

# The Effect of Service Quality and Performance of Cooperative on Cooperative Image and Its Impact to the Satisfaction of Cooperative Member in the Central Sulawesi Province

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## Abstract

This study aims to analyze the effect of service quality and performance of cooperatives on the cooperative image and its impact to the satisfaction of cooperative member in Central Sulawesi Province. The relation between the research variables corroborated by some marketing experts opinions, among others, Kotler (2013), Bateson (2005), Tjiptono (2014; 266), Rust, et al (1996) in Tjiptono (2014; 268), Lovelock (1988) in Tjiptono (2014; 268), Grönroos in Tjiptono (2014: 268) and Harrison in Iman (2010). The populations in this research are members of the cooperative that received the rating "quality" of the Department of Cooperatives, Micro, Small and Medium Enterprises of Central Sulawesi province in 2015. The number of cooperatives received the rating of "Quality" in 2015 as many as 33 units of cooperative. Total of population in this study are 7663 members of the cooperative, sampling techniques performed is Proportionate Random Sampling of 7663 members of the cooperative, the number of the sample are 150 members of cooperative as well as respondents. The data collection was conducted using questionnaires and data collected are tested for their validity, reliability, and normality. Research hypothesis are proven by the path analysis. The results of the study are summarized in the conclusion: 1) Quality of Service significantly and positively impact on the image of cooperatives in the Central Sulawesi Province. 2) The Performance of Cooperative has significant and positive impact on the image of cooperatives in the Province of Central Sulawesi. 3) Service Quality has significant and positive impact on Cooperative Members satisfaction in Central Sulawesi province. 4) Cooperative Performance has significant and positive impact on satisfaction Cooperative Members in Central Sulawesi province. 5) The image of Cooperative significant and positive impact on satisfaction Cooperative Members in Central Sulawesi province. 6) Service quality has no significant effect on the satisfaction of Cooperative Members in Central Sulawesi mediated by Citra Cooperative. 7) Performance of the Cooperative significantly affect the satisfaction of Cooperative Members in Central Sulawesi which mediated by Citra Cooperative.

**Keywords:** Quality, Performance, Image and Satisfaction

## INTRODUCTION

The development of cooperatives that had been conducted by the government aimed at the aspects of financing and capital, entrepreneurs may join the cooperative to build their own financial institutions that can provide financing and capital. For cooperative is similar to micro and small enterprises. Therefore, it needs a support for empowerment and development in particular, in order to encourage the practice of superior cooperative compete favorably with fellow cooperatives and other economic practitioners.

Michael E Porter (1994) suggested that competitive advantage is the heart of the company's performance in a competitive market. The last few years, many companies lose sight competitive advantage in a growing struggle and to pursue diversification. Now and in the future all companies should considers it is important.

In addressing the views expressed by Michael E Porter (1994), one of the government's programs to evaluate the cooperative empowerment program is to assess the performance of cooperatives. Cooperative performance assessment program for each cooperative was carried out by classification, it is intended to determine the rankings cooperative performance within a specific period, encourage cooperatives to implement the cooperative principles and good business principles. The ranking programs is expected that the cooperatives could emphasize its identity as a pillar of the economy of the people as mandated by the *International Cooperative Alliance* (ICA) and Law No. 25 of 1992 concerning Cooperatives, and externally is able to demonstrate its performance as a business competitive.

Cooperative ranking programs carried out by the Provincial Government of Central Sulawesi began in 2009. Based on data obtained from the Department of Cooperatives, Micro, Small and Medium Enterprises (MSME) Central Sulawesi province that the number of cooperatives in 2010 as many as 1,809 where 65% is active units and 35% is remaining inactive. Whereas until June 2015 the number of cooperatives is 2,253 units, 66% cooperatives is active and 34 % is inactive. The increase in the number of cooperatives within interval of 5 years (2010-2015) reached 80.12% is not accompanied by improved quality of the service to the members of the cooperative. Guided by The Regulation of Minister of Cooperatives and SMEs No. 06 / Per / M.KUK / III / 2008,

Cooperatives performance assessment was conducted in Central Sulawesi province in the activities of the cooperative ranking survey with indicators as follow: 1). Active business entities, 2). business performance is getting better, 3). cohesion and participation of the members, 4). cooperative services to its members, 5), service to the community, and 6). contribution to the regional development.

