

The Influence of Business Location and Service Quality on Consumer Loyalty with Consumer Satisfaction as a Mediating Variable at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit

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The Influence of Business Location and Service Quality on Consumer Loyalty with Consumer Satisfaction as a Mediating Variable at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit

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Abstract: *The objective of this research is to: 1) test and measure the impact of service quality and business location on customer satisfaction. 2) test and mitigate the effect of quality of service and business site on consumer loyalty. The research was carried out at the Aneka Usaha (Perseroda) Pharmaceutical Unit at Husada district of Wonogiri. The population in this study is the entire customer of Pharmacy Giri Husada. Given the unknown distribution of the population, according to Cooper and Schindler the number of samples taken was 96 rounded to 100 respondents. Research finds that there is an influence on the quality of service and the location of the business on consumer satisfaction. The quality of the service and the location of the business influence the loyalty of the consumer. Consumer satisfaction mediates the quality of the customer service against the loyalty of the consumer, but consumer satisfaction does not mediate the quality of service against the customer loyalty.*

Keywords : *quality of service, location of business, customer satisfaction, consumer loyalty, track analysis.*

1. INTRODUCTION

Pharmacies as a type of health retail business currently also need to pay attention to various factors that can influence consumer loyalty. Consumer loyalty is a crucial element that can determine the sustainability and long-term success of a business in this era which is full of dynamics, especially in the era of globalization and increasingly fierce business competition. The Giri Husada Wonogiri Pharmacy, which is one of the many pharmacies that serves the health needs of the community in particular, is also facing the same challenges.

A factor that also influences consumer loyalty is the location of the place of business. A strategic and easy to reach location can be an attraction for consumers. Quoting from research, " *Consumers prefer the pharmacy that is close to them due to easy access and affectability with their friendly location* ". A good location not only attracts consumers, but can also increase repeat visits, thereby building loyalty (Saputri et al., 2023) .

Apart from business location, service quality is also an important factor that influences consumer satisfaction and loyalty. Good service quality, such as staff friendliness, speed of service, drug availability, and pharmacist knowledge, can increase consumer satisfaction. This consumer satisfaction, in turn, can increase their loyalty to the pharmacy. Satisfied consumers tend to be more loyal and can even recommend the pharmacy to others.

**THE INFLUENCE OF BUSINESS LOCATION AND SERVICE QUALITY ON CONSUMER LOYALTY
WITH CONSUMER SATISFACTION AS A MEDIATING VARIABLE AT PT GIRI ANEKA USAHA
(PERSERODA) GIRI HUSADA WONOGIRI PHARMACY UNIT**

Consumer satisfaction is the core of achieving long-term profitability. Satisfaction is defined as the level of a person's feelings after comparing the performance (or results) he feels compared to his expectations. Satisfied consumers will tend to be loyal longer, and become less sensitive to price and tend to give good comments about the company.

Consumer satisfaction *can* be achieved if consumer needs, desires and expectations are met (Griffin, 2016; Swasta & Handoko 2010). By knowing what consumers want, it will make it easier for companies to communicate their products to their target consumers. In general, research on customer satisfaction is carried out using survey research, either by post, telephone or personal interviews through company surveys, so what is done will be obtained responses and feedback (*feed back*) directly from customers, which can also be interpreted as a sign (*signal*).) positive that the company pays special attention to its customers (Swastha & Irawan 2083; Tjiptono, 2019)). *Customer Satisfaction* is a post-purchase evaluation where the alternative chosen at least provides the same results (*outcomes*) as or exceeds customer expectations, while dissatisfaction arises if the results obtained do not meet customer expectations (Tjiptono, 2019) .

Consumers when shopping also consider and choose the location they will visit. A strategic and appropriate location will be more profitable, because some consumers will prefer one that can be reached easily, meaning that ease of obtaining products is also often a consideration for consumers when purchasing products. A strategic business location and good service will indirectly influence consumers' interest in visiting (Aryani & Febriana, 2022) .

Apart from the problem of business location, there is another problem which is no less important, namely the problem of service. Entrepreneurs must be able to provide satisfactory service to consumers so that they feel interested and happy in making purchases or transactions. Fast service and a friendly appearance make it very likely that consumers will be interested in buying (Aryani & Febriana, (2022) ; Griffin, 20 16).

