



Service Quality on Consumer Satisfaction and Non-Wage Consumer Loyalty in BPJS Ketenagakerjaan Pekanbaru Panam Branch

Anwar Hidayat^a, Teddy Chandra^b, Rizaldi Putra^{b*}

^aBPJS Ketenagakerjaan Pekanbaru Panam, Riau, Indonesia

^bBusiness Faculty, Institut Bisnis dan Teknologi Pelita Indonesia, Riau, Indonesia

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*Corresponding author

rizaldi.putra@lecturer.pelitaindonesia.ac.id

Abstract

This study aims to analyze the effect of service quality on consumer satisfaction and customer loyalty BPJS Ketenagakerjaan Pekanbaru Panam branch. This research is quantitative research by distributing questionnaires to respondents. The population in this study is the BPJS Ketenagakerjaan branch of Pekanbaru Panam Non-Wage Recipients. The number of samples is 153 respondents. The results of this study indicate that service quality has a positive and significant effect on consumer satisfaction, service quality has a negative and significant effect on consumer loyalty, customer satisfaction has a positive and significant effect on consumer loyalty, and service quality has a significant effect on consumer loyalty through customer satisfaction.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty

1.0 INTRODUCTION

Social security is a basic human need that must be met in order to improve welfare. Social security is an economic asset that is useful as a basic protection for a person and his family from social (Suyono, Suhardjo, Renaldo, Sudarno, & Sari, 2021) and economic risks. Indonesia, as one of the countries with the largest population in the world, also pays high attention to social security by making policies on social security for workers in Indonesia by establishing the Employment Social Security Administration Agency (*Badan Penyelenggara Jaminan Sosial / BPJS*).

The importance of social security for workers is evidenced by the number of BPJS Employment participants increasing from year to year. The number of BPJS Employment participants increased by 25.56% from 2016 to 2021 (DataIndonesia.id, 2022). BPJS Employment participants in Indonesia tend to increase from 2016 to 2021. There was only a decrease in 2020 caused by the Covid-19 Pandemic which caused many workers to lose their jobs. The number of BPJS Employment participants will again increase in 2021 in line with the improving economy in Indonesia. This phenomenon proves that the interest of companies and workers to become BPJS Employment participants has increased because of the benefits felt by BPJS Employment participants.

In providing services to participants, based on the integrated annual report for 2020, BPJS Employment has been present with 1 head office, 11 Regional Offices, 325 Branch Offices, and is supported by 4,694 BPJS PERISAI Agents spread throughout Indonesia. The Employment BPJS Office Pekanbaru Panam Branch is a part of the network that provides services to BPJS Employment participants or consumers.

As part of BPJS Ketenagakerjaan, the Panam Pekanbaru Branch office is obliged to serve participants in 2 categories according to the Regulation of the Minister of Manpower of the Republic of Indonesia number 5 of 2021 concerning Procedures for Implementing Work Accident, Death and Old Age Security Programs, namely: (1) Participants Wage Recipient, which is everyone who works for the employer by receiving wages or compensation. (2) Non-Wage Recipient Participants who are individuals who carry out business activities (Ansorimal, Panjaitan, & Chandra, 2022) independently to earn income. The number of active participants and new participants who are not wage earners at the Pekanbaru Panam branch is shown in table 1.

Table 1. Employment BPJS participants who are not branch wage earners Pekanbaru Panam

Year	2017	2018	2019	2020	2021
Active Participants	10,243	13,085	15,474	17,598	18,304
New Participant	15,147	21,836	23,073	41,419	23,081

Source: Employment BPJS, 2022

From table 1 it can be seen that there has been an increase in participants who are not wage earners from 2017 to 2021 at the BPJS Ketenagakerjaan Pekanbaru Panam branch, both the number of active participants and the number of new participants. However, it appears that there is a gap in the number of active participants compared to new participants. Active participants are much smaller in number when compared to the number of new participants and this happens every year from 2017 to 2020. The occurrence of this gap indicates that new participants who register in that year do not continue to become participants or do not continue paying BPJS Employment contributions until end of year.

The phenomenon of non-wage recipient participants who do not continue their membership in the Pekanbaru Panam branch of Employment BPJS proves the low loyalty of non-wage earners who are members of the Panam Pekanbaru branch of Employment BPJS. Consumer loyalty is a person's allegiance to certain products, both in the form of goods and services. Consumer loyalty is the impact of consumer satisfaction (Bakhroini, Junaedi, & Putra, 2022) in using goods or services provided by the company. Loyalty is also a consumer's desire to remain a customer of the company because the consumer is satisfied with an item or service (Putro et al., 2014).

