ABSTRACT

The purpose of this study is to determine the effect on the service quality toward brand image and the development of customer relationship. The object of research is the Umrah services in Bandung. The total respondents of this study are 187 people with proportional random sampling technique. Exploration research methods used structural equation modeling partial least square. The results showed that service quality was proven to give impact on equity relationship and brand image of the Umrah services. This implies that in order to improve the relationship equity Umrah services need to improve service quality and brand image so that companies can obtain optimal benefit.

Keywords: Service Quality, Brand Image, Relationship Equity

JEL Classifications: M21, M31

1. INTRODUCTION

Service companies today need to focus on the customer. (Kotler and Keller, 2006) This is done because the condition of today’s business environment is likely to continue to change accompanied by the increasingly competitive. Every service company will face the same problem, namely the problem of how to maintain the viability of the company on an ongoing basis on the situation faced (Jarvenpaa and Leidner, 1998). Thus the problem viability of the company will ultimately be determined by the company’s ability to obtain adequate levels of profitability on an ongoing basis (Wiklund and Shepherd, 2005).

In this case the service companies organizing a pilgrimage assist communities in implementing traveling worship. The Services provide generally range from passport, visa, air ticket booking, accommodation facilities and consumption as well as provide mentors who will guide the stages both in the implementation of the pilgrimage. Organizers of Umrah service companies are currently facing high competition. If the trip organizer of pilgrimage within 3 years accommodate only less than a hundred of people, the Umrah business licenses will be revoked. Currently in Bandung, Indonesia, there are 30 pilgrimages organizers.

In order to maintain the company’s position of Umrah service providers, it is necessary to provide excellent services. Real service perceived by customers is the quality of service received by the customer. With the quality of service it gives satisfaction to the customers. (Parasuraman et al. 1988) Further they stated that to determine the quality can be measured by SERVQUAL indicator. Meanwhile, according to Brady and Cronin (2001), it stated that the quality of services consisting of the interaction quality, physical environment quality and outcome quality. The experts have the view that all three of reviews these qualities during the process of service delivery give a great effect on the perception of service quality. (Juhana et al. 2015) At the end of service quality boils down to the fact that the importance of improving the quality of service determined by the customer. It has been confirmed by Berry and Manjit (1996) that a common mistake that companies make in service improvement is focusing in internal processes with no clear link to customer’s service priorities. According to Szmigin and Bourne (1998) the customer relation success factors can be composed of internal strong partnerships around the CRM strategy; employees at all levels and all areas accurately collect information for the CRM system; CRM tools are customer - and employee - friendly; report out only the data you use, and use the data is your report; do not go high-tech low-tech when will do.

Customer Relationship context is very relevant to be discussed in the company’s services, given the exclusion and the interaction between the customers so that the marketing approach which is
transactional marketing oriented to target higher sales in the short term becomes less support in business practices. As stated by Kotler and Keller (2006) that transaction marketing is part of a larger idea called relationship marketing. Relationship marketing has the aim of building mutually satisfying long-term relations with key parties-customers, suppliers, distributors to earn and retain their business. In addition to the things that affect the customer relationship is image. According to Rosen and Alpert (1994) stated that the image is the impression gained according to knowledge and understanding of the facts.

Customers will evaluate the services received, and will form their perceptions of service quality. (Heryanto et al., 2016) This perception underlies the perceived quality of overall services. In other words, customers form perceptions of service quality based on performance evaluation at various levels and combine these evaluations in order to determine the overall quality of services. (Sidharta et al. 2016) Perception is then expected to form the image. (Juhana et al. 2015) The image is a concrete manifestation of the customers' perception of the services provided through what customers acquired as a result of transactions between providers and users of services as well as how customers such services.

A positive image in the perception of consumers will reduce the disappointment over poor service experience on the contrary in case of a bad experience; consumers need a lot of good experience to change the bad image of the whole. For that we need to determine the effect of service quality on customer relationships equity and brand image. Results of previous studies have not been testing the service quality based on SERVQUAL model of relationship toward equity and brand image based on customer relationship behavior. Research conducted by Wang et al. (2004) has proven that customer value significantly influences customer behavior-based CRM Performance. The concept of customer perceived value developed by Sweeney and Soutar (2001) based on the values obtained are all the results obtained by the customer from the field of products or services based on the perception of what is gained and what is given.