Referring to the criteria assessment score, Cooperatives with certain quality is based on the regulation of Minister of Cooperatives SMEs in the above as follows:

- |                 |                 |                    |
|-----------------|-----------------|--------------------|
| 1. Scores above | : 419           | = Highly Qualified |
| 2. Score        | : 340 s.d 419   | = Qualified        |
| 3. Score        | : 260 s.d 339   | = Qualified Enough |
| 4. Score        | : 180 s.d 259   | = Less Qualified   |
| 5. Score        | : less than 180 | = Not Qualified    |

The survey results of cooperatives ranking in Central Sulawesi province in 2009-2015 indicates that, from 2009 to 2015 there has been no cooperative that is rated highly qualified, there were only 22 units qualified or 8%, Qualified enough was 38%, and a dominant was less qualified 41 % and not qualified was 13%.

The decline in the quality of the cooperative has an impact on the decrease of the service quality to members in particular and society in general, which causes the image of cooperatives among some members is getting worse. Grönroos (1990) in Tjiptono (2014; 269) Suggests that, if the service provider has a positive image in the minds of customers, a minor error that occurred very likely to be forgiven. If errors often occur, the positive image will be damaged. Conversely, if the organization's image is negative, then the impact of any errors often much greater than when image is positive. In relation to the perception of the quality, the image can be viewed as a filter that is used to evaluate the overall quality.

The negative impact of the quality of services to the member of cooperative in Central Sulawesi province creates a bad image among the members who provide terms that are not in accordance with the noble values and principles of cooperatives. In fact the Cooperative is built on the principle of family mutual cooperative, solidarity and self-sufficient.

Based on the background mentioned previously, then the research problems in this research are:

1. Is the quality of service has significant and positive impact on the image of cooperatives in the Central Sulawesi Province?
2. Is the performance of cooperatives has significant and positive impact on the image of cooperatives in the Central Sulawesi Province?
3. Is the quality of service has significant and positive impact on the satisfaction of members of cooperatives in the Central Sulawesi Province?
4. Is the performance significant and positive impact on the satisfaction of members of cooperatives in the Central Sulawesi Province?
5. Is the image of cooperatives has significant and positive impact on the satisfaction of members of cooperatives in the Central Sulawesi Province?
6. Is the quality of service has a significant indirect effect on satisfaction of cooperative members in the Central Sulawesi province, mediated by the image of cooperatives?
7. Is the cooperative performance has significant indirect effect on satisfaction of cooperative members in the Central Sulawesi Province, mediated by the image of cooperatives?

## RESEARCH METHOD

The populations in this study are members of the cooperative that received the rating "quality" of the Department of Cooperatives, Micro, Small and Medium Enterprises of Central Sulawesi province in 2015. The number of cooperatives which received the rating of "Quality" in 2015 as many as 33 units. Total population this study are 7663 members of the cooperative, sampling techniques performed is *Proportionate Random Sampling* of 7663 members of the cooperative, the sample size are 150 members of cooperative who are also as respondents. The data collection was conducted using questionnaires; the data collected are tested for the validity, reliability, and normality test. The *path analysis* is conducted to prove the hypothesis of the research

## THE CONDITIONS OF THE COOPERATIVE BEFORE RESEARCH

Based on the results of a survey conducted by the Department of Cooperatives SMEs of Central Sulawesi province that the number of cooperatives in the province of Central Sulawesi until June 2015 as many as 2,253 units. The numbers of cooperatives in the province of Central Sulawesi are described in Table 01 below.

Table: 01 Number of Cooperative in Central Sulawesi province until June 2015

NO	Regency/City	Number of Cooperative			Member			Business Vol. (Rp.000)	Net Income (Rp.000)
		Active	Not Active	Total	Male	Female	Total		
					6	7	8	9	10
1	PALU	162	102	264	8,304	6,569	14,873	22,221,897	1,774,211
2	DONGGALA	76	62	138	18,894	4,877	23,771	47,755,039	1,655,577
3	SIGI	55	26	81	4,870	6,079	10,949	5,398,526	2,162,628
4	TOLI-TOLI	139	30	169	19,050	11,421	30,471	27,532,808	2,093,135
5	BUOL	121	134	255	12,374	6,458	18,832	8,923,717	1,564,009
6	PARIGI MOUTONG	173	83	256	5,523	1,561	7,084	2,627,802	1,052,372
7	POSO	267	28	295	23,563	4,463	28,026	37,483,274	3,771,219
8	MOROWALI	39	108	147	8,023	3,181	11,204	17,601,678	1,522,097
9	TOJO UNA-UNA	45	37	82	1,096	1,095	2,191	19,556,013	1,640,671
10	BANGGAI	177	81	258	35,131	10,000	45,131	162,979,946	7,551,739
11	BANGGAI KEP.	63	23	86	5,597	2,775	8,372	9,411,732	32,006
12	BANGGAI LAUT	48	1	49	3,084	1,304	4,388	6,809,779	252,682
13	MOROWALI UTARA	86	38	124	8,940	2,549	11,489	35,105,300	2,791,998
14	PROV. SULTENG	43	6	49	1,419	1,682	3,441	15,073,513	1,433,683
<b>TOTAL</b>		<b>1,494</b>	<b>759</b>	<b>2,253</b>	<b>155,868</b>	<b>64,014</b>	<b>220,222</b>	<b>418,481,023</b>	<b>29,298,028</b>