Consumer loyalty is influenced by consumer satisfaction. High consumer satisfaction can increase consumer loyalty. Leninkumar (2017), El-Adly (2019) and Diputra and Yasa (2021) prove that consumer satisfaction has a positive and significant influence on consumer loyalty. Hameed (2013) and Dewi, Kumadji, and Mawardi (2015) explained that customer satisfaction has no significant effect on customer loyalty. Consumer loyalty is also influenced by service quality (Wang, Zhang, Zhu, & Wang, 2020). Dewi et al. (2021), Dam and Dam (2021) and Lubis et al. (2021) proved that service quality has a positive and significant influence on consumer loyalty. Different results were put forward by Singh (2021) and Anabila et al. (2021) which proves that service quality has no significant effect on consumer loyalty. Good service quality will create high customer satisfaction. Dewi et al. (2021), Dam and Dam (2021) and Lubis et al. (2021) proved that service quality has a positive and significant influence on consumer satisfaction. Different results were put forward by Ibrahim and Thawil (2019) and Andalusi (2018) which prove that service quality has no significant effect on customer satisfaction.

Based on the phenomena and research gaps described above, this study examines the effect of service quality on customer satisfaction and non-wage consumer loyalty at BPJS Ketenagakerjaan Pekanbaru Panam branch.

2.0 LITERATURE REVIEW

Consumer Loyalty

According to Damayanti (2015) consumer loyalty is the desire of consumers to re-order the same product or service because they are happy with the product or service, apart from efforts to change marketing methods, meaning that customers will buy the product or service repeatedly.

Tjiptono and Chandra (2016) suggest that there are six indicators that can be used to measure consumer loyalty, namely: (1) Repurchase, loyal consumers will repurchase goods or services that have been used before. (2) The habit of using, consumer loyalty (Kaur, Mustika, & Sjabadhyni, 2018) can be seen how often these consumers use a brand (Arif, Komardi, & Putra, 2021). (3) Like the brand, consumers who are loyal to a product directly like the product first. (4) Not switching, consumers consciously choose a particular brand amidst the many choices. At this point, there has been an emotional bond and high trust from consumers towards the brand. (5) Convinced that the brand is the best. When a consumer is loyal to a brand, the consumer considers that brand to be the best. So, whatever the options are available in the market, for these consumers there is nothing that can compete with the brand they choose. (6) Recommend the brand to others. With pleasure, loyal consumers will recommend the product or brand they use to others.

Consumer Satisfaction

According to Yuniarti (2015) Consumer satisfaction is a condition of consumer needs, desires and consumer expectations that are fulfilled for a product or service. The thing that makes consumers continuously use a product or service and makes consumers loyal and consumers tell a product or service to others is customer satisfaction (Sukmawaty, Sudarno, & Putra, 2021). Consumer satisfaction (Shin, Park, & Kim, 2021) is a response and consumer assessment of the level of satisfaction. Consumer satisfaction is very important in today's competitive business world, to form a high level of satisfaction (Ramadona, Putra, & Komardi, 2021) it is necessary to make a difference and develop products that are closely related to consumers (Deng et al., 2010).

Selnes (1993); Saputra & Alwie (2015) explain the indicators of consumer satisfaction as follows: (1) Experience, is the consumer's experience when interacting and using a product. (2) Expectation, is the conformity between the reality expectations that consumers feel when using a product. (3) Overall Satisfaction, is the satisfaction felt by consumers as a whole for a product or service.

Service Quality

According to Kotler and Keller (2009) service quality is any activity offered which is basically intangible and does not result in any ownership. Service is organizational behavior (Renaldo, Andi, Nur, Junaedi, & Panjaitan, 2021) to meet customer needs and desires that aim to customer satisfaction (Kotler & Keller, 2009). Hardiansyah (2018)

explains the notion of service quality (Jacksen, Chandra, & Putra, 2021) as a product that is intangible, lasts for a while and can be felt or experienced. This means that service is a product that has no form or shape so that there is no form that can be owned, and lasts for a moment or does not last long, but can be experienced and felt by the recipient of the service. From this understanding, service can be interpreted as an activity provided to help prepare and manage whether it is in the form of goods or services from one party to another.