Service quality is centered on efforts to fulfill consumer needs and desires as well as accuracy of delivery to match consumer expectations. Service quality is the expected level of excellence and control over this level of excellence to fulfill consumer desires (Tjiptono, 2014, p. 39) . The main factors that determine service quality according to Parasuraman, et al., (1998) in Lupiyoadi, (2020, p. 216) There are five dimensions, namely *tangible* (direct evidence), *reliability* (reliability), *responsiveness* (responsiveness), *assurance* (guarantee), *empathy* (attention).

Giri Husada Pharmacy is one of the pharmacies in Wonogiri Regency. In its business, Giri Husada Pharmacy has used various methods to attract buyers. In this case, Giri Husada

Pharmacy always strives to provide good quality service to its consumers by offering various products, not only generic medicines but also other types of patented and branded medicine products offered by this pharmacy. Giri Husada Pharmacy provides services by detecting potential buyers' illnesses by conducting interviews to find out what illnesses customers who want to take medicine actually suffer from. This treatment is given to customers in the category of mild illnesses that do not require action. With this service, it is hoped that consumers will feel satisfied when purchasing and using merchandise at the Giri Husada Pharmacy.

However, in reality some customers/consumers are dissatisfied with the services provided by the pharmacy. Researchers made initial observations on April 20 2024 at the Giri Husada Pharmacy which is located on Jalan Solo Wonogiri Km 12, Wonogiri Regency . Researchers made observations by conducting interviews with ten consumers who had purchased medicine at the Giri Husada Pharmacy . Researchers asked questions about complaints felt or experienced by consumers when using Giri Husada Pharmacy products and provided a suggestion column to respondents regarding these complaints. According to Lovelock (2016, p. 407) (2012: 407) there is a strategic relationship between the level of customer satisfaction and overall company performance. If the performance of the product or service meets expectations then the consumer will feel satisfied , and if the performance of the product or service exceeds expectations then the consumer will feel very satisfied (*delighted*). This theory is supported by *the Service Quality Gap Model* which states that: *Customer satisfaction* → *Expectation = Perception*.

Maintaining attitudes and behavior, quality in business is an important principle for Giri Husada Pharmacy because the owner is the Wonogiri Regency Government. This research aims to examine the influence of business location and service quality on consumer loyalty at the Giri Husada Wonogiri Pharmacy, with consumer satisfaction as a mediating variable. By understanding this relationship, it is hoped that it can provide deeper insight into what strategies the Giri Husada Wonogiri Pharmacy needs to implement to increase consumer satisfaction and loyalty.

This research will provide an important contribution to the development of pharmacy business strategies, especially in a local context such as Wonogiri. By knowing the factors that have a significant influence on consumer loyalty, pharmacies can make the necessary improvements and adjustments to improve service quality and ensure optimal business locations to achieve higher consumer satisfaction and loyalty.

The objectives of this research are: 1) Test and measure the influence of service quality and business location on consumer satisfaction. (2) Testing and measuring the influence of

service quality and business location on consumer loyalty (3) Testing and measuring the influence of service quality and business location through customer satisfaction as a mediating variable

2. THEORETICAL BASIS OF FRAMEWORK AND HYPOTHESIS

Theoretical basis

1. Consumer Loyalty

Behavior after purchasing a product is determined by satisfaction or dissatisfaction with a product at the end of the sales process. The concept of customer loyalty is more related to behavior *than* attitude. One of the positive attitudes of consumers can be shown through loyalty to the company's products and recommending these products to other consumers, while negative attitudes are shown through negative words (*word of mouth*) to other consumers and switching to other companies. Loyalty is something that arises without coercion but arises by itself. The definition of loyalty is the formation of a consumer's attitudes and behavioral patterns towards purchasing and using products as a result of their previous experience (Griffin, 2016) .

According to Oliver, Richard L. (2016) *Customer loyalty is deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior.* Loyalty can be defined as a deep customer commitment to re-subscribe or re-purchase selected products or services as a consistent attitude in the future, even though situational influences and marketing efforts have the potential to cause behavioral changes.

According to Hasan (2018, p. 83) , customer loyalty is defined as people who buy, especially those who buy regularly and repeatedly. A customer is someone who continuously and repeatedly comes to the same place to satisfy their desires by having a product or getting a service and paying for that product or service.

Meanwhile, according to Tjiptono (2019, p. 10) says that customer loyalty is a customer's commitment to a brand, shop, supplier based on a very positive attitude reflected in consistent repeat purchases.

