


The Impact Of Quality And Cost On Tenant Satisfaction And Loyalty

¹Agung Ibrahim, ²Jerry Heikal

¹Master of Management, Bakrie University Jakarta, ²Master of Management Lecturers, Bakrie University Jakarta

Article Info	ABSTRACT
Keywords: Quality, Cost, Tenant Satisfaction, Tenant Loyalty, Rental Property Industry, Significant Influence, Tenant Perception	This study aims to analyze the impact of quality and cost on tenant satisfaction and loyalty. In an increasingly competitive business environment, retaining loyal customers is a major challenge, especially in the rental property industry. This study uses a quantitative approach with a survey method, collecting data from tenants in the Bakrie Tower building. The Effect of Quality and Cost on Tenant Satisfaction, the results of the study indicate that quality does not have a significant effect on tenant satisfaction, while cost does not have a significant effect on tenant satisfaction. The Effect of Quality and Cost on Tenant Loyalty, The study found that quality does not have a significant effect on tenant loyalty and cost does not have a significant effect on tenant loyalty. However, the results of the study indicate that satisfaction has a positive and significant effect on tenant loyalty. The implications of these findings indicate that tenant satisfaction is a key factor that has a significant effect on tenant loyalty. Tenants who are satisfied with the quality and cost provided are more likely to extend their rental contracts and recommend the building to others. Meanwhile, quality and cost, although not showing a significant direct effect on satisfaction or loyalty, still play an important role in shaping the overall tenant perception and experience. This means that even though tenants are not directly affected by quality or cost, these two factors must still be managed well in order to meet or even exceed tenant expectations.
This is an open access article under the CC BY-NC license 	Corresponding Author: Agung Ibrahim Master of Management, Bakrie University Jakarta ibrahimagung1993@gmail.com

INTRODUCTION

Increasingly competitive facility management, achieving business sustainability is an important goal for companies. In order to achieve sustainability and maintain business continuity, maintaining customer satisfaction is a crucial aspect (Ilmi & Zulkarnain, 2023). Customer satisfaction can bring customer loyalty (Putri et al., 2021). Customer loyalty is a crucial aspect because it can guarantee long-term business continuity so it is natural for companies to try to have loyal consumers (Hakim & Bambang, 2019). In the context of providing goods or services in the form of buildings or property, like other businesses, customer satisfaction must also be considered. Buildings intended for consumer use must be maintained consistently so that they always present good quality (Harfi & Nurrohmah, 2017). This also applies when dealing with

tenants of a building or property. Tenants are the parties who evaluate the quality of service where they will generally compare the services they receive with their expectations (Afni et al., 2020). In order not to disappoint them, providing high-quality facilities is a must.

In the context of this study, tenants have the same meaning as tenants where the definition of tenants is also an individual or group who rents and occupies a property, acts as a source of financial income for the landlord and is responsible for the maintenance of the place (Fonseca et al., 2018). So tenants or tenants in this study are individuals or groups who act as intermediaries between the company and building management to ensure that input or information from building management can be conveyed to the company management in order to get further action. In this case, it is necessary to pay attention to their satisfaction and loyalty so that they are always willing to rent.

Providing satisfaction to tenants is very important to stay competitive with competitors (Haninda, 2020). When tenants are satisfied with the services provided, their chances of becoming loyal tenants are high (Afni et al., 2020). In other words, if they are disappointed with the services provided, their chances of not renting in the future are high. They can also sue the service provider and can spread their disappointment on social media. One example is that dissatisfied consumers often feel the need to express their dissatisfaction by telling others about their disappointment, thus influencing other people's perceptions of a brand (Alexandrov et al., 2013). These negative reviews need to be avoided, where one effort to prevent this is to provide high-quality services and buildings.