According to Lupiyoadi (2001), there are five indicators to determine service quality as follows: (1) Tangible, is physical evidence of services such as physical facilities, equipment used, and employee uniforms. (2) Reliability, reliability includes consistency of performance and the ability to be trusted. (3) Responsiveness, namely the willingness or readiness of employees to provide appropriate services to customers. (4) Assurance, namely knowledge, competence (Gazali, Panjaitan, & Chandra, 2022), courtesy and trustworthy attitude possessed by employees, free from risk, free from physical harm or doubt. (5) Empathy, giving sincere attention to customers personally by trying to understand customer desires, such as easy relationships, effective communication (Marliza, Nyoto, & Sudarno, 2022), personal attention, and understanding customer needs.

Relations between Variables and Hypotheses

Effect of Service Quality on Consumer Satisfaction

Dewi et al. (2021) explained that service quality has a positive and significant influence on consumer satisfaction. Dam and Dam (2021) also explain that customer satisfaction is positively and significantly influenced by service quality. Siswadhi (2016), Dwi and Muhsin (2019) and Lubis et al. (2021) also proves that service quality has a positive and significant influence on consumer satisfaction. Different results were put forward by Ibrahim and Thawil (2019) which explained that service quality did not have a significant effect on customer satisfaction. Andalusi (2018) and Tee, Preko, and Tee (2018) also prove that service quality has no significant effect on customer satisfaction.

Hypothesis 1 (H1): Service quality has a positive effect on customer satisfaction.

Effect of Service Quality on Consumer Loyalty

Dewi et al. (2021) explains that consumer loyalty is positively and significantly influenced by service quality. Good service quality will increase consumer loyalty. Dam and Dam (2021) also explain that service quality has a positive and significant effect on consumer loyalty. Lubis et al. (2021) also proves that service quality has a positive and significant influence on consumer loyalty. Loyal consumers are obtained from consumers who are satisfied with the quality of service they receive. Different results were put forward by Singh (2021) which explained that service quality did not have a significant effect on consumer loyalty. Anabila et al. (2021) also proves that service quality has no significant effect on consumer loyalty.

Hypothesis 2 (H2): Service quality has a positive effect on customer loyalty.

Effect of Consumer Satisfaction on Consumer Loyalty

Leninkumar (2017) explains that consumer satisfaction has a positive and significant effect on consumer loyalty. El-Adly (2019) also explains that consumer loyalty is positively and significantly influenced by consumer satisfaction. Diputra and Yasa (2021) also prove that consumer satisfaction has a positive and significant influence on consumer loyalty. Hameed (2013) stated different results which explained that customer satisfaction has no significant effect on customer loyalty. Dewi, Kumadji, and Mawardi (2015) also explained that customer satisfaction has no significant effect on customer loyalty.

Hypothesis 3 (H3): Consumer satisfaction has a positive effect on consumer loyalty.

Effect of Service Quality on Consumer Loyalty through Consumer Satisfaction

Consumers who are satisfied with the services provided will be loyal to a product or organization. Singh (2021) explains that service quality has a positive and significant effect on consumer loyalty and is mediated by consumer satisfaction. Anabila et al. (2021) explained that there is a positive and significant influence of service quality on customer loyalty through customer satisfaction, meaning that consumer satisfaction is able to mediate the relationship between service quality and customer loyalty. Lubis et al. (2021) also proves that consumer satisfaction is able to mediate the relationship between service quality and consumer loyalty. Consumers who are satisfied with the quality of service will have an impact on consumer loyalty

Hypothesis 4 (H4): Service quality influences consumer loyalty through customer satisfaction

3.0 METHODOLOGY

This research is a quantitative research. This research was conducted on the consumers of the BPJS Ketenagakerjaan Branch of Pekanbaru Panam. The time of research is from April to June 2022.

Population and Sample

The population in this study are consumers who are not wage earners (BPU) who are active in 2021 at the BPJS Ketenagakerjaan branch of Pekanbaru Panam, totaling 18,304.