Based on the definition above, it can be concluded that consumer loyalty towards a product is related to the positive attitude that the consumer has towards the product by consistently repurchasing it.

a. Characteristics of Consumer Loyalty

Customer loyalty is a reliable measure for predicting sales growth and customer loyalty can also be defined based on consistent purchasing behavior (Griffin, 2016) . The following are the characteristics of consumer loyalty:

1) Make repeat purchases regularly

Consumers make continuous purchases of a particular product. Example: Harley Davidson motorbike lovers will buy a new Harley motorbike if there is a new Harley Davidson model, not only do they buy it but they also spend additional money to change it according to their wishes.

2) Purchase across product or service lines (*purchase across product and service lines*)

Consumers not only buy main services and products but consumers also buy product and service lines from the same company. Example: consumers not only buy Harley Davidson motorbikes, but they also buy accessories from Harley Davidson to beautify their motorbikes.

3) Referring to other people (*Refers other*)

Where consumers communicate by word of mouth regarding the product. Example: a Harley Davidson consumer who has been using this motorbike for a long time, tells about the greatness and superiority of this motorbike, then after that his friend is interested in buying a Harley Davidson motorbike because he heard the story.

4) Demonstrates immunity to the pull of competitors (*demonstrates an immunity to the full of the competition*)

Consumers refuse to use alternative products or services offered by competitors. Example: Harley Davidson motorbike lovers refuse to use other motorbikes, in fact they also tend to refuse to know that there are other types of motorbikes.

Loyal customers are an asset for the company, this can be seen based on their characteristics. Therefore, consumer loyalty is a measure that can be relied upon to predict future growth for a company.

According to Tjiptono (2019) explains that loyalty includes two important components, namely loyalty as behavior and loyalty as attitude. The combination of these two components will produce four possible situations of loyalty, namely: *no loyalty* , *spurious loyalty* , *latent loyalty* , and *loyalty*." Tjiptono (2019) explains four possible situations of loyalty from Dick & Basu (1994), as follows:

1) *No Loyalty*

This can happen if the customer's attitude and repurchase behavior are both weak, then loyalty is not formed.

2) *Spurious Loyalty*

This situation is characterized by non-attitudinal influences on behavior, such as subjective norms and situational factors. This kind of situation can also be said to be *inertia*, where consumers find it difficult to differentiate between various brands in product categories with low levels of involvement. So repeat purchases are made based on situational considerations, such as *familiarity* (due to strategic product placement on display shelves, outlet locations in shopping centers).

3) *Latent Loyalty*

Latent loyalty is reflected when a strong attitude is accompanied by a weak repeat purchase pattern. This situation which is of great concern to marketers is due to the influence of non-attitudinal factors which are as strong or even tend to be stronger than attitudinal factors in determining repeat purchases.

4) *Loyalty*

This situation is the ideal situation that most marketers hope for. Where consumers have a positive attitude towards the product or manufacturer and are accompanied by a consistent repeat purchase pattern.

b. *Types of Consumer Loyalty*

According to Griffin (2016), there are four types of consumer loyalty, namely:

1) *No Loyalty (no loyalty)*

For various reasons, some consumers do not develop loyalty to a particular product or service. This means that consumers will never become loyal consumers, they only contribute little to a company. In general, companies must avoid groups that fall into the no-loyalty category as target markets because they will never become loyal consumers.

2) *Weak Loyalty (inertia loyalty)*

Weak linkage combined with high repeat purchases will result in weak loyalty. Consumers who have this attitude usually buy based on habit. The basis used for purchasing products is usually because they are used to it or because they always use the product. This kind of loyalty usually occurs in products that are often used, but it does not rule out the possibility that consumers who have weak loyalty will change by getting closer to these consumers through products that are more than competitors, for example by improving the quality of the product and by adding other facilities.

3) Hidden Loyalty (*latent loyalty*)

Relatively high levels of preference combined with low levels of repeat purchases indicate latent loyalty. The influence of situations and attitudes that determine repeat purchases. Companies can overcome this hidden loyalty by understanding the situational factors that contribute to hidden loyalty.

4) Premium Loyalty (*premium loyalty*)

Premium loyalty is a type of loyalty that occurs when a high level of interest is in line with repurchase activity. This kind of loyalty is what the company really hopes for. At a high level of preference, consumers will be proud to find and use the product and will be happy to share knowledge from their experience with friends, family or other consumers.

c. Customer Loyalty Indicators

Indicators of customer loyalty according to Kotler & Keller (2021, p. 57) are *Repeat Purchase* (loyalty to product purchases); *Retention* (Resistance to negative influences on the company); *referrals* (referring to the total existence of the company).

2. Consumer Satisfaction

Measuring customer satisfaction is an important element in providing better, more efficient and more effective service. If customers are dissatisfied with a service provided, then the service can be determined to be ineffective and inefficient. This is especially important for public services.