Source: Department of Cooperatives SMEs of Central Sulawesi province (2016).

Based on the Table 01 above, active cooperatives are 1,494 or 66% and 759 inactive cooperatives or 34%. Information obtained from the Department of Cooperatives SMEs Prov. Central Sulawesi that the Village Unit Cooperatives (KUD) largely inactive due to the lifting of some of the facilities by the regional government and particular trading center for example commodity trading system facilities of copra and clove trading system, meaning that the copra trade handling and clove through market mechanisms.

The members of the Cooperative are 220 222 people consisting of 155 868 men, or 71%, and 64 014 women or 29%. Cooperative female members are also members of Women's Cooperative (Kopwan). Contribution to the business volume of cooperative net income (SHU) in the province of Central Sulawesi up to the month of June 2015 amounted to 7%, when compared to the base rate of Bank Rakyat Indonesia (BRI) until the end of August 2016 its position is 17.50% per year or averagely 1.46% per month for six months is 8.75% which means SHU obtained by cooperatives in the province of Central Sulawesi there is a difference less than 1.75% when compared to the base rate of BRI.

Recapitulation of the cooperative based on business group of Central Sulawesi Province up to 31 September 2016 is described in Table 02 as follows:

Tabel 02. Recapitulation of the cooperative based on business group of Central Sulawesi Province up to 31 September 2016

No	Group of Cooperative	Active	Not Active	Total	Members			Business Volume	Net Income
		(Unit)	(Unit)	Cooperative	Male	Female	Total	(Rp.000)	(Rp.000)
1	2	3	4	5	6	7	8	9	10
1	KUD	110	98	208	56,348	23,283	79,631	33,999,609	2,668,801
2	Kop. Pegawai Negeri	218	80	298	27,924	15,227	43,151	104,455,657	9,527,921
3	Kop. Simpan Pinjam	120	12	132	10,279	5,058	15,337	203,359,269	4,595,508
4	Kopontren	36	12	48	1,650	643	2,293	1,244,307	340,808
5	Kop. Karyawan	55	21	76	5,639	2,910	8,549	16,280,080	3,765,207
6	Kop. Serba Usaha	426	192	618	28,698	23,085	51,783	100,109,509	5,526,817
7	Kop. Pertanian	139	111	250	10,299	5,134	15,433	8,041,076	890,477
8	Kop. Pasar	8	16	24	1,024	163	1,187	4,904,089	188,638
9	Kopermas	11	33	44	1,827	658	2,485	514,787	27,692
10	Kop. Perikanan	24	20	44	3,211	250	3,461	4,090,316	123,905
11	Kop. Peternakan	2	7	9	157	61	218	7,100	-
12	Kop. Wanita	88	29	117	234	7,605	7,839	9,023,236	1,728,120
13	Kopinkra	13	17	30	1,115	549	1,664	2,122,925	31,860
14	Kop. Pensiun	6	4	10	598	111	709	827,068	237,106
15	Kop. Polri	8	2	10	4,184	441	4,625	9,096,186	335,989
16	Kop. Angkatan Darat	11	-	11	3,081	168	3,249	10,813,986	610,575
17	Kop. Angkatan Laut	1	2	3	94	5	99	-	-
18	Kop. Angkutan Udara	-	-	-	-	-	-	-	-
19	Kop. Pemuda	3	8	11	117	64	181	27,645	3,514
20	Kop. Mahasiswa	4	5	9	3,829	4,021	7,850	22,909	1,079
21	Kop. Angkutan	4	1	5	51	12	63	-	-
22	Kop. Jasa	1	1	2	-	25	25	110,000	5,500
23	Kop. Syariah	15	2	17	739	948	1,687	4,535,932	223,050
24	Kop. Kaki Lima	-	2	2	21	-	21	-	-
25	Kop. Hutbun	36	25	61	2,518	388	2,906	159,262	13,396
26	Kop. Veteran	-	1	1	21	-	21	-	-
27	Kop. Pertambangan	-	1	1	29	-	29	-	-
28	KUB	1	1	2	-	-	-	-	-
29	Kop. Telkom	-	-	-	-	-	-	-	-