Determining the number of samples in this study uses the Slovin formula as in equation 1:

$$n = N / (1 + \frac{Ne^2}{N}) \text{ (Equation 1)}$$

Where:

n: Number of Samples

N: Total Population

e: Percent error

So the number of samples obtained as follows:

$$n = 18.304 / (1 + \frac{18.304 \times 0.1^2}{18.304}) \\ = 99.46$$

From calculations using the Slovin formula, the minimum sample size in this study was 99.46 respondents, according to Hair et al. (2010) for data processing using SEM a good sample size is 100-200 respondents. Questionnaires were distributed to 200 respondents, but those who returned and met the criteria were 153 so that the sample in the study was rounded up to 153 respondents.

Data Analysis Technique

Descriptive Analysis

The descriptive analysis in this study contains a discussion of the characteristics (Renaldo, Sudarno, et al., 2021) of the respondents associated with the responses of the respondents. Analysis of the characteristics of the respondents consisted of the age of the respondent, the sex of the respondent, income and education. The analysis to be carried out is in the form of analysis using the mode. Then an analysis of the respondents' responses was carried out containing a discussion of the respondents' responses which were associated with the characteristics of the respondents. The results of this study can be described in a conclusion and make class intervals as the basis for describing the perceptions of the indicators being measured (Hafni, Renaldo, Chandra, & Thaief, 2020).

Validity and Reliability Test

Validity Test is a test conducted to measure the accuracy of research instruments or questionnaires. The questionnaire is said to be valid if the statements or statements from the questionnaire can reveal something that will be measured by the questionnaire. The accuracy value of the questionnaire can be measured using the correlation coefficient. The questionnaire is said to be good and valid if the correlation coefficient is significant or $r_{count} > r_{table}$. Where $df = n - 2$ with a 2 sided test (Ghozali, 2011).

Reliability test is a questionnaire test conducted with the aim of measuring the consistency of respondents' answers. The reliability test was carried out with the Cronbach Alpha statistical test. The questionnaire is said to be reliable if the Cronbach Alpha value ≥ 0.70 (Nyoto, Renaldo, Karuppanan, Bhuiyan, & Kumarasamy, 2021).

Path Analysis and Hypothesis Testing

Path analysis and hypothesis testing using AMOS SEM. The results obtained can be directly used to test the hypothesis. To find out the indirect effect of variable X on variable Y2 through variable Y1, use the Sobel test with the following formula.

The Sobel test formula is shown in equation 2 and equation 3 below:

$$Sab = \sqrt{b^2 \cdot Sa^2 + a^2 \cdot Sb^2 + \frac{2ab \cdot Sa \cdot Sb}{N}} \text{ (Equation 2)}$$

$$t = \frac{ab}{Sab} \text{ (Equation 3)}$$

Symbol description:

Sat = Standard deviation value of the indirect effect

a = Regression coefficient for the relationship between the independent variable and the intervening variable.

Sa = Standard error of the relationship between the independent variable and the intervening variable.

b = Regression coefficient for the relationship between the intervening variable and the dependent variables.

Sb = Standard error of the relationship between the intervening variable and the dependent variable.

4.0 RESULTS AND DISCUSSION

Respondent Profile Analysis

The results of the analysis of the respondent's profile are shown in table 2.

Table 2. Profile of Respondents

Profile	Category	Amount	Percentage
Gender	Man	70	46%
	Woman	83	54%
Age	< 25 years	18	12%
	25-40 years	91	59%
	41-57 years	40	26%
	>57 years	4	3%
Education	JUNIOR HIGH SCHOOL	5	3%
	SENIOR HIGH SCHOOL	59	39%
	Diploma	13	9%
	S1	69	45%
	S2-S3	7	5%
Profession	MSMEs	42	27%
	Laborer	39	25%
	Contract employees	25	16%
	Trader	16	10%
	Transportation Worker	12	8%
	Apprenticeship	8	5%
	ASN	6	4%
	Professional	4	3%
	Lecturer	1	1%
	Income	< 2 million	23
2 – 3 million		54	35%
> 3 – 5 million		51	33%
> 5 – 7 Million		11	7%
> 7 – 10 million		7	5%
> 10 million		7	5%
Total		153	100%

Source: Processed Data, 2022

From table 2 it can be seen that the majority of respondents are women with an age range of 25-40 years with a bachelor's degree, working in the Micro, Small and Medium Enterprises sector with incomes below 5 million rupiah.

Analysis of Respondent Responses

Respondents' responses to the consumer loyalty variable are included in the good category with an average score of 4,178. However, there are still statements that respondents responded to with scores below the average and still need to be improved, namely as follows: (1) I have long been a participant in BPJS Employment (Y222). (2) I am used to using social security from Employment BPJS (Y221). (3) I am not interested in using other social security products besides BPJS Employment (Y242). (4) I will continue to pay BPJS Employment contributions (Y211).