Achieving the highest level of customer satisfaction is the main goal of marketing. When customers are satisfied with the service they receive, it is likely that they will return again and make other purchases and they will also recommend the company to their friends and family. Marketing is not solely about making sales, but rather about continually satisfying customers.

Customer satisfaction is the customer's perception that their expectations have been met or exceeded (Gerson, 2017, p. 3) . Customer satisfaction means a comparison between what consumers expect and what consumers feel when using the product. If consumers feel the product's performance is the same or exceeds their expectations, it means they are satisfied. On the other hand, if the product performance is less than their expectations, it means they are not satisfied.

Satisfaction is the level of a person's feelings after comparing the performance or results they feel with their expectations. Satisfaction is the result of research from consumers that the service has provided a level of enjoyment where this level of fulfillment can be more or less. Customer satisfaction can be known after the customer uses the product or service. Customer

satisfaction is a post-purchase evaluation or evaluation result after comparing what they feel with their expectations (Yamit, 2015, p. 78) .

Customer satisfaction is a person's feeling of being satisfied or vice versa after comparing the reality and expectations received from a product or service (Kotler, 2014, p. 36) . A very satisfied customer will (Kotler, 2014, p. 57) :

- a. Stay loyal longer
- b. Buy more when the company introduces new products and updates existing products
- c. Talking good things about the company and its products
- d. Pay less attention to competing brands and advertisements and are less sensitive to price.
- e. Offering service or product ideas to companies
- f. The costs for the service are smaller than the costs for servicing new customers because transactions are more routine

Thus, a company would be wise to measure customer satisfaction regularly. Strive to exceed customer expectations, not just meet them. Some companies think that they get the meaning of customer satisfaction by counting the number of customer complaints. However, 95% of dissatisfied customers do not complain, many customers just remain silent and then stop buying or subscribing. The best thing a company can do is make it easier for customers to submit complaints. Suggestion forms and company toll-free telephone numbers and e-mail addresses serve that purpose. Because loyal customers contribute to a large portion of a company's profits, a company should not take risks by ignoring complaints or fighting over trivial matters with customers. Far from that, the satisfaction felt by customers also depends on the quality of the goods, services and services provided by the company.

Customer satisfaction can only be achieved by providing quality service to consumers. Good service is often assessed by consumers directly from employees as people who serve or are also known as service producers, therefore efforts are needed to improve the quality of the service system provided in order to fulfill desires and increase consumer satisfaction. So service quality is an important thing that companies must pay attention to in order to achieve consumer satisfaction. Service quality has a close relationship with consumer satisfaction. Quality provides an incentive for consumers to establish strong relationships with the company.

a. Factors That Influence Customer Satisfaction

In determining consumer satisfaction, there are five factors that companies must pay attention to (Lupiyoadi, 2020) , including:

- 1) Product quality, namely customers will feel satisfied if their results show that the product they use is quality.

- 2) Quality of service or services, namely customers will feel satisfied if they receive good service or as expected.
- 3) Emotions, namely customers will feel proud and gain confidence that other people will admire them if they use products from certain brands which tend to have a higher level of satisfaction. The satisfaction obtained is not due to the quality of the product but social or self-esteem which makes customers feel satisfied with a particular brand.
- 4) Price, namely products that have the same quality but set a relatively cheap price will provide higher value to customers.
- 5) Cost, namely customers who do not need to incur additional costs or do not need to waste time to get a product or service tend to be satisfied with the product or service.

b. Consumer Satisfaction Indicators

There is no single best measure of customer satisfaction that is universally agreed upon. However, amidst the variety of ways to measure customer satisfaction, there are similarities in at least six core concepts. The following is a measure of consumer satisfaction according to (Tjiptono, 2019) .

1) Overall Customer Satisfaction (*Overall Customer Satisfaction*)

The simplest way to measure customer satisfaction is to directly ask customers how satisfied they are with a specific product or service. There are usually two parts to the measurement process. First, measure the level of customer satisfaction with the company's products or services. Second, assess and compare the overall level of customer satisfaction with competitors' products and services.

2) Dimensions of customer satisfaction

Various studies sort customer satisfaction into its components. Generally such a process consists of four steps. Firstly, identifying key dimensions of customer satisfaction, secondly, asking customers to rate the company's products and services based on specific items such as speed of service or the friendliness of the staff serving customers. Third, ask customers to rate competing products or services based on the same specific items. Fourth, ask customers to determine which dimensions they think are most important in assessing overall customer satisfaction.