1	2	3	4	5	6	7	8	9	10
30	Kop. Lainnya	78	16	94	5,806	4,114	9,920	9,253,443	765,995
31	Kop. Primer Provinsi	28	20	40	1,419	1,682	3,441	14,153,733	1,004,955
32	Kop. Sekunder Provinsi	8	1	9	-	-	322	919,780	428,728
Total		1,494	759	2,253	176,661	96,943	273,604	566,479,809	32,177,624

Source: Department of Cooperatives SMEs of Central Sulawesi province (2016).

Based on Table 02 above, the highest number of cooperatives based on the type of business is Multipurpose Business Cooperative (KSU) 618 units or 27.4% of total cooperative with the achievement of business volume 17.7% and SHU 17.2% of the total contributions of cooperatives. Cooperatives that have the largest business volume is Saving and Lending Cooperative (KSP) with amount of Rp. 203.3 billion or 36.1% of the total volume of cooperative business. While cooperatives that contributed to the largest net income (SHU) is the Civil Servants Cooperative (KPN) with amount of Rp. 9.5 billion more, or 30% of the total SHU of the cooperative until 31 September 2016.

Profile of respondents by age within gender categories (Men and Women are described in Table 03 below:

Table 03. Cross tabulation SEX \* AGE

		AGE					Total
		20 s/d 25	26 s/d 30	31 s/d 35	36 s/d 40	> 40	
SEX	MALE	9 7,4%	15 12,3%	17 13,9%	29 23,8%	52 42,6%	122 100,0%
	FEMALE	0 0,0%	2 7,1%	6 21,4%	5 17,9%	15 53,6%	28 100,0%
Total		9 6,0%	17 11,3%	23 15,3%	34 22,7%	67 44,7%	150 100,0%

Source: Primary Data

Based on Table 03 above shows that from the results of a questionnaire to members of the cooperative, with a sample size of 150 people, it can be seen that there are 52 respondents aged > 40 years, or 42.6% of the total 122 male respondents. Then, there are 15 female respondents or 53.6% of total female respondents. So that it can be seen that the total respondents aged > 40 years that as many as 67 people or 44.7% of total research respondents. This also concluded that in this study are dominated by male respondents aged > 40 years.

Profile of respondents by education in the gender category (Men and Women is described in the table 04 below:

Table 04. Cross tabulation \* SEX \* EDUCATION

		EDUCATION				Total
		ELEMENTARY	JUNIOR HIGH SCHOOL	SENIOR HIGH SCHOOL	UNDER GRADUATE	
SEX	MALE	23 18,9%	21 17,2%	55 45,1%	23 18,9%	122 100,0%
	FEMALE	5 17,9%	10 35,7%	9 32,1%	4 14,3%	28 100,0%
Total		28 18,7%	31 20,7%	64 42,7%	27 18,0%	150 100,0%

Source: Primary Data

Based on Table 04 above, it shows that from the results of a questionnaire to members of the cooperative, with a sample size of 150 people, it can be seen that there are 55 respondents had Senior High School or 45.1% from the total of 122 male respondents. Then, the female respondents as many as 10 respondents, or 35.7% of the total 28 female respondents have Junior High School education. So that it can be seen that the total respondents had high school as many as 64 people or 42.7% of the total 150 respondents of the research. This also concluded that in this research is dominated by male respondents who had high school.

