicators can be seen from the correlation between the indicator scores and the construct scores. Individual indicators are considered reliable if they have a correlation value above 0.70. However, at the research scale development stage, a loading of 0.60 is still acceptable. Based on the results for outer loading, it shows that the indicator has a loading below 0.70 and is not significant. The structural model in this research is shown in the following figure:

Table.2. Loading Factor

Variable	statement	Loading factors	Rule Of Thumb	Status
Service Quality (X1)	KL.1	0.854	0.700	Valid
	KL.2	0.854	0.700	Valid
	KL.3	0.819	0.700	Valid
	KL.4	0.749	0.700	Valid
	KL.5	0.839	0.700	Valid
Customer satisfaction (X2)	KP.1	0.909	0.700	Valid
	KP.2	0.888	0.700	Valid
	KP.3	0.933	0.700	Valid
	KP.4	0.911	0.700	Valid
	KP.5	0.908	0.700	Valid
	LP.1	0.883	0.700	Valid
	LP.2	0.933	0.700	Valid

Customer loyalty (Y)	LP.3	0.904	0.700	Valid
	LP.4	0.923	0.700	Valid
	LP.5	0.920	0.700	Valid
Customer Engagement (Z)	CE.1	0.780	0.700	Valid
	CE.2	0.869	0.700	Valid
	CE.3	0.900	0.700	Valid
	CE.4	0.760	0.700	Valid
	CE.5	0.878	0.700	Valid

Source: Smart PLS program Version 4.1.0.3 (outhers loading – matrix), 2024

The calculation results based on the Convergent Validity Table of the measurement model are obtained from the correlation between the item/instrument score and the construct score (loading factor) with the criteria for the loading factor value of each instrument being > 0.70. From the table above, the results show that all statements are declared valid because the loading factor value of all statements is greater than > 0.70. so it can be concluded that the indicators of the variables service quality (X1), customer satisfaction (X2), customer loyalty (Y) and customer engagement (Z) can be declared valid.

1.2 Discriminant Validity with Cross loading

TestingDiscriminate validity can be assessed based on cross loading by showing higher indicator values for each construct compared to indicators for other constructs.(Sekaran, U. & Bougie, RJ,, 2016).A larger value indicates the suitability of an indicator to explain the associated construct compared to explaining other constructs.

Table .3. Discriminant Validity – Cross Loading

Variable	Service Quality	Customer satisfaction	Customer loyalty	Customer Engagement
KL.1	**0.854**	0.647	0.649	0.628
KL.2	**0.854**	0.766	0.686	0.678
KL.3	**0.819**	0.768	0.644	0.579
KL.4	**0.749**	0.553	0.556	0.643
KL.5	**0.839**	0.625	0.592	0.616

KP.1	0.791	**0.909**	0.751	0.761
KP.2	0.663	**0.888**	0.783	0.641
KP.3	0.781	**0.933**	0.813	0.733
KP.4	0.699	**0.911**	0.793	0.768
KP.5	0.785	**0.908**	0.765	0.758
LP.1	0.672	0.814	**0.883**	0.671
LP.2	0.732	0.803	**0.933**	0.757
LP.3	0.701	0.759	**0.904**	0.743
LP.4	0.702	0.762	**0.923**	0.827
LP.5	0.668	0.779	**0.920**	0.813
CE.1	0.623	0.608	0.640	**0.780**
CE.2	0.709	0.735	0.711	**0.869**
CE.3	0.696	0.775	0.801	**0.900**
CE.4	0.459	0.414	0.511	**0.760**
CE.5	0.674	0.764	0.788	**0.878**

Source: Smart PLS Program Version 4.1.0.3 (Cross Loading), 2024

From the results of the table above, it shows that the loading value of each indicator item on the construct is greater than the cross loading value. Thus it can be concluded that all constructs or latent variables already have good discriminant validity, where in the block the construct indicators are better than the indicators. other blocks.