Respondents' responses to consumer satisfaction variables were included in the very good category with an average score of 4,230. However, there are still statements where respondents' responses are below average or still in the good category, namely as follows: (1) I have never experienced problems when dealing with Employment BPJS (Y112), meaning that there are still some respondents who experience problems when dealing with BPJS of Employment. This needs to be of concern to the management of the Pekanbaru Panam Employment BPJS branch to be able to handle any consumer complaints or problems. (2) Employment BPJS provides services beyond my expectations (Y122). This means that some respondents think that the Pekanbaru Panam branch of the Employment BPJS in providing services has not exceeded the expectations of consumers, so it still needs to be improved.

Respondents' responses to the service quality (Setiawan, Junaedi, & Chandra, 2021) variable were included in the very high category, meaning that respondents considered the quality of service provided by the Pekanbaru Panam branch of Employment BPJS to be very good. However, there are still statements that respondents responded to with scores below the average and still need to be improved, namely as follows: (1) BPJS Ketenagakerjaan employees pay serious attention to consumer needs (X152). This means that some respondents thought that the BPJS Ketenagakerjaan employees at the Pekanbaru Panam branch had not taken

consumers' needs seriously. (2) Employment BPJS employees give personal attention to consumers (X151). That is, some respondents considered that the employees of the Pekanbaru Panam branch of Employment BPJS in providing services to consumers were still equal to all consumers and the services provided did not meet the personal needs of each consumer. (3) Employment BPJS employees provide fast service (X131). This means that some respondents think that the services provided by BPJS Ketenagakerjaan employees at the Pekanbaru Panam branch are still relatively slow, so it still needs to be improved. (4) Employment BPJS provides service standard guarantees (X143). This means that some respondents think that the Pekanbaru Panam Branch Employment BPJS has not guaranteed service standards, so that consumers do not know the certainty of the service standards they will receive.

Validity and Reliability Test Results

The results of the validity and reliability tests in this study are shown in table 3 below:

Table 3. Validity and Reliability Test Results

Variable	Statement	Item Indicator	Correlation (> 0.5)	Loading Factor (>0.5)	Cronbach Alpha (>0.7)	AVE (>0.5)	CR (>0.7)
Consumer Loyalty (Y2)	Y21	Y211	0.836	0.729	0.966	0.715	0.937
		Y212	0.844				
	Y22	Y221	0.840	0.698			
		Y222	0.732				
	Y23	Y231	0.904	0.916			
		Y232	0.849				
	Y24	Y241	0.855	0.869			
		Y242	0.656				
	Y25	Y251	0.862	0.936			
		Y252	0.856				
	Y26	Y261	0.894	0.895			
		Y262	0.884				
Consumer Satisfaction (Y1)	Y11	Y111	0.887	0.954	0.947	0.915	0.970
		Y112	0.881				
	Y12	Y121	0.951	0.961			
		Y122	0.915				
	Y13	Y131	0.933	0.955			
		Y132	0.912				
Service Quality (X)	X11	X111	0.733	0.790	0.983	0.856	0.967
		X112	0.774				
	X12	X121	0.946	0.967			
		X122	0.937				
		X123	0.931				
	X13	X131	0.903	0.969			
		X132	0.923				
		X133	0.927				
	X14	X141	0.930	0.957			
		X142	0.938				
		X143	0.904				
	X15	X151	0.899	0.931			
X152		0.906					

Source: Processed Data, 2022

From table 3 it can be seen that all statements and indicators in this study are valid because the correlation value is > 0.50 . Validity is also indicated by the value of the loading factor and Average Variance Extracted (AVE) from the results of data processing using AMOS for all variables greater than 0.50 (LF and AVE > 0.50).

Table 3 also shows the reliability of each variable. Reliability is shown from Cronbach alpha value > 0.70 . All variables in this study were reliable because the Cronbach alpha value was > 0.70 . Reliability is also shown from

the Construct Reliability (CR) value of data processing using AMOS which is above 0.70. That is, all variables in this study are reliable.

Goodness of Fit Test Results

The results of the goodness of fit test using AMOS are shown in table 4 below.