Negative reviews that are spread have the potential to damage the positive perception that has been built by the company. After negative messages from dissatisfied consumers are spread, the consequences that occur are the emergence of negative behavior that can damage the company (Chawdhary & Riley, 2015). For example, people who trust information from dissatisfied consumers are provoked to criticize the company on social media. Many groups of people are easily provoked when reading negative news about a company (Ramdani & Nduru, 2024). This has the potential to damage the company's reputation. As a result, many potential customers are reluctant to use the company's facilities. So in order to provide satisfaction for tenants and loyalty, companies need to pay attention to the quality of the facilities offered to tenants. Service quality has a significant impact on satisfaction and loyalty. Tenant satisfaction also has a major impact on their loyalty (Hasniaty & Natsir, 2023). However, it is not only quality that deserves attention, but also the costs incurred. Affordable costs can have a positive impact on consumer satisfaction (Fairisi et al., 2024). So the cost and quality of the building are important aspects to consider when providing satisfaction and loyalty.

The tenant's thought process in choosing a building involves a complex interaction between functional, financial, and subjective factors, with a strong emphasis on the quality of building management and services (Adnan et al., 2012). This complexity shows the importance of examining the process in order to clearly understand how the factors studied affect the formation of satisfaction and loyalty. This study seeks to examine the impact of quality and cost

on building facilities in Bakrie Tower on satisfaction. As tenant satisfaction contributes to the formation of loyalty (Rohana, 2020), this study also seeks to examine the impact of satisfaction on loyalty in order to determine the extent to which quality and cost affect the formation of satisfaction, including their implications for loyalty. Research on quality and cost in the context of tenant satisfaction and loyalty is important because these factors play a crucial role in business sustainability and company competitiveness. Tenant satisfaction has the potential to have an impact on customer loyalty. The contribution of loyalty is important, such as improving the company's reputation through word-of-mouth and reviews on social media. Referring to the importance of loyalty, it is necessary to examine this aspect. In the competitive property industry, maintaining a balance between service quality and competitive costs is a key differentiator. Thus, this study seeks to identify areas for improvement and provide data-driven recommendations to enhance tenant satisfaction and loyalty.

METHODS

Study This use paradigm positivist , which argues that life involving connection cause and effect which, after intertwined , can predict future phenomena with certain (Rehman & Alharthi, 2016). Epistemology paradigm positivistic involving researcher see case they in a way objective . Objectivity It means researcher describe findings in the field (respondents) without personal bias (West & Turner, 2019). Deductive nature from paradigm This allow researcher For submit hypothesis moreover formerly Then confirm or reject it based on results analysis statistics (Rehman & Alharthi, 2016). With Thus , based on the paradigm this , research This make an effort For learn influence quality and cost to satisfaction and its impact on loyalty .

This study uses quantitative research. The purpose of using this method is to examine and confirm existing theories regarding the mechanisms and causes of events. The population in this study were companies that rent floors in Bakrie Tower. When selecting a sample from a population, it is important that the sample accurately represents the entire population (Suryadi et al., 2019). Sampling is done to save time, effort, and money compared to examining the entire population. If valid conclusions can be drawn from a representative sample, then sampling alone is sufficient (Sudaryono, 2019). This study selected 100 tenants in Bakrie Tower and each company could provide as many as 2 respondents as representatives of the company. The analysis of the main test data in this study used the Structural Equation Modeling (SEM) method with the help of SmartPLS software.

RESULTS AND DISCUSSION

Evaluation of Measurement Model (Outer Model)