1.3 Composite Reliability, Cronbach's Alpha and AVE

According to(Hair, 2014)The composite reliability coefficient must be greater than 0.70 although a value of 0.60 is still acceptable. Validity testing can also be done by looking at the AVE value. If the AVE value is above 0.50 then an indicator has met good convergent validity and a variable is said to be reliable when it has a Cronbach's Alpha of more than 0.70(Ghozali, I., 2016)

Table .4. Composite Reliability, Cronbach's alpha and AVE Value

Variable	Cronbach's alpha	Composite Reliability		Average Variance Extracted (AVE)
		(rho_a)	(rho_c)	
Quality of service	0.881	0.883	0.913	0.679
Customer satisfaction	0.948	0.949	0.960	0.828
Customer loyalty	0.950	0.950	0.961	0.833
Customer engagement	0.895	0.912	0.922	0.704

Source: Smart PLS Program Version 4.1.0.3 (Construct reliability & Validity), 2024

Based on the table above, it shows that the Average Variance Extracted (AVE) for each variable, namely service quality, customer satisfaction, customer loyalty and customer engagement, has a construct > 0.50, meaning all constructs are reliable. Meanwhile, it can be seen in the table above that the composite reliability value of each variables show a construct value > 0.70, meaning that each variable has met composite reliability, so it can be concluded that all variables have a high level of reality. Furthermore, in the table above, Cronbach's alpha for each variable shows a construct value of > 0.70, thus these results show that the indicators for the variables are service quality (x1), customer satisfaction (x2), customer loyalty (y) and customer engagement (z) can be said to be reliable.

2   Structural Model Analysis (Inner Model)

According to(Ghozali, I., 2014)Inner model analysis is also known as structural model analysis, which is carried out to ensure that the structure being built is robust and accurate. Structural model testing is carried out by looking at the R-sqare value to predict the strength of the structural model from the latent variables. The structural model in this research is shown in the image below:

Fig.2. Structural Model
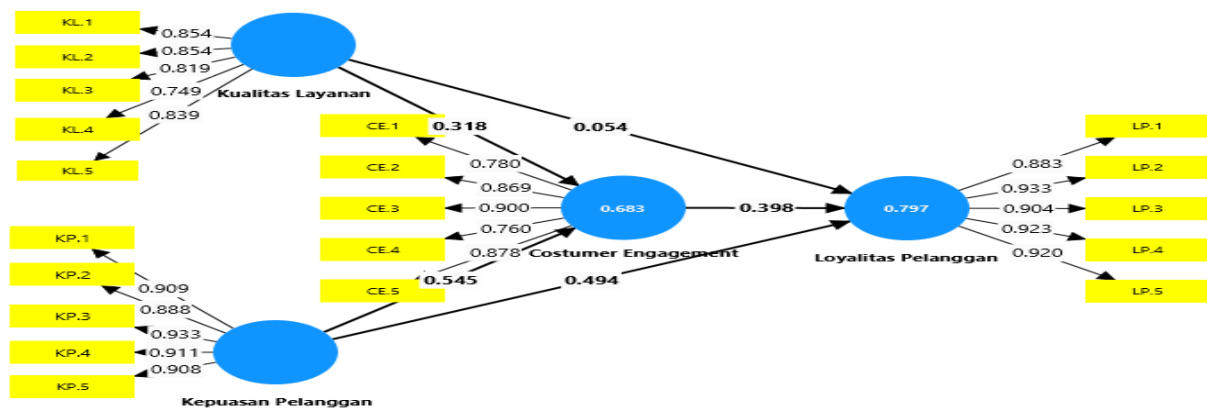
2.1 R-Square Analysis of Variance

R-Squere analysis is to determine the magnitude of the influence of the exogenous variable (x) on the endogenous variable (y). The following are the results of calculating the R-Squere value using Smart PLS

Table.5. Table R –Square

	R-square	R-square adjusted
Customer Engagement	0.683	0.676
Customer loyalty	0.797	0.791

