ABSTRACT
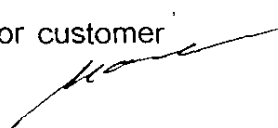
The researcher is highly interested in many different opinions among some experts about the influence of service quality and customer satisfaction in establishing customer loyalty. Thus, the aims of the this research is to test the influence of service quality in establishing customer loyalty, to test the influence customer satisfaction as a moderating variable in establishing customer loyalty, and to test the influence of interaction of service quality and customer satisfaction in establishing the customer loyalty with customer satisfaction as a moderating variable between service quality and customer loyalty.

This research use Moderator Regression Analysis (MRA) technique which consists of fitting three regression equation and compare the change in R^2 values from three equation model. This research was conducted in Surabaya with research objects of three service industrie. They are Mandiri Banking in Surabaya. The data of this research from the 300 questionaires distributed, 275 were returned.

The result of the research indicates that regression coefficient of interaction in Mandiri Banking is positive and significant ($p \leq 0,05$). The value of R^2 in the first model was 0,258. The value of R^2 in the second model was 0,326 and the value of R^2 in the third model was 0,456 that increasing after the interaction of service quality and customer satisfaction being participated in the model of moderator regression equality so the result supported the research hypothesis. Based on the result of the study showed that the interaction between service quality and customer satisfaction will explain more of the variance in customer loyalty than the direct influences of either service quality or customer satisfaction.

Key words : service quality, customer satisfaction, customer loyalty.