3) Confirmation of expectations (*Confirmation of Expectations*)

In this concept, satisfaction is not measured directly, but is concluded based on the conformity/discrepancy between customer expectations and the actual performance of the company's products.

4) Repurchase interest (*Repurchase Internal*)

Customer satisfaction is measured behaviorally by asking whether the customer will shop or use the company's services again.

5) Willingness to recommend (*Willingness to Recommend*)

In case of product purchase over a relatively long period of time (such as cars, house brokers, computers touring around the world) a customer's willingness to recommend a product to their friends or family becomes the most important measure to analyze and act on.

6) *Customer Dissatisfaction*

Several aspects that are often studied to determine customer dissatisfaction include: complaints, product returns or refunds, warranty costs, recalls, negative *word of mouth and defections* .

3. Service quality

Parasuraman, et al., in Lupiyoadi (Lupiyoadi, 2020) stated that service quality can be defined as how far the difference between reality and customer expectations for the service they receive or obtain. Meanwhile, according to Kotler (2014) service quality is a form of consumer assessment of the perceived service level (*Perceived service*) and the expected service level (expected *value*) .

The definition of service quality is centered on meeting customer needs and desires and the accuracy of delivery to match customer expectations. According to Wyckof et al., (2019) service quality is the expected level of excellence and control over the level of excellence to fulfill customer desires. If the service received is as expected, then the quality of the service is perceived as good and satisfactory. If the service received exceeds customer expectations, then the quality of the service is perceived as ideal. Conversely, if the service received is lower than expected, then the quality of the service is considered poor (Tjiptono, 2014, p. 121) .

Referring to the definition of service quality, the concept of service quality is the responsiveness and reality of the services provided by the company. Service quality must start from customer needs and end with customer perceptions (Kotler, 2014) . This means that good quality is not based on the perception of service provision, but rather based on customer perception. Service quality refers to customer assessments about the core of the service, namely the service provider itself or the entire service organization. Most people are now starting to show demands for excellent service, they no longer just need quality products but they prefer to enjoy the comfort of service. Therefore, in formulating service strategies and programs, organizations must be oriented towards customer interests and pay close attention to the quality dimensions (Erwansyahi et al., 2023) .

If the consumer's assessment of service quality is high or superior, then the consumer's behavioral intentions will be *favorable* or pleasant, namely the consumer tries to strengthen the relationship with the company, for example: saying positive things about the company, remaining loyal to the company, recommending to others, improving purchase volume or willingness to pay a premium price.

How to measure service quality can focus on two types of research, namely consumer research and non-consumer research. Consumer research examines consumer perspectives regarding a company's strengths and weaknesses, and includes aspects such as consumer complaints, after-sales surveys, focus group interviews, and service quality. Meanwhile, non-consumer research focuses on employee perspectives regarding company weaknesses and strengths, as well as employee performance, and can also assess competitor performance and can be used as a basis for comparison (Tjiptono, 2014, p. 294) . Parasuraman et al., (1998) have developed a quality measurement tool called *SERVQUAL* (*Service Quality*) where there are *SERVQUAL dimensions* , namely:

- 1) *Reliability* (Reliability)
- 2) *Responsiveness* (responsiveness)
- 3) *Assurance* (guarantee)
- 4) *Empathy* ,
- 5) *Tangibles* (physical evidence)

Sunarto (2009: 244) identifies seven basic dimensions of quality, namely:

- 1) Performance
- 2) Employee Interaction
- 3) Reliability
- 4) Durability
- 5) Timeliness and Convenience
- 6) Aesthetics
- 7) Brand Awareness

Garvin in Tjiptono and Chandra (2012: 113) developed eight dimensions of quality, namely:

- a. Performance is about the main operating characteristics of the core product.
- 2) Additional characteristics or features , namely secondary or complementary characteristics.
- 3) Reliability , namely the small possibility *that* it will be damaged or fail to use.
- 4) Conformance to specifications (*conformance to specifications*). Namely the extent to which the design and operating characteristics meet previously established standards . Just

like the products or services received by customers must match the form and type by mutual agreement.

- 5) Durability *is* related to how long the product can continue to be used. Usually customers will feel satisfied if the product they buy is never damaged.
- 6) Serviceability, including speed, competence, comfort, easy repair; satisfactory complaint handling.
- 7) Aesthetics, namely the product's appeal to the five senses.
- 8) Perceived quality, namely the image and reputation of the product and the company's responsibility towards it. For example, a brand that is better known to the public (*brand image*) will be more trusted than a brand that is new and unknown.