Based on R-Squere Analysis, namely to determine the magnitude of the influence of the exogenous variable (x) on the endogenous variable (y). The following are the results of calculating the R-Squere value using Smart PLS: the R-Square value in the table above can be explained as: R Square value the customer engagement variable (Z) is 0.683, this means that 68.3% of variations or changes in customer engagement (Z) are influenced by customer loyalty (Y) while the remaining 31.7% (100% - 68.3%) is explained by other variables not examined in this research. So it can be said that the R Square for the customer engagement variable is moderate. Then for the customer loyalty variable (Y) the R Square value is 0.797, this means that 79.7% of variations or changes in customer loyalty (Y) are influenced by service quality (X1) and customer satisfaction (X2) while the remaining 20.3% (100% - 79.7%) is explained by other variables not examined in this research. So it can be said that the R Square for the customer loyalty variable is moderate.

2.2 Goodness of FIT Test (FIT Model)

Table.6. FIT Model

	Saturated Model	Estimated Model
SRMR	0.071	0.071

SRMR or Standardized Root Mean Square Mean Square Residual in Yamin (2022), this value is a measure of model fit, namely the difference between the data correlation matrix and the estimated model correlation matrix. In Hair et al (2021), the SRMR value is below 0, 08 indicates model fit. However, in Karin Schmelleh et al (2003), the SRMR value between 0.08-0.10 indicates acceptable fit. The estimation result of this model is 0.071, which means that the model has acceptable fit.

2.3 F Square Test

Table.7. F – Square test

	Service Quality	Customer satisfaction	Customer loyalty	Customer Engagement
Service Quality			0.004	0.106
Customer satisfaction			0.303	0.310
Customer loyalty				
Customer Engagement			0.248	

Source: Smart PLS Program Version 4.1.0.3 (F - Square), 2024

The F-Square test is carried out to determine how big the relative influence of the independent latent variable is on the dependent latent variable. According to(Ghozali, Imam, Hengky Latan, 2015)The criteria for measuring F-Square are as follows >_0.02 is small; >_0.15 moderate; >_0.35 is large. Based on the table above it can be said that service quality on customer loyalty (0.004>_0.02=small), service quality on customer engagement (0.106>_0.02=small), customer satisfaction on customer loyalty (0.303> _0.15=medium), customer satisfaction towards customer engagement (0.310>_0.15=medium) and customer engagement towards customer loyalty (0.248>_0.15=medium).

2.4 Hypothesis Testing

This hypothesis testing is based on the results of Partial Least Square (PLS) analysis by carrying out the Boostraping test. using a confidence level of 95% (alpha 5%) and T-statistics with T-table (1.96). The hypothesis in this research is that if the T-statistic value >t-table then the hypothesis is accepted, if the T-statistics<T-table then the hypothesis is rejected, and if the p-value <confidence level (alpha=0.5) then the hypothesis is accepted, and if the p-value > confidence level (alpha=0.5) then the hypothesis is rejected. Based on the hypothesis test carried out, the results of the hypothesis test are in the table below:

Table.8. Table of Path Coefficients (Direct Influence)

	Direct influence (Direct Effect)	Path coefficient	T – Statistics	P - Values	Results

H1	Service Quality (x1) -> Customer Loyalty (y)	0.054	0.519	0.604	Not significant
H2	Customer Satisfaction (x2) -> Customer Loyalty (y)	0.494	5,081	0,000	Significant
H3	Customer Satisfaction (x2) -> Customer Engagement (z)	0.545	6,313	0,000	Significant
H4	Service Quality (x1) -> Customer Engagement (z)	0.318	3,423	0.001	Significant
H5	Customer Engagement (z) -> Customer Loyalty (y)	0.398	4,235	0,000	Significant

Source: Smart PLS Program Version 4.1.0.3 (Path Coefficient Table), 2024

Based on the calculation results in Table 8, it is obtained:

1) The first hypothesis is that service quality (x1) does not have a significant influence on the customer loyalty variable (y). The service quality variable has a t-statistic value of 0.519 and a p-value of 0.604. The t-statistic value of service quality is below the t-table value (0.519 > 1.96), with a p-value of 0.604 < 0.05 so the first hypothesis is rejected.