Table 4. Goodness of Fit Test Results

Goodness of Fit Index	Cut Off	Result	Conclusion
Chi- Square		123.238	
Probability	≥ 0.05	0.000	Marginal
G F I	≥ 0.90	0.907	Fit
A G F I	≥ 0.90	0.849	Marginal
T L I	≥ 0.90	0.973	Fit
C F I	≥ 0.90	0.981	Fit
N F I	≥ 0.90	0.961	Fit
I F I	≥ 0.90	0.981	Fit
RMSEA	0.05 - 0.08	0.077	Fit

Source: Hair et al. (2010) and Processed Data, 2022

From table 4 it can be seen that the model proposed in this study is included in the Fit category, even though there are two marginal criteria, namely Probability and AGFI, but it is close to the Fit value and hypothesis testing in this study can be continued (Hair et al., 2010).

Hypothesis Test Results

Hypothesis testing using the Structural Equation Modeling (SEM) method with the AMOS application. The results of the research hypothesis test are shown in table 5 below:

Table 5. Hypothesis Test Results

Direct Effect						
Hypothesis	Dependent Variables	Independent Variables	Standardized Coefficient	Critical Ratio	P-Value	Conclusion
H1	Service quality	Consumer Satisfaction	0.841	14.851	0.000	Significant
H2	Service quality	Consumer Loyalty	-0.396	-4.717	0.000	Significant
H3	Consumer Satisfaction	Consumer Loyalty	1.242	9.752	0.000	Significant
Indirect Effect						
Hypothesis	Dependent Variables	Independent Variables	Intervening Variables	Critical Ratio	P-Value	Conclusion
H4	Service quality	Consumer Loyalty	Consumer Satisfaction	7.118	0.000	Significant

Source: Processed Data, 2022

Discussion

Effect of Service Quality on Consumer Satisfaction

From the results of hypothesis testing, it was found that service quality had a positive and significant effect on consumer satisfaction at the Pekanbaru Panam branch of Employment BPJS. That is, the better the quality of service it will have an impact on increasing consumer satisfaction. Vice versa, the lower the quality of service, the lower the consumer satisfaction of the BPJS Ketenagakerjaan Pekanbaru Panam branch.

To increase consumer satisfaction at the Pekanbaru Panam Employment BPJS branch, it is necessary to improve the quality of service to consumers, especially employee services, to be more focused on consumer needs, BPJS Employment employees must also be able to provide personal attention to each consumer, because different consumers have different needs. Then, the speed of service must also be a concern of the BPJS

Ketenagakerjaan branch of Pekanbaru Panam. Apart from that, the Panam branch of Employment BPJS also needs to guarantee service standards to consumers, so that consumers get certainty about the services they will receive.

The results of this study are in line with the results of research conducted by Dewi et al. (2021), Dam and Dam (2021) and Lubis et al. (2021) which proves that service quality has a positive and significant influence on consumer satisfaction. However, the research results are not in line with the results of research conducted by Singh (2021) and Anabila et al. (2021) which explains that there is no significant effect between service quality on customer satisfaction.

Effect of Service Quality on Consumer Loyalty

From the results of hypothesis testing, it was found that service quality has a negative effect on consumer loyalty at the BPJS Ketenagakerjaan Pekanbaru Panam branch. That is, the higher the quality of service, the lower the quality of service. This is due to the high quality of service provided by Employment BPJS which has not been able to make consumers loyal to Employment BPJS. The neat appearance of BPJS employees, clean offices and good employee competency (Sari, Sudarno, Nyoto, & Suyono, 2022) have not been able to make consumers loyal to the Pekanbaru Panam branch of Employment BPJS. To analyze in more detail the causes of the negative effect of service quality on consumer loyalty, a separation was performed on the average answers of respondents who were $X > Y$ and $X < Y$ and then carried out a crosstabs analysis using SPSS. There were 72 respondents who gave negative responses to the relationship between service quality and customer loyalty. The cause of the negative influence is because respondents who are dominated by women tend to be more detailed in assessing an item or service, so that in forming loyalty it is not enough just to improve service quality, but there are still other factors that have a greater influence on making consumers loyal to BPJS Ketenagakerjaan Pekanbaru Panam branch. Then millennial generation women with an age range of 25-40 years. The millennial generation tends to be more mobile or disloyal to a brand or product, because this generation has a good understanding of the internet and social media, so they have good knowledge about services and can easily compare one company's services to another. In addition, respondents with high school education, MSME jobs with income in the range of 2-3 million have low loyalty but consider the services provided by the Pekanbaru Panam Employment BPJS branch to be good. This also happens because most consumers with these characteristics register at BPJS Ketenagakerjaan not on their own initiative, but are coordinated by the chairman of the association, so they do not experience BPJS Ketenagakerjaan services directly.