Meanwhile, according to Hutt and Speh (2018, p. 47) service quality consists of three dimensions or main components which consist of:

- 1) *Technical Quality*, namely components related to the quality of output received by customers. It can be further broken down into:
 - a) *Search quality*, namely quality that customers can evaluate before buying, for example: price and goods.
 - b) *Experience quality*, namely quality that customers can only evaluate after purchasing or consuming a service or product. For example, timeliness, speed of service, and neatness of results.
 - c) *Credence quality*, which is something that is difficult for customers to evaluate, even after consuming a service.
 - d) *Functional quality*, namely components related to the quality of how a service is delivered.
 - e) *Corporate image*, namely profit, reputation, general image and special attractiveness of a company.

4. Business Location

Determining the location for each business is an important task for marketers, because the wrong decision can result in failure before the business starts. Choosing a trading location is an important decision for a business which must persuade customers to come to the business premises to fulfill their needs. Location selection has a strategic function because it can determine the achievement of a business entity's goals. Location more strictly means a physical place. Location is the place where business activities are carried out, namely various company activities to make the products produced or sold affordable and available to the target market (Kotler & Armstrong, 2019).

Meanwhile, according to Lupiyoadi (2020, pp. 61–62), location is the place where the company must be headquartered and carry out operations. In this case there are three types of interactions that influence location, namely:

- a. Consumers come to the service provider (company), if the situation is like this then location becomes very important. Companies should choose places close to consumers so they are easy to reach, in other words they must be strategic;
- b. The service provider comes to the consumer, in this case the location is not very important but what must be considered is that the service delivery must remain of high quality;
- c. Service providers and consumers do not meet directly, meaning that service providers and consumers interact through certain means such as telephone, computer and mail.

Careful considerations in determining location according to Tjiptono & Chandra (2019, pp. 41–42) includes factors:

- a. Access, for example a location that is easy to pass or easy to reach by public transportation.
- b) Visibility, for example the location can be seen clearly from the edge of the road.
- c) Spacious and safe parking area.
- d) Expansion, namely the availability of a large enough space for business expansion in the future.
- e) Environment, namely the surrounding area that supports the services offered.

The factors that must be considered in determining shopping areas are the size of the trading area, how easily it can be reached, growth potential, location of competing shops. Meanwhile, the decision regarding shop location in a shopping center is influenced by several more specific factors such as cost and length of rental, services provided by the shopping center entrepreneur, room size and layout, visitor flow, distance from the parking area.

Based on the theory above, it can be concluded that what is meant by location in this research is a strategic location within reach of consumers including transportation, sales location, and the distance between the shop location and home .

➤ **Framework**

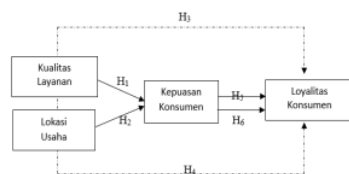


Figure 1. Framework

➤ **Hypothesis**

1. There is a significant influence of service quality on consumer satisfaction at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit.
- 8 2. There is a significant influence of business location on consumer satisfaction at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit
- 8 3. There is a significant direct influence of service quality on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit.
- 18 4. There is a significant direct influence of business location on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit.
5. Consumer satisfaction fully mediates the influence of service quality on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit.
6. Consumer satisfaction fully mediates the influence of business location on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit.

3. RESEARCH METHODS

A. The scope of research

The place of this research is the Giri Husada Pharmacy which is located at Jl. Pemuda I No.6, Sangrahan, Giripurwo, Kec. Wonogiri, Wonogiri Regency, Central Java 57612, with research subjects being consumers.

B. Research variable

The variables used in this research consist of the dependent variable (Y), namely consumer loyalty. The independent variable (X) is X1 : service quality X2 Location and mediating variable X3/M : : consumer satisfaction.

C. Data source

The data sources that researchers collected consisted of primary data and secondary data.

- 1 . Primary data
- 2 . Secondary data

D. Population and Sample

In this study the population was all customers of the Giri Husada Pharmacy .

Considering that the distribution of the population is not known with certainty , according to Cooper and Schindler (2019, p. 161) the number of samples taken was 100 respondents.

E. Data collection technique

1. Questionnaire.
2. Documentation and library studies right?

F . Data Type

The data used in this research consists of primary data and secondary data.

H. Data Analysis Method

1. Test the Research Instrument
2. Test prerequisites for analysis/ test assumptions classic
3. Path Regression Test
4. Discussion

I. Data Analysis Results

1. Test the Research Instrument

Based on the research instrument test which consists of a validity test and a reliability test, it is known that each question item is valid and reliable and meets the requirements for further testing.