2) The second hypothesis shows that the customer satisfaction variable (x1) has a significant influence on the customer loyalty variable (y). The customer satisfaction variable has a t-statistic value of 5.081 and a p-value of 0.000. The t-statistic value of customer satisfaction is above the t-table value (5,081 > 1.96), with a p-value of 0.000 < 0.05 so the second hypothesis is accepted.

3) The third hypothesis shows that the customer satisfaction variable (x2) has a significant influence on the customer engagement variable (z). The customer satisfaction variable has a t-statistic value of 6.313 and a p-value of 0.000. The t-statistic value of customer satisfaction is above the t-table value (6.313 > 1.96), with a p-value of 0.000 < 0.05 so that the third hypothesis is accepted.

4) The fourth hypothesis states that the service quality variable (x1) has a significant influence on the customer engagement variable (z). The service quality variable has a t-statistic value of 3.423 and a p-value of 0.001. The t-statistical value of service quality is above the t-table value (3.423 > 1.96), with a p-value of 0.001 < 0.05 so that the fourth hypothesis is accepted.

5) The fifth hypothesis states that the customer engagement variable (z) has a significant influence on the customer loyalty variable (y). The customer engagement variable has a t-

statistic value of 4.235 and a p-value of 0.000. The customer engagement t-statistic value is above the t-table value (4.235 > 1.96), with a p-value of 0.000 < 0.05 so that the fifth hypothesis is accepted.

Table.9. Path Coefficients Table (Indirect Influence)

	Indirect effect (Indirect effect)	Parameter coefficients	T - Statistics	P - Values	Results
H6	Customer Satisfaction -> Customer Engagement ->Customer Loyalty	0.217	3,234	0.001	Significant
H7	Service Quality -> Customer Engagement -> Customer Loyalty	0.127	3,001	0.003	Significant

Source: Smart PLS Program Version 4.1.0.3 (Specific Indirect Effect), 2024

6) Hypothesis seven states that customer engagement as a mediator significantly influences the relationship between customer satisfaction and customer loyalty. The indirect effect results show the T-statistic on the T-Table (3,234>1.96) and p-value (0.001>0.5), so the seventh hypothesis is accepted.

7) Hypothesis eight shows that customer engagement as a mediator significantly influences the relationship between service quality and customer loyalty. The results of the indirect effect show the T-statistic on the T-Table (3,001<1.96) and p-value (0.003>0.5), so the hypothesis eighth accepted.

DISCUSSION

The Influence of Service Quality (X1) on Customer Loyalty (Y)

In this research, it appears that the Service Quality variable does not have a significant effect on Customer Satisfaction at the PT Buana Jaya Lestari AHHAS Workshop. These results are in accordance with research(Oktavia, 2019)in his research said that service quality has no influence and is not significant on customer loyalty. This shows that when customers receive service that does not meet expectations, this makes customers disloyal. PT Buana Jaya Lestari's AHASS workshop needs to provide the best quality of service to customers. Not only that, innovative institutional arrangements are also needed to improve service quality so that service becomes regular and as a problem solving model in promoting services(Fauzi AL, 2020). This is important to do in order to increase customer trust and make customers loyal and willing to return to using workshop service services repeatedly and regularly.

The Influence of Customer Satisfaction (X2) on Customer Loyalty (Y)

Based on the results of the second hypothesis above, it is known that customer satisfaction has a significant effect on customer loyalty. This shows that satisfaction has a very large impact on customer loyalty. The greater the sense of satisfaction obtained, the greater the possibility that customers will be loyal and that is the main factor that makes customers loyal to the company. On the other hand, if customers do not feel satisfied, it will make customers not be loyal to the company. Customer satisfaction is an important factor that can increase customer loyalty at the AHASS PT Buana Jaya Lestari workshop. Therefore, AHASS Workshop needs to continue to strive to increase customer satisfaction through various efforts. These results are in accordance with previous research conducted by(Wilhelmus Pranoto Ndjurumana, 2020)which shows that customer satisfaction has a positive effect on customer loyalty at AHASS Cendana Motor East Kupang.