Furthermore, Bell et al. (2005) conducted research on customer relationship which customer loyalty is influenced by the technical service quality and functional service quality. Vinagre and Naves (2008) that conducted research in Portugal showed that the satisfaction of customers affected by different emotions in the hospital. Chahal and Bala (2012) showed that brand equity in the healthcare sector is influenced by brand loyalty and perceived quality. Wang et al. (2004) who studied the effect of service quality, customer value and satisfaction showed that not all dimensions of service quality effect on customer value and customer satisfaction in China’s telecommunication Industry. While Heryanto et al. (2016) proved that service quality effects on satisfaction and loyalty in the hospital sector. Several previous studies have not linked SERQUAL no relationship on equity and brand image. So it is needed for research that investigates service quality with the brand image and equity relationship, especially in the sector of tour and travel.

### 2.2. Relationship Quality

In general, the relationship between the customer and the company is getting close to the customer’s satisfaction and loyalty can improve. (Wang et al., 2004) In order to build customer relationships it should ensure that customers are treated fairly, that their needs and expectations have been met, the value that has been added to a core service and every customer receives the appropriate services. (Edvardsson et al. 2000) Every effort should also be made to achieve the target of the most profitable customers. (Mittal and Kamakura, 2001) Relationship with customers as a way in which the quality of service and interaction relationships can be managed to maintain relationships with consumers for a long period (Ndubisi, 2007). More Richards and Jones (2008) stated that the customer relationship can form customer equity through value equity, brand equity and relationship equity.

Customer relationship management has become one of the leading business strategies in the new millennium (Rigby et al. 2002). CRM is a term for managing business interactions with customers. The effectiveness of CRM can be measured as the level of satisfaction achieved from CRM activities. The purpose of this study was to measure the intangible attributes such as an increase in value, effectiveness, innovation, and repair services. Ndubisi (2007) examined and developed a model for evaluating the effectiveness of Relationship Marketing with customer loyalty.

### 2.3. Brand Image

Brand image is the perception of a receiver based on the consideration that it has on the company’s identity and reflexes interpretation of the various attributes of companies from a variety of sources. Brand image has a complex interpretation that people feel concerned about the organization (D’Astous and Gargouri, 2001) Flavian et al. (2004). Stated in his research that the company’s image can be measured with access to services, services offered, personal contact, security reputation. Furthermore, they stated that the corporate image as what the organization transmits to its receivers about itself and how reviews these projections are received.
A good brand image is an asset for most companies, because the images of the company have an impact on customer perception of communication and operation of companies that respect the customer. Grönoos (2000) mentions the image has two functions: The image of the company is to communicate with various expectations and the company’s image is a function of the most excellent experience as well as a wide range of customer expectations. Kotler (2003) stated that the company’s image depicts a set of impressions, beliefs and attitudes that exist in the minds of consumers to the company. Furthermore Kotler and Keller (2006) explained that over the years has been a lot of developing a strong brand in the service sector. One of the interesting things of the service is intangible, so the quality varies depending on the person involved in the provision of such services. Consequently, branding is very important at service companies to show the potential of the services that are intangible. The symbol of brand becomes important to help service more concrete nature.

Building a positive brand image can be achieved with a strong marketing program to the product, is unique and has advantages were highlighted, which distinguishes it from other products. A good combination of elements that support can create a strong brand image for consumers. Kotler (2003) stated that the buyer may have different responses to the company’s image or brand. Further Kotler and Keller (2006) mentioned that the brand image is a number of beliefs about the brand. The creation of the impression of being one of the basic characteristics of the marketing orientation that is through giving more attention as well as the creation of a strong brand (Fournier, 1998). The implications of making it the brand of a product creates an image of the product itself in the minds of consumers’ minds and makes the underlying motivations for consumers to choose a product (Aaker, 1996).

2.4. Hypotheses
Therefore, the following hypotheses are proposed to study the relationship of service quality towards brand image and relationships quality.
H1: High tangible, reliability, responsiveness, assurance, and empathy would lead to higher Service quality
H2: High Service quality would lead to higher brand image
H3: High Service quality would lead to higher relationships quality
H4: High brand image would lead to higher relationships quality.

3. RESEARCH METHODS
This study uses an exploratory method, which is to create a picture of the situation or phenomenon intended to causal-predictive analysis (Ghozali, 2011). Due to the fairly large population and limited available time and cost, some sample of the population was studied. In addition the survey method can also be evaluated and compared to the concluded results. Sampling technique used proportional random sampling of customer in Umrah services at Bandung, Indonesia. From 200 questionnaires distributed only 187 complete and there were 13 questionnaires were incomplete. Methods of data collection were done by distributing questionnaires directly to the respondents.