2. Analysis Prerequisite Test/Classical assumption test

It has passed the analysis prerequisite tests therefore it is eligible to predict the next analysis.

3. a. First Equation Path Regression Test

Table 1. First Equation Path Regression Test

Hasil Analisa Regresi Persamaan Pertama						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,119	,813		2,605	,011
	Kualitas Layanan	,099	,018	,555	5,525	,000
	Lokasi Usaha	,389	,101	,388	3,860	,000

a. Dependent Variable: Kepuasan Konsumen
 Sumber: Hasil Olahan SPSS Th 2024

Based on Table 1, the path regression equation can be determined as follows: (taken from the *Standardized Coefficients* Beta value)

$$Y_1 = 2.119 + 0.555 X_1 + 0.388 X_2 + \epsilon$$

Sig. (0.000) (0.000)

3. b. Second Equal Path Regression Test

Table 2. Second Equal Path Regression Test

Hasil Analisis Regresi Persamaan Kedua

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,924	,715		4,089	,000
Kualitas Layanan	,045	,018	,282	2,464	,016
Lokasi Usaha	,361	,094	,399	3,847	,000
Kepuasan Konsumen	,258	,101	,285	2,554	,013

a. Dependent Variable: Word of Mouth
Lampiran Olahan SPSS Th 2024

Based on Table 2, the path regression equation is obtained as follows: (taken from the *Standardized Coefficients* Beta value).

$$Y_2 = 0.108 + 0.282X_1 + 0.399 X_2 + 0.285 Y_1/M + e$$

$$\text{Sig.} = (0.016)(0.000)(0.013)$$

4. Hypothesis Testing

T test results (first equation)

1) The influence of service quality on consumer satisfaction.

The regression results of the first equation show that the t count of the service quality variable is 5.599 with a significance value of 0.000 < 0.01, meaning that the service quality variable has a significant effect on consumer satisfaction, so hypothesis 1 is accepted.

2) The influence of business location on consumer satisfaction.

The regression results of the first equation show that the t calculated price variable is 3.773 with a significance value of 0.000 < 0.01, meaning that the business location variable has a significant effect on consumer satisfaction, so hypothesis 2 is accepted.

3) The influence of service quality on consumer loyalty.

The regression results of the second equation show that the service quality variable t is 2.189 with a significance value of 0.031 < 0.050, meaning that the service quality variable has a significant effect on consumer loyalty, so hypothesis 3 is proven.

4) The influence of business location on consumer loyalty.

The regression results of the second equation show that the calculated t for the business location variable is 3.142 with a significance value of 0.002 < 0.01, meaning that the business location variable has a significant effect on consumer loyalty, so hypothesis 4 is accepted.

- 5) Consumer satisfaction fully mediates the influence of service quality on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit and
- 6) Consumer satisfaction fully mediates the influence of business location on consumer loyalty at PT Giri Aneka Usaha (Perseroda) Giri Husada Wonogiri Pharmacy Unit. Hypotheses 5 and 6 need to be tested for mediation as follows:

5. **Mediation Test**

- a. The consumer satisfaction variable mediates the influence of service quality on consumer loyalty. (KP →KK →Lk)

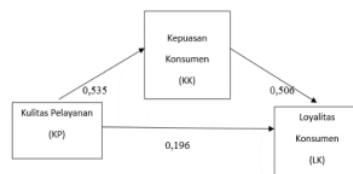


Figure 2. Mediation Test

Because $P1 \times P2 > P3$ ($0.535 \times 0.506 = 0.271 > 0.196$). So consumer satisfaction mediates the influence of service quality on consumer loyalty. This means that the mediation is full mediation, so the hypothesis is accepted.

- b. The consumer satisfaction variable mediates the influence of business location on consumer loyalty. (LU →KK →Lk)

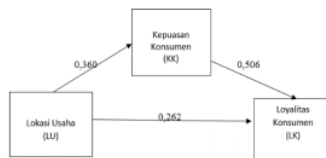


Figure 3. Mediation Test

Because $P1 \times P2 < P3$ ($0.360 \times 0.506 = 0.182 < 0.262$), consumer satisfaction does not mediate the effect of business location on consumer loyalty. This means that the mediation is partial mediation.

4. Discussion

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1. The influence of service quality on consumer satisfaction.

The research results found that there is a positive and significant influence of service quality on consumer satisfaction. This means that a relationship like this implies that the higher/better the quality of service provided, the better/higher customer satisfaction will be.