The Influence of Customer Satisfaction (X2) on Customer Engagement (Z)

Customer satisfaction has a significant influence on customer engagement at the AHASS PT Buana Jaya Lestari workshop. Customer satisfaction is an important key factor for increasing customer engagement at the AHASS PT Buana Jaya Lestari workshop, namely by providing quality service, building good communication with customers, and utilizing technology. Companies can increase customer satisfaction by selling products at adequate prices, or improving services, and improving the quality of the products produced. Implicitly, the statement above states that the factors that influence consumer satisfaction are price, service quality and product quality(F Isnaini, 2022)This research has the same results as research conducted by(F Bara, T Prawitowati, 2020)that the Customer Satisfaction variable has a positive and significant effect on Customer Engagement.

The Influence of Service Quality (X1) on Customer Engagement (Z)

Based on the results of the hypothesis above, service quality has a positive and significant influence on customer engagement at the AHASS PT Buana Jaya Lestari workshop. Research (Xiaohong Chen, et al, 2022) found that service quality has a significant positive influence on customer engagement. By focusing on improving service quality, PT Buana Jaya Lestari's AHASS workshop can build stronger relationships with workshop customers by increasing customer satisfaction, building customer trust, and creating a positive customer experience which will ultimately encourage the workshop's business growth.

The Influence of Customer Engagement (Z) on Customer Loyalty (Y)

Customer engagement has a significant and positive influence on customer loyalty. This is proven by research(Neselia, 2022)Found that customer engagement has a positive and significant effect on customer loyalty and is supported by research(Dharmayanti .D, 2020)Stating that there is a positive influence of customer engagement on customer loyalty. By increasing customer engagement, PT Bauana Jaya Lestari's AHASS workshop can increase customer satisfaction, build strong relationships with customers, increase repeat purchases, and increase positive word-of-mouth.

The Influence of Service Quality (X1) and Customer Satisfaction (X2) on Customer Loyalty (Y) through Customer Engagement (Z)

Based on the results of the hypothesis findings above, research has shown that customer satisfaction and customer engagement have a positive influence on customer loyalty, while service quality has no significant effect on customer loyalty. This is in accordance with the research results(Oktavia, 2019)which shows that service quality has a significant effect on customer customer satisfaction, customer satisfaction has a significant effect on customer loyalty, service quality does not have a significant effect on customer loyalty. PT Buana Jaya Lestari AHHAS Workshop needs to improve service quality to increase customer loyalty in order to increase customer trust and make customers loyal and willing to return to using workshop service services repeatedly and regularly. Good service quality can increase customer satisfaction and encourage them to return to the AHHAS PT Buana Jaya Lestari workshop. High customer satisfaction can increase customer involvement and encourage them to become loyalists to the repair shop. And high customer engagement can increase customer loyalty and encourage them to recommend repair shop services to others.

CONCLUSION

Based on the results of the research above, it was found:

- The results of Convergent validity (outer model) are declared valid because the loading factor value for all statements is greater than > 0.70. so it can be concluded that the indicators of the variables service quality (X1), customer satisfaction (X2), customer loyalty (Y) and customer engagement (Z) can be declared valid.

- Discriminate validity:Discriminant validity can be carried out by examining Cross Loading, namely the correlation coefficient of an indicator with its associated construct (cross loading) compared with the correlation coefficient with another construct (cross loading). The loading value of each indicator item on the construct is greater than the cross loading value. Thus it can be concluded that all constructs or latent variables already have good discriminant validity, where in the block the construct indicators are better than the other block indicators.

- Composite Reliability: each variable has high discriminant validity. It can be seen that the composite reliability value of each variable shows a construct value > 0.70. These results show that each variable has met composite reliability so it can be concluded that all variables have a high level of reality.So it can be concluded that the indicators used in this research have high discriminant validity in compiling their respective variables.

The research results also show that customer satisfaction and customer engagement have a positive influence on customer loyalty, while service quality has no significant effect on customer loyalty.