Path Analysis

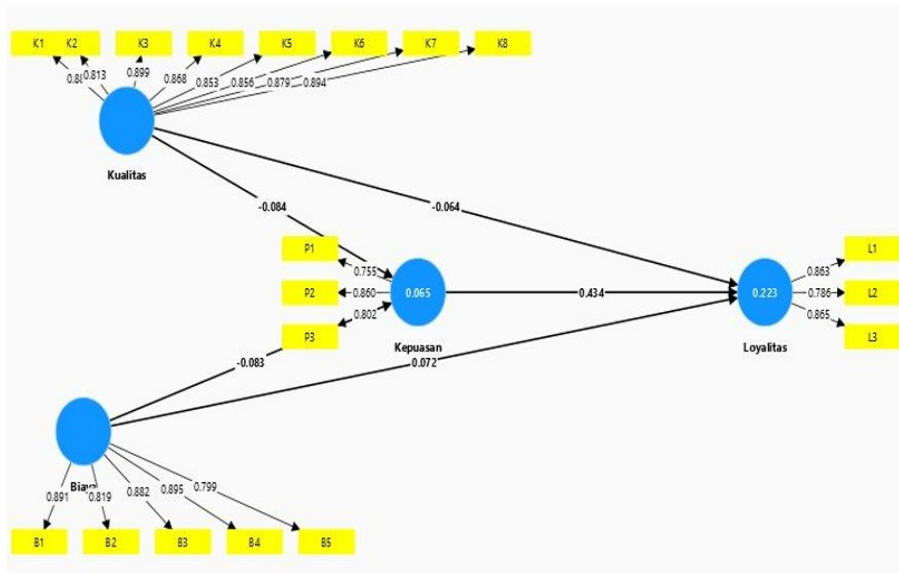


Figure 1. Path Analysis

Fornell Larcker Test

Table 2. Fornell Larcker

Discriminant validity - Fornell-Larcker criterion				
	Biaya	Kepuasan	Kualitas	Loyalitas
Biaya	0.858			
Kepuasan	-0.191	0.807		
Kualitas	0.134	-0.192	0.868	
Loyalitas	0.046	0.435	-0.196	0.839

This study uses the Fornell-Larcker criteria and cross-loading is used to assess discriminant validity. The Fornell-Larcker results show that the value of each variable in this study is higher than its highest correlation with other variables. For example, the value of the Cost variable (0.858) is greater than its correlation with other constructs such as Satisfaction (-0.191) and Quality (0.134) and Loyalty (0.046). Thus, the indicators in this study pass the Fornell-Larcker discriminant validity test.

Table 3. HTMT Test

Discriminant validity - Heterotrait-monotrait ratio (HTMT) - Matrix				
	Biaya	Kepuasan	Kualitas	Loyalitas
Biaya				
Kepuasan	0.216			
Kualitas	0.154	0.214		
Loyalitas	0.117	0.553	0.223	

All HTMT values in the table are below 0.85, indicating that the discriminant validity between constructs in this model is good. This means that each construct in the model is quite different from each other and does not measure the same concept, which is a positive indication of the quality of the measurement model. Next is the validity and reliability test. Below are the validity and reliability tests:

Table 4. Validity and Reliability

Construct reliability and validity - Overview				
	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Biaya	0.914	0.944	0.933	0.736
Kepuasan	0.731	0.731	0.848	0.651
Kualitas	0.954	0.970	0.961	0.753
Loyalitas	0.790	0.792	0.877	0.704

Table 4 presents Cronbach's alpha, Composite Reliability (CR), and AVE for each construct. The Cronbach's alpha value is above 0.7, with the highest value for Quality (0.953) and the lowest for Loyalty (0.776). The composite reliability score also exceeds the threshold of 0.7, indicating good internal consistency of the construct. In addition, the AVE values for all constructs are above 0.5, further confirming good reliability and validity. Thus, based on the validity and reliability tests, this research model is classified as valid and reliable.

Structural Model Evaluation (Inner Model)

Table 5 Hypothesis Testing

Total effects - Mean, STDEV, T values, p values					
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Biaya -> Kepuasan	-0.083	-0.086	0.049	1.703	0.089
Biaya -> Loyalitas	0.036	0.033	0.058	0.622	0.534
Kepuasan -> Loyalitas	0.434	0.446	0.091	4.775	0.000
Kualitas -> Kepuasan	-0.084	-0.092	0.048	1.760	0.078
Kualitas -> Loyalitas	-0.101	-0.106	0.052	1.950	0.051

Hypothesis testing conducted in this study aims to test the relationship between key factors such as quality, cost, tenant satisfaction, and tenant loyalty. Based on the overall effect test (total effect) in the table above is as follows:

1. Cost -> Satisfaction : The path coefficient is -0.083 with a p-value of 0.089, indicating that the relationship between cost and satisfaction is not statistically significant at the 0.05 level. This indicates that cost does not have a significant effect on tenant satisfaction.
2. Cost -> Loyalty : Coefficient track is 0.036 with a p-value of 0.534, which is also not significant. This shows that the relationship between costs and tenant loyalty is not significant, indicating that costs do not directly influence loyalty tenant .
3. Satisfaction -> Loyalty: The path coefficient is 0.434 with a p-value of 0.000, indicating a significant positive relationship. This means that tenant satisfaction significantly and positively influences tenant loyalty, confirming that more satisfied tenants tend more loyal.
4. Quality -> Satisfaction : Coefficient track is -0.084 with a p-value of 0.078, which is statistically insignificant at the 0.05 level but close, indicating a nearly significant negative relationship. This implies that the relationship between quality and satisfaction may be negative, but the results This No conclusive .
5. Quality -> Loyalty: The path coefficient is -0.101 with a p-value of 0.051, which is just above the significance threshold of 0.05. This indicates that the negative relationship between quality and loyalty is also marginally significant, indicating a potential inverse relationship, but not strong enough to be considered definitively significant.

