SUMMARY

SUGIARMAN. Analysis the Impact of Product Quality and Customer Service on Satisfaction to Perform the Loyalty of Pest Control Operator at PT Bayer Indonesia. Supervised by RITA NUMALINA and KIRBRANDOKO.

The business of pest management service is increased significantly after economic and monetary crisis in 1997/1998. Foreign direct investment and disposable income increase are the two key factors influenced the business of pest management service. The Bayer business in pesticide of pest management was impacted by generic products were imported from China and India since 2003 with lower selling price in market. Streamlining of existing pesticides were impacted to lower sales and market share declining in segment of general insect control. The aims of research are to analyze the impact of product quality and customer service on customer satisfaction and to analyse the impact of satisfaction to perform loyalty of PCO (Pest Control Operator) as applicator for pesticide of urban pest management.

Types of research are descriptive and explanatory survey and sampling method using convenient sampling. Descriptive study was used to explain domicile and characteristics of respondents. Explanatory study was used to describe relations and influents of each factor using LISREL 8.8. Unit of observation is two hundreds respondents through the distribution of questionnaires to PCO companies in Jabodetabek, Bandung, Semarang, Surabaya, Denpasar, BaliKpapan, Medan, and Pekanbaru. Respondents of the research are PCO companies who use pesticide of Bayer. Data was analyzed using SEM (Structural Equation Model) and processed with LISREL 8.8 to analyse the influent of product quality and customer service on customer satisfaction. Customer satisfaction was measured using ACSI (American Customer Satisfaction Index) on variable latents of product quality and customer service as implemented in many industries of goods and services.

Respondents were dominant from Jabodetabek and Surabaya as the two biggest contributions in pest management industry. Most of PCOs have strated their business within ten years from local and multinational companies. Average purchased value of local PCO with amount between IDR 5,000,000 to IDR 50,000,000 per month whereas multinational PCO purchased the pesticide of Bayer with amount above IDR 50,000,000 per month. Data was used for this research was valid and accurate according to cut value for each parameter. Each dimension of performance, ease of use, versatility, serviceability, durability, and prestige had positive relative and influenced significantly on product quality. Also, each dimension of tangibles, reliability, responsiveness, assurance, and empathy had positive relative and influenced significantly on customer service.

The latent variables of product quality and customer service influenced significantly on customer satisfaction. Customer service had indicated higher influent on customer satisfaction versus product quality, but both latent variables were important factors on customer satisfaction. Customer satisfaction influenced significantly on customer loyalty. The loyalty of PCO was influenced
significantly on their satisfaction level to use pesticide products in urban pest industry. PCO have high customer satisfaction level to product quality and customer service from Bayer. Respondents valued that dimensions of product quality have better satisfaction level compared to the dimensions of customer service. Indicators of dimensions of tangibles, reliability, responsiveness, and empathy have to be improved in future in order to support Bayer to increase its sales and market share of pesticide business for urban pest management.

Keywords: Customer service, pest control operator, pesticide, product quality, loyalty, satisfaction