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2. The influence of location on consumer satisfaction.

The research results found that there is a positive and significant influence of location on consumer satisfaction. This means that a relationship like this implies that the higher/easier to reach the location of the pharmacy, the more satisfied the consumer will be.

17
3. The influence of service quality on consumer loyalty

The research results show that there is a direct and significant influence of service quality on consumer loyalty. This means that a relationship like this implies that the higher/better the quality of service, the better/higher consumer loyalty will be.

4. The influence of location on consumer loyalty

The research results show that there is a direct and significant influence of location on consumer loyalty. This means that a relationship like this implies that the higher/more strategic the location of the pharmacy business, the better/higher consumer loyalty will be.

5. The consumer satisfaction variable mediates the influence of service quality on consumer loyalty.

Based on data analysis, it is known that consumer satisfaction mediates the influence of service quality on consumer loyalty, meaning that there is an indirect influence from the implementation of service quality on consumer loyalty through mediation, namely the mediator of consumer satisfaction. This means that consumer loyalty gets better by increasing consumer satisfaction first, then consumer satisfaction increases consumer loyalty.

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6. The consumer satisfaction variable mediates the influence of location on consumer loyalty.

Based on data analysis, it is known that consumer satisfaction does not mediate the influence of location on consumer loyalty, meaning that there is a better direct influence from location on consumer loyalty than through mediation.

4. CONCLUSIONS, SUGGESTIONS, LIMITATIONS

A. Conclusion

1. There is a positive and significant influence of service quality on consumer satisfaction. This means that a relationship like this implies that the higher/better the quality of service, the better/higher consumer satisfaction will be.
2. There is a positive and significant influence of business location on consumer satisfaction. This means that a relationship like this implies that the higher/better the business location, the better/higher consumer satisfaction will be.
3. There is a positive and significant influence of service quality on consumer loyalty. This means that a relationship like this implies that the higher/better the quality of service, the better/higher consumer loyalty will be.
4. There is a positive and significant influence of business location on consumer loyalty. This means that a relationship like this implies that the higher/better the business location, the better/higher consumer loyalty will be.
5. Consumer satisfaction mediates the influence of service quality on consumer loyalty, meaning that there is a better indirect influence of service quality on consumer loyalty. This means that consumer loyalty gets better by increasing consumer satisfaction first, then consumer satisfaction increases consumer loyalty.
6. Consumer satisfaction does not mediate the influence of location on consumer loyalty, meaning that there is a better direct influence from business location on consumer loyalty than through mediation, namely consumer satisfaction.

B. Suggestion

1. This research found that there is a positive and significant influence between service quality and consumer satisfaction. Thus, Giri Husada Pharmacy which wants to increase customer satisfaction needs to continue to focus on improving the quality of its service. For example; establish and publish clear service standards so consumers know what they expect and employees have consistent guidelines to follow.
2. Considering that location influences consumer satisfaction, Pharmacy management should maintain this if it needs to be improved by utilizing technology to help consumers find and access business locations easily, such as using digital map applications and providing clear directions on the company's website or social media.
3. There is a positive and significant influence between service quality and consumer loyalty, so Pharmacy management implements loyalty programs, such as giving points, special

discounts, or prizes for consumers who frequently make transactions or have been customers for a long time.

4. Business location influences consumer loyalty. In this case, management should ensure that the pharmacy business location is easy to reach by various modes of transportation, has adequate parking facilities, and is equipped with other supporting facilities that can increase consumer comfort. Increase security and comfort around business locations by providing adequate security and maintaining the cleanliness and tidiness of the surrounding area.
5. Consumer satisfaction mediates service quality and its influence on consumer loyalty. Pharmacy management should encourage satisfied consumers to leave positive reviews or recommend the service to others, which can help build a good reputation and attract more consumers.
6. Considering that consumer satisfaction does not mediate the influence of business location on consumer loyalty, companies must focus on other factors that can directly increase consumer loyalty, such as product quality, competitive prices, and good relationships with customers.

C. Research Limitations

This research has several limitations, including:

1. This research was only conducted on one business unit, namely the Giri Husada Pharmacy in Wonogiri. The research results may not be generalized to pharmacies in other locations or other business units within PT Giri Aneka Usaha.
2. Data collection methods such as questionnaires or surveys have limitations, especially if respondents do not answer honestly or fully understand the questions asked.
3. The data collected only reflects conditions at a certain time. Changes in economic, social, or even internal company conditions can affect research results if carried out at different times .

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