Suggestion

Based on the results of the research above, the following suggestions can be made:

1) For the AHHAS workshop PT. Buana Jaya Lestari to make efforts to improve the quality of service towards customer loyalty. The AHHAS workshop can make several efforts to improve the quality of its services, including: increasing timeliness in completing services,

speeding up customer waiting times, building trust with customers by providing quality service and integrity. By improving the quality of its services, the Ahass workshop can retain old customers and attract new customers, thereby ultimately increasing the profitability of its business.

2) For further research, it is hoped that we can develop this research by adding other variables that influence customer loyalty such as product quality, trust, brand image, price. Increase the theories about the variables used, use other sampling techniques, increase the number of research samples, develop research instrument, so that it can become a reference for further research.

REFERENCES

A.H Prasetyo,.P.F Lukiastuti .2022. Analisis Pengaruh Brand Image Dan Service Quality Terhadap Revisit Intention Dengan Customer Satisfaction Sebagai Variabel Intervening (Studi Kasus Pada AHASS Comal Abadi Motor). Jurnal Magisma Vol. X No. 2.

Armaniah, H., Marthanti, A.S., & Yusuf, F., (2019). Pengaruh Kualitas Pelayanan Terhadap Kepuasan Konsumen Pada Bengkel Ahass Honda Tangerang. Jurnal Penelitian Ilmu Manajemen. Vol. 2 No. 2 Tahun 2019**.**

A Zikri, MI Harahap.,(2022). Analisis Kualitas Pelayanan Pengiriman Barang terhadap Kepuasan Konsumen pada PT Pos Indonesia (Persero) Regional I Sumatera. JIKEM: Jurnal Ilmu Komputer, Ekonomi dan Manajemen Vol 2 No 1

Brodie, R. J., Hollebeek, L. D., Juric, B., & Ilic, A. (2011). Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. Journal of Service Research, 14(3), 252-271.

C.M.Y. Rumengan., V.P.K. Lengkong., R.T. Saerang (2023) .Pengaruh Standar Operasional Prosedur (Sop) Dan Job Insecurity Terhadap Turnover Intention Dengan Kepuasan Kerja Sebagai Variabel Intervening Pada Karyawan Koperasi Savior Motoling. Jurnal EMBA Vol.11 No.4 Oktober 2023, Hal. 614-625

Dharmayanti, D. (2020). Analisis Pengaruh Brand Community Terhadap Customer Loyalty Dengan Customer Engagement Dan Customer Value Sebagai Variabel Intervening Pada Pengguna Toyota Calya Di Komunitas Calyasigra Surabaya

E.Rahmawati,Sanaji 2015 ,Pengaruh Customer Engagement Terhadap Kepuasan Pelanggan Dan Kepercayaan Merek Serta Dampaknya Pada Loyalitas Merek, JOURNAL of RESEARCH in ECONOMICS and MANAGEMENT (Jurnal Riset Ekonomi dan Manajemen), Volume 15, No. 2, Juli – Desember (Semester II) 2015, Halaman 246-261.

F Bara & Prawitowati (2020). Pengaruh kualitas layanan, kepuasan pelanggan dan keterikatan pelanggan terhadap loyalitas pelanggan grab di Surabaya. Journal of Business and Banking ISSN 2088-7841 .Volume 10 Number 1 Mei - Oktober 2020 .

F Isnaini, H Hermain, N Aslami,(2022). Analisis Kepuasan Pelanggan Dalam Meningkatkan Pendapatan Cv Sagu Basah Pak Udin Dalam Perspektif Ekonomi Islam.Volume 2 No.1 Sibatik Journal

Fauzi Arif Lubis,Nurlaila,Ismail Husein,Susilawati.Muhammad Lathief Ilhamy N,Marischa Elveny,Afnaria,Nurlama Siregar.(2020);"Enhancement Model For Hospitalqualityservice With Considerationofintegratingpatients Health Insurance

Toutilizefintech". Sys Rev Pharm 2020;11(5):867-871 A multifaceted review journal in the field of pharmacy

Ghozali, I. (2014). Structural Equation Modeling: Metode Alternatif dengan Partial Least Square (PLS). Semarang: Badan Penerbit Universitas Diponegoro.