Based on the total effect test above, the results of the hypothesis test in the table above are as follows:

1. H1: Quality influential positive and significant on tenant satisfaction: The relationship between quality and satisfaction is not statistically significant at the 0.05 level so H1 is not supported. Although the p-value is close to the threshold, it does not show a significant positive effect . as hypothesized .
2. H2: Cost has a positive and significant effect on tenant satisfaction: H2 is not supported. The relationship between cost and satisfaction is not statistically significant at the 0.05 level, indicating that cost does not significantly affect satisfaction in any way. positive expected .
3. H3: Quality has a positive and significant effect on tenant loyalty: H3 is not supported. The relationship between quality and loyalty is not statistically significant at the 0.05 level. Although the p-value is very close to 0.05, the effect is negative rather than significant. hypothesized positive .
4. H4: Cost has a positive and significant effect on tenant loyalty: H4 is not supported. The relationship between costs and loyalty is not statistically significant, with a high p-value indicating no significant effect of costs. to loyalty .
5. H5: Satisfaction has a positive and significant effect on tenant loyalty: H5 is supported. The relationship between satisfaction and loyalty is statistically significant and positive, confirming that increased satisfaction leads to higher tenant loyalty as hypothesized.

Table 6. Test of Mediating Variables

Specific indirect effects - Mean, STDEV, T values, p values					
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Biaya → Kepuasan → Loyalitas	-0.036	-0.039	0.024	1.512	0.131
Kualitas → Kepuasan → Loyalitas	-0.037	-0.041	0.023	1.557	0.119

Next is the mediation variable test as shown in the table below. The following are the results of the interpretation of the mediation variables:

1. Cost - > Satisfaction -> Loyalty: The indirect effect of cost on loyalty through satisfaction has a path coefficient of -0.036 with a p-value of 0.131. This p-value is greater than 0.05, indicating that the indirect relationship between cost and loyalty, mediated by satisfaction, is not significant statistically
2. Quality -> Satisfaction - > Loyalty : The indirect effect of quality on loyalty through satisfaction has a path coefficient of -0.037 with a p-value of 0.119. Likewise, this p-value is also greater than 0.05, indicating that the indirect relationship between quality and loyalty, mediated by satisfaction, is not statistically significant.

CONCLUSIONS

This finding suggests that Bakrie Tower management needs to understand that good quality does not necessarily guarantee tenant satisfaction, as evidenced by this study which found that quality did not have a significant effect on tenant satisfaction. This means that management needs to pay attention to other factors that have the potential to shape satisfaction so that management does not only focus on quality and ignore other factors. In addition, this also shows that there are indications that tenants consider factors other than quality that have an impact on the formation of their satisfaction. However, this does not mean that building management does not need to maintain or improve the quality of the building. The absence of a significant effect may indicate that there are still aspects of quality that need to be improved or adjusted to tenant expectations. In other words, if problems related to building quality can be identified and fixed, there is an indication that improving overall product quality still has the potential to increase tenant satisfaction. The study also found that cost did not have a significant effect on tenant satisfaction, which means that tenants at Bakrie Tower may not only consider cost in evaluating their experience. This suggests that there are other factors that make them satisfied regardless of how much the rent is. However, the lack of evidence of an effect does not mean that determining the right cost is not important. This actually indicates that the existing costs have not been designed effectively and therefore have not been able to drive satisfaction. Management still needs to consider that costs that do not match tenant expectations can still be a source of dissatisfaction. Therefore, building management must

continue to ensure that the costs charged are balanced with the value received by tenants, as improvements in cost transparency or price adjustments can help improve tenant satisfaction.

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