Profile of respondents by job category in gender (Male and Female) is outlined in Table 05 below:

Table 05. Cross tabulation SEX \* JOB

		OCCUPATION				Total
		FARMER	CIVIL SERVANT	ARMY/POLICE	ENTERPRENEURS	
SEX	MALE	28 23,0%	54 44,3%	22 18,0%	18 14,8%	122 100,0%
	FEMALE	10 35,7%	13 46,4%	0 0,0%	5 17,9%	28 100,0%
Total		38 25,3%	67 44,7%	22 14,7%	23 15,3%	150 100,0%

Source: Primary Data

Table 05 above shows a sample of 150 people there are 54 respondents of 122 male respondents with profession as PNS or 44.3%. Then, the female respondents are 13 respondents, or 46.4% of the total 28 female respondents also work as PNS. So that can be known the total respondents that work as PNS are 67 people or 44.7% of the total 150 respondents of the research. This also concluded that in this research are dominated by male respondents who work as PNS.

Profile of respondents by income category in gender (Male and Female) is outlined in Table 06 below:

Table 06. Cross tabulation SEX \* INCOME

		INCOME					Total
		<Rp 1.000.000	Rp 1.000.000 - Rp 1.999.000	Rp 2.000.000 - Rp 2.999.000	Rp 3.000.000 - Rp 3.999.000	> Rp 4.000.000	
SEX	MALE	5 4,1%	23 18,9%	30 24,6%	52 42,6%	12 9,8%	122 100,0%
	FEMALE	3 10,7%	4 14,3%	11 39,3%	6 21,4%	4 14,3%	28 100,0%
Total		8 5,3%	27 18,0%	41 27,3%	58 38,7%	16 10,7%	150 100,0%

Source: Primary Data

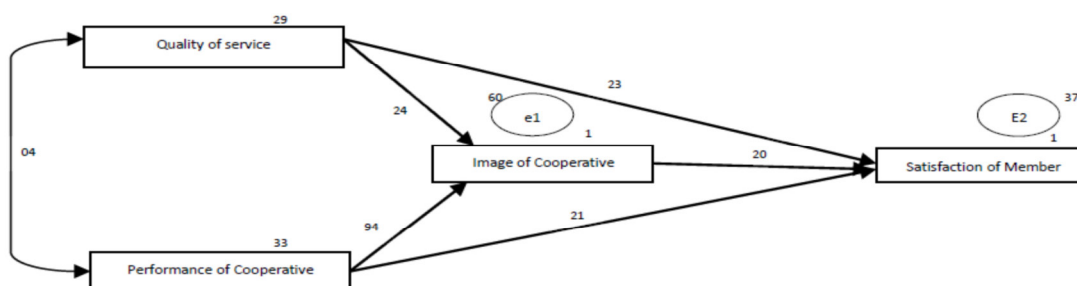
Table 06 above shows that, with a sample of 150 people, it can be seen that there are 52 people have an income of Rp.3.000.000 - Rp.3.999.000 or 42.6% of total 122 male respondents. Then, there were 11 female

respondents, or 39.3% of the total 28 female respondents earn Rp.2.000.000 - Rp.2.999.000. So that it can be seen that the total respondents with income of Rp.3.000.000 - Rp.3.999.000 as many as 58 people or 38.7% of the total 150 respondents of the research. This also concluded this research is dominated by male respondents who earn Rp.3.000.000-Rp.3.999.000.

## RESULTS AND DISCUSSION

In relation to the hypothesis proposed in this research, to prove the first up to the seventh hypothesis, path analysis is used. According to Kusnendi (2008), that the path coefficients in the path analysis is basically a standardized regression coefficient (*Standardized Coefficient Beta*), the regression coefficient is calculated on the basis of data that have been set in the raw numbers. The aim of path analysis is to analyze patterns of causality among variabel as well as its direct or indirect effect, a set of independent variables / exogenous: Quality of Service (X1), Cooperative Performance (X2), and the image of Cooperatives (Y) also as a mediators variable (*intervening*) to the dependent variable / endogen Member Satisfaction (Z), how big the impact, both direct effect and the indirect effect as well as to explore the mechanism of pathways effect inter the variabels.

The effect of inter variables in this research can be seen in the figure below:



The figure of path diagram inter variables the effect of Cooperative Service Quality and Cooperative Performance on the Cooperative Image and its impact on Cooperative Member Satisfaction in Central Sulawesi Province.