Ghozali, I. (2016) Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23. Edisi 8. Semarang: Badan Penerbit Universitas Diponegoro

Ghozali, Imam, Hengky Latan. 2015. Konsep, Teknik, Aplikasi Menggunakan Smart PLS 3.0 Untuk Penelitian Empiris. BP Undip. Semarang: Harnanto. Akuntansi Biaya: Sistem Biaya Historis. Yogyakarta: BPFE.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2014). A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM). Thousand Oaks: SAGE Publications.

Hendratono, T. 2011. Pengaruh Lingkungan Fisik dan Kualitas Layanan terhadap Loyalitas Pelanggan pada Pelanggan Maskapai Penerbangan. 2 (2).

Henseler, J., Ringle, C. M., & Sarstedt, M. (2014). A New Criterion for Assessing Discriminant Validity in Variance-Based Structural Equation Modeling. Journal of the Academy of Marketing Science, 43(1), 115-135.

Hollebeek, LD 2011, 'Demystifying Customer Brand Engagement: Exploring The Loyaly Nexus', *Journal of Marketing Management*, vol.27 no.7-8, pp.785-807

Hoyer and Macinnis. (2010). Consumer Behavior 5th edition. USA: SouthWestern

Irawan, H. (2021). Prinsip Kepuasan Pelanggan. Jakarta: Elex Media Komputindo.

Jeremia Kolonio & Djurwati Soepeno. (2019). Pengaruh Service Quality, Trust, Dan Consumer Satisfaction Terhadap Consumer Loyalty Pada Cv. Sarana Marine Fiberglass. Jurnal Emba Vol.7 No.1 Januari 2019, Hal. 831 – 840

K. A. Parwini,W. Cipta (2022). Pengaruh Kualitas Pelayanan Dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Pada Lembaga Perkreditan Desa Desa Adat Tajun. Prospek: Jurnal Manajemen dan Bisnis, Vol. 4 No. 2, Bulan Agustus Tahun 2022 P-ISSN: 2685-5526.

Kotler, Philip & Keller, K. L. 2016. Marketing Management, 15th Global Edition. England: Pearson Education.

Kotler, Philip., Keller, Kevin Lane. 2009. Manajemen Pemasaran Edisi Ketiga Belas, Terjemah oleh Bob Sabran. 2008. Jakarta: Erlangga

Lupiyoadi, Rambat, (2013): Manajemen Pemasaran Jasa. Jakarta: Salemba Empat.

MR Al Akbar, S Sugianto, AN Daulay,(2021) : Pengaruh Kualitas Produk Dan Penerapan Nilai Islam Terhadap Kepuasan Nasabah Di Pt Bank Muamalat Kantor Cabang Medan Balaikota. Studia Economica: Jurnal Ekonomi slam, Volume VII No. 1.Hlm 97 – 109.

Neselia et al. (2022). Pengaruh Brand Image, Physical Environment, Dan Customer Engagement Terhadap Loyalitas Nasabah. Jurnal Manajemen Bisnis Dan Kewirausahaan, 6(2), 119–124

Nurbaiti, N., Rahma, T. I. F., Wulandari, A., & Maha, N. (2021). Pengaruh E-Commerce Shopee pada Kualitas Layanan Shopee terhadap Loyalitas Pengguna Shopee (Studi Kasus Masyarakat Kota Medan). Jurnal Pendidikan Tambusai, 5(3), 8600–8606. https://doi.org/10.31004/JPTAM.V5I3.2360

Oktavia. (2019). Pengaruh Kualitas Pelayanan dan Kepuasan Nasabah terhadap Loyalitas Nasabah PT. Bank Index Lampung. Jurnal Manajemen Pemasaran, Volume 13, Nomor 1.

Parasuraman, Valarie A., Zeithmal, Leonard L Berry. 1990. Delivering Quality Service, Balancing Customer Perception and Expectations. New York: Free Press.