The results of this study are not in line with the results of research conducted by Dewi et al. (2021), Dam and Dam (2021) and Lubis et al. (2021) which proves that service quality has a positive and significant effect on consumer loyalty. The results of this study also do not support the results of research conducted by Ibrahim and Thawil (2019) and Andalusi (2018) which explain that service quality has no significant effect on consumer loyalty.

Effect of Consumer Satisfaction on Consumer Loyalty

From the results of hypothesis testing, it was found that consumer satisfaction has a positive and significant effect on consumer loyalty at the Pekanbaru Panam branch of Employment BPJS. That is, the higher the customer satisfaction, the higher the customer loyalty. Vice versa, dissatisfied consumers will have an impact on decreasing consumer loyalty at the Pekanbaru Panam branch.

In order to increase consumer loyalty, the Pekanbaru Panam branch of Employment BPJS needs to increase customer satisfaction by handling all consumer complaints so that consumers feel satisfied, then the Pekanbaru Panam branch of Employment BPJS also needs to provide high standard services so that it exceeds consumer expectations.

The results of this study support the results of research conducted by Leninkumar (2017), El-Adly (2019) and Diputra and Yasa (2021) which prove that consumer satisfaction has a positive and significant influence on consumer loyalty. However, the results of this study do not support the results of research conducted by Hameed (2013) and Dewi et al. (2015) which proves that consumer satisfaction has no significant effect on consumer loyalty.

Effect of Service Quality on Consumer Loyalty through Consumer Satisfaction

From the results of the hypothesis test it is proven that service quality has a significant effect on consumer loyalty at the Pekanbaru Panam branch of the Employment BPJS. This proves that customer satisfaction is able to mediate the effect of service quality on customer loyalty. That is, consumers who are satisfied with the quality of service provided by BPJS Ketenagakerjaan Pekanbaru Panam branch will have an impact on increasing consumer loyalty.

Service satisfaction that needs to be improved so that it has an impact on consumer loyalty, namely, service quality that meets consumer expectations and is oriented to consumer satisfaction, so the Pekanbaru

Panam Employment BPJS must be able to know service quality standards that can provide satisfaction to consumers so that consumers feel happy when dealing with BPJS Pekanbaru Panam branch of employment.

The results of this study are in line with the results of research conducted by Singh (2021), Anabila et al. (2021) and Lubis et al. (2021) which proves that service quality has a positive and significant effect on consumer loyalty and is mediated by consumer satisfaction.

5.0 CONCLUSION

The conclusions of this study are: (1) Service quality has a positive and significant effect on consumer satisfaction at BPJS Ketenagakerjaan Pekanbaru Panam branch. That is, the better the quality of service it will have an impact on increasing consumer satisfaction. (2) Service quality has a negative effect on consumer loyalty at the Pekanbaru Panam branch of the Employment BPJS. That is, the higher the quality of service, the lower the quality of service. (3) Consumer satisfaction has a positive and significant effect on consumer loyalty at the Pekanbaru Panam branch of the Employment BPJS. That is, the higher the customer satisfaction, the higher the customer loyalty. (4) Service quality has a significant effect on consumer loyalty at the Pekanbaru Panam branch of the Employment BPJS. Consumer satisfaction is able to mediate the effect of service quality on consumer loyalty.

Suggestions that can be given from this study, namely: (1) Management of BPJS Ketenagakerjaan Pekanbaru Panam branch is advised to improve the quality of service to consumers in order to increase consumer satisfaction, the quality of service that needs to be improved, namely, focus on consumer needs, personal attention to each consumers, speed of service and provide guarantees of service standards to consumers. (2) Management of BPJS Ketenagakerjaan Pekanbaru Panam branch is advised to increase consumer loyalty by increasing consumer satisfaction. Consumer satisfaction that needs to be improved is by handling all consumer complaints and providing high standard services so that it exceeds consumer expectations. (3) Further researchers are advised to examine factors other than service quality that affect customer satisfaction and customer loyalty, so that they can find the factors that most influence customer satisfaction and customer loyalty.

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