4. DATA ANALYSIS
This analysis is used to describe data of a research related with research variables on service quality, brand image and relationship equity. As for the data processing used smart partial least squares (PLS) 3.0 and Microsoft Excel for Windows 2010. Operational variables in this study include; service quality, brand image and relationship equity. The research instrument used a Likert scale techniques. Summated Rating Scale in which each statement written can be negotiated as favorable or unfavorable statements, and the subject responded to each statement by using the level always or never to the statements available and further scores are summed. Instrument adopted from SERVQUAL (Parasuraman et al., 1985; 1988; 1998), meanwhile, the instruments of brand image variable domains were 6 items and adopted from a study by Low and Lamb (2000) which had been modified in accordance with the study and the instrument of relationship equity were 6 items adopted from Wang et al., (2004).

Data analysis techniques used structural equation modeling, component-based PLS. Measurement of PLS model based on measurement of predictions that has non-parametric through convergent validity, with the value of the loading and average variance extracted (AVE) of each construct > 0.50 (Chin, 1988), if the value AVE was greater than the value of the correlation between the constructs models then said to have good validity (Fornell and Larcker, 1981). Moreover, it can also use the criteria Cronbachs Alpha with a value > 0.6 (Sekaran, 2000). While the structural models were evaluated using R-squares for the dependent construct, Stone-Geiser Q2 test for predictive relevance test and the t test and the significance of structural lines and criteria for measurement Tenenhaus GoF. Tenenhaus GoF (GoF) = small> = 0.1, medium> = 0.25, large> = 0.36 (Tenenhaus et al. 2005).

5. RESULT AND DISCUSSION
5.1. Respondents Overview
Based on the results of questionnaires, the data showed that respondents were 187 respondents with the number of male respondents are 113 people and female respondents are 74 people with below 30 years old as 5 people, between 30 and 50 years old as 61 people and up to 50 years old as 121 people. The profession of respondents is 98 people were entrepreneurs, employee as 67 people and other as 22 people. The compositions of the respondents are presented in Table 1.

5.2. Validity and Reliability
Test validity and reliability data analyses were performed by entering all the data of respondents and test the convergent validity, discriminant validity and significance tests. The results of calculations used testing criteria of PLS model with Smart PLS. And the results of the calculation of Cronbachs Alpha, Average Variance Extracted and composite reliability are presented in Table 2.

The calculations showed at Table 2 that all the variables have a value above 0.6 for Cronbachs alpha and composite reliability > 0.7 while the average variance extracted have a value above 0.5.
5.3. Hypothesis Testing
The results of path analysis and significance test of service quality, brand image and relationship equity were presented in Table 3.

The test results P value at the 0.05 level indicated that the variable tangible, reliability, responsiveness, assurance, and empathy significantly affect service quality. While service quality was significantly affected by brand image and relationship equity as showed at Table 3. Than brand image significantly affect relationship equity.

Based on Table 4, it can be concluded that all study variables influence the brand image of 0.23 and relationship equity of 0.37 below the P value of 0.00 at the 0.05 significance level.

Table: 1 Respondents overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>113 (60.43)</td>
</tr>
<tr>
<td>Female</td>
<td>74 (39.57)</td>
</tr>
<tr>
<td>Age (years)</td>
<td></td>
</tr>
<tr>
<td>&lt;30</td>
<td>5 (2.67)</td>
</tr>
<tr>
<td>30-50</td>
<td>61 (32.62)</td>
</tr>
<tr>
<td>&gt;50</td>
<td>121 (64.71)</td>
</tr>
<tr>
<td>Profession</td>
<td></td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>98 (52.41)</td>
</tr>
<tr>
<td>Employee</td>
<td>67 (35.82)</td>
</tr>
<tr>
<td>Other</td>
<td>22 (11.76)</td>
</tr>
<tr>
<td>Total</td>
<td>187 (100)</td>
</tr>
</tbody>
</table>

Tabel 2: Cronbachs alpha, average variance extracted and composite reliability

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbachs alpha</th>
<th>AVE</th>
<th>Composite reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible</td>
<td>0.91</td>
<td>0.64</td>
<td>0.88</td>
</tr>
<tr>
<td>Reliability</td>
<td>0.91</td>
<td>0.57</td>
<td>0.87</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.81</td>
<td>0.64</td>
<td>0.84</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.85</td>
<td>0.57</td>
<td>0.84</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.86</td>
<td>0.67</td>
<td>0.86</td>
</tr>
<tr>
<td>Service quality</td>
<td>0.92</td>
<td>0.66</td>
<td>0.93</td>
</tr>
<tr>
<td>Brand image</td>
<td>0.76</td>
<td>0.53</td>
<td>0.83</td>
</tr>
<tr>
<td>Relationship equity</td>
<td>0.87</td>
<td>0.67</td>
<td>0.88</td>
</tr>
</tbody>
</table>