Putri, F. K., Tumbel, A. L., & Djemly, T. W. (2021). Pengaruh Kualitas Pelayanan Dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Pada Pt . Matahari Department Store Di Mantos 2 Effect Of Service Quality And Customer Satisfaction On Customer Loyalty.

Raditha Hapsari., Clemes, D. Michael., dan Dean, David., 2017. The impact of service quality, customer engagement and selected marketing constructs on airline passenger loyalty. International Journal of Quality and Service Science.Vol. 9 Issue: 1.

Rahmasari A,Wijayanto G,Sri Endang Kornita ,2022. Pengaruh Service Quality Dan Brand Image Terhadap Keputusan Pasien Dalam Memilih Persalinan Di Rumah Sakit Ibu Dan Anak Zainab Pekanbaru Dengan Kepercayaan Sebagai Variabel Mediasi. Management Studies and Entrepreneurship Journal Vol 3(5) 2022 : 3165-3183

Reza Nurul Ichsan Lilis Suriani Gultom,Ahmad Karim,Lukman Nasution,Muhammad Syahbudi. The Correlation And Significant Effect On The Product Quality Perception, Trust And Customers Value Towards The Image Of Syariah Banking In Medan,Palarch's journal of archeologi of egypt, 2020.

Richins, M. L. (1997). Measuring Emotions in the Consumption Experience. Journal of Consumer Research, 24(2), 127-146

Rindiani, Muh. Yusuf, Liwaul (2021). Analisis Kualitas Pelayanan Dan Loyalitas Pelanggan Di Bengkel Servis Ahass Pt. Astra Motor Kendari. Bisnis UHO: Jurnal Administrasi Bisnis ISSN 2503-1406 (Online) Vol 6 No 2, (Oktober), (2021)

S A Banurea,S Aisyah,(2022). Perbedaan Kualitas Pelayanan Listrik Pascabayar Dan Listrik Prabayar Terhadap Kepuasan Pelanggan Pada PT PLN (Persero) Salak, Pakpak Bharat. Vol.4, No.4 Desember 2022 e-ISSN: 2962-2891; p-ISSN: 2962-2883,Jurnal Mahasiswa, Hal 281-288

Sani, A., & Maharani, S. (2013). Analisis Statistik Lanjutan. Penerbit ABC

Sekaran, U. & Bougie, R.J., (2016). Research Methods for Business: A skill Building Approach. 7th Edition, John Wiley & Sons Inc. New York, US.

Sugiyono. (2017). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung: Alfabeta, halaman 85.

Sugiyono. (2019). Metode Penelitian Kuantitatif, Kualitatif dan R&D. Bandung: Alfabeta.

Telagawathi. (2020). Pengaruh Kepercayaan dan Kepuasan Pelanggan terhadap Loyalitas Pelanggan pada Pusaka Kebaya di Singaraja. JurnalManajemen dan Bisnis,Volume 2 Nomor.1, Halaman 61-73, p-ISSN: 2685-5526.

Tjiptono Fandy & Diana Anastasia. 2015. Pemasaran Esesi dan Aplikasi. Yogyakarta : Andi Offset.

Untung, Salsabila , Rudi Kurniawan (2022). Pengaruh Kualitas Pelayanan terhadap Loyalitas Pelanggan Bengkel AHASS Bintang Motor Banjaran. ATRABIS: Jurnal Administrasi Bisnis Vol. 8, No. 1 Juni 2022.

V. Masili., B. Lumanauw., M. V. J. Tielung.2022. Pengaruh Kualitas Layanan Terhadap Loyalitas Pelanggan Dengan Kepuasan Pelanggan Sebagai Variabel Intervening Pada Usaha Toko Bahan Bangunan Mentari Di Desa Sea Kecamatan Pineleng Kabupaten Minahasa. Jurnal Emba Vol.10 No.4 April 2022, Hal. 44-55.

W Agiesta,Achmad S,Perwito (2021). Pengaruh Kualitas Pelayanan Dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Ka Lokal Bandung Raya, Jurnal Ilmiah MEA (Manajemen, Ekonomi, dan Akuntansi) Vol. 5 No. 2.