The summary of the *path analysis* of the direct influence of exogenous variables on endogen variable in this research are described in Table 07 as follows:

Tabel 07. *The Result of path Analysis Calculation*

Endogen Variable	Exogenous Variable	Standardized	P-Value	Standard Error (S.E)
		Estimate		
Cooperative Image (Y)	Service Quality (X <sub>1</sub> )	,240	,045	,120
Cooperative Image (Y)	Cooperative Performance (X <sub>2</sub> )	,936	***	,111
Member Satisfaction (Z)	Service Quality (X <sub>1</sub> )	,228	,016	,095
Member Satisfaction (Z)	Cooperative Performance (X <sub>2</sub> )	,215	,041	,105
Member Satisfaction (Z)	Cooperative Image (Y)	,201	,002	,064
	X <sub>1</sub> ↔ X <sub>2</sub>	,035	-	-
Indirect Effect				
Variabel		p-value	Std. Error	Note
Effect X <sub>1</sub> → Z through Y		0.092	0.02859552	Insignificant
Effect X <sub>2</sub> → Z through Y		0.003	0.06392394	Significant

Source: *Path Analysis data result*

Based on Table 07 above exogenous variables influence the endogenous variable is defined as follows:

1. Effect of service quality on the image of Cooperative in Central Sulawesi:

$$Y = \rho_{yx1}X_1 + \rho_{y\epsilon1}$$

$$Y = 0.240 + 0.120 X_1 \epsilon_1$$

$$Y = 0.36$$

The pattern of the relationship or influence of service Quality on the cooperative image in Central Sulawesi Province is 0.36 or 36%.

2. Effect of cooperative performance variable on the Cooperative image in Central Sulawesi:

$$X_2 + Y = \rho_{yx2} \rho_{y\epsilon2}$$

$$Y = 0.936 + 0.111 X_2 \epsilon_2$$

$$Y = 1.047$$

The pattern of the relationship or influence of Cooperative Performance on the image of the Cooperative in Central Sulawesi Province is 1,047 or 100%.

3. Effect of Service Quality variable on Cooperative Members Satisfaction in Central Sulawesi:

$$\begin{aligned}Z &= \rho_{zx1}X1 + \rho_{z\epsilon3} \\Z &= 0,228X1 + 0,095 \epsilon3 \\Z &= 0,323\end{aligned}$$

The pattern of the relationship or the influence of Quality of Service to the satisfaction of Members Cooperative in the province of Central Sulawesi is 0.323 or 32.3%.

4. The effect of cooperative performance variable on the Satisfaction of Cooperative Members in Central Sulawesi:

$$\begin{aligned}Z &= \rho_{zx2}X2 + \rho_{z\epsilon4} \\Z &= 0,215 + 0,105 X2 \epsilon4 \\Z &= 0,32\end{aligned}$$

The pattern of the relationship or effect of cooperative performance on the satisfaction of Cooperative Members in Central Sulawesi province is 0.32 or 32%.

5. Effect of Cooperative image to the satisfaction of Cooperative Members in Central Sulawesi:

$$\begin{aligned}Z &= \rho_{zy1}Y1 + \rho_{z\epsilon5} \\Y1 Z &= 0,201 + 0,064 \epsilon5 \\Z &= 0,265\end{aligned}$$

The pattern of the relationship or effect of cooperative image to the Cooperative Members satisfaction in Central Sulawesi Province is 0,265 or 26.5%.

Discussion of the research findings is carried out by the approach of the conditions or the real situation of respondents in general on the field and comparative studies approach of some theory and published scientific journals dealing specifically with the research variables as follows:

1. The Quality of service has significant and positive impact on the image of cooperatives in the province of

Central Sulawesi at the level of 5%, proved by the value of P-Value  $0,045 < \alpha$  (0.05). It means that the quality of service that consists of aspects: physical appearance (*tangibles*), *reliability*, *responsiveness*, and the ability to provide a guarantee (*assurance*), significantly affected the image of cooperatives which consist of aspects: *personality*, *reputation*, *the value and identity* in Central Sulawesi province. The results of this research was supported by the opinion of Grönroos in Tjiptono (2014; 269) that the perceived quality of a good / positive obtained when *experienced quality* meet customer expectations (*expected quality*), when customer expectations are not realistic, then *the total perceived quality* will be low, even if the quality of the experience is good (as measured by various objective measures).

In relation to the opinion of Grönroos above, it is proved by the statement of Cooperative Members that the quality of services provided by the Cooperative Management gives a good impression to the image of cooperatives in the Central Sulawesi Province. This research is the same direction as the research corroborated by: (1) Fujun Lai, et, all (2009) that the service quality influence positively and significantly on the image of telecommunications companies in China. (2) Paul C.S. Wu, et, all (2011) that the quality of the service has a positive effect on the image of the Private Label Brand.

The conclusion that can be drawn in this research that the service quality of cooperatives