AVE: Average variance extracted

Table 3: Path coefficients

<table>
<thead>
<tr>
<th>Variables</th>
<th>Path coefficients</th>
<th>P</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible → service quality</td>
<td>0.26</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Reliability → service quality</td>
<td>0.32</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Responsiveness → service quality</td>
<td>0.18</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Assurance → service quality</td>
<td>0.24</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Empathy → service quality</td>
<td>0.22</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Service quality → brand image</td>
<td>0.48</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Service quality → relationship equity</td>
<td>0.38</td>
<td>0.00</td>
<td>Accept</td>
</tr>
<tr>
<td>Brand image → relationship equity</td>
<td>0.32</td>
<td>0.00</td>
<td>Accept</td>
</tr>
</tbody>
</table>

Table 4: R² coefficients

<table>
<thead>
<tr>
<th>Variables</th>
<th>R² coefficients</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand image</td>
<td>0.23</td>
<td>0.000</td>
</tr>
<tr>
<td>Relationship equity</td>
<td>0.37</td>
<td>0.000</td>
</tr>
</tbody>
</table>

5.4. The Effect of Research Variable
Based on the data processing using software Smart PLS obtained the following results;

Figure 1 shows the results of the calculation, it can be concluded that:

H₇: Tangible, reliability, responsiveness, assurance, and empathy toward Service quality, have significantly influence the Service quality. These results are consistent with research De Jager et al. (2010) which stated that the dimension of SERVQUAL significantly affect service quality in North Africa Hospital. In line with the research conducted by Al-Borie and Damanhoury (2013) proved that the dimensions of SERVQUAL significant effect on service quality either at private hospitals or government hospital in Saudi Arabia. It can be interpreted that the high tangible, reliability, responsiveness, assurance, and empathy will lead to higher service quality. It is proved that service quality can be improved by increasing the dimensions of SERVQUAL.

H₉: Service quality toward brand image, have the results of 0.48 implanted with p value of 0.00. Results of P value less than the significance level of 0.5, so that Service quality significantly influence the Brand Image. These results are consistent with research Juhana et al. (2015) which stated that the service quality significantly influence brand image. It can be interpreted that the high service quality will lead brand image. This indicates that by improving service quality, the brand image will be more positively rated by customers. This will certainly be able to provide added value for the company in improving the company’s position in the business competition.

H₁₀: Service quality toward relationship equity, have a value at 0.38 with the P value of 0.00. Results of P value less than the significance level of 0.5, so that Service quality significantly influence the relationship equity. These results indicate that there is significant influence of service quality to the relationship equity, in other words it can be said the greater the influence of service quality will be stronger relationship equity. The results are consistent with stated by Wang et al. (2000) that high customer satisfaction and brand loyalty in long-term effect on performance means that relationship equity can be affected by service quality.

H₁₁: Brand Image toward relationship equity, having significant results of 0.32 with P value of 0.00. Results of P value less than the significance level of 0.5, so the Brand Image significantly influence the relationship equity. The results are consistent with Leone et al. (2005) which stated that the brand directly related to customer relationships built by marketing activity. Marketing activities could lead to value for customers is a relationship that was built by the company so as be able to improve the relationship equity.

All this hypothesis proved to be a significant for all. And the overall test results produced an adjusted $R^2$ of 0.23 and 0.37 with the P value of 0.00. See Table 4 for result of adjusted $R^2$. These results indicated that the P value is smaller than the significance level of 0.5 so it can be concluded that structural model in medium and large criteria of Tenenhaus GoF.
6. CONCLUSION

Based on the results of this study concluded that dimensions of SERVQUAL significantly affected service quality, thus service quality significantly affect brand image and relationship equity. This may imply that the high service quality will lead the higher brand image and relationship equity. Therefore, the company who is organizes tours and travel need to improve service quality, brand image and relationship equity. With the improvement of service quality, brand image and relationship equity will generate more value for customers, which in turn can improve the competitiveness of companies in the face of increasingly competition.

In this research, there are still some limitations that are expected to further research service quality, brand image and relationship equity to include some variables that can influence the brand image and relationship equity. This study did not use a control variable, therefore it is necessary to use a control variable so the research results can produce more comprehensive results, especially about service quality, brand image and relationship equity.

REFERENCES

country context. Information System Research, 9(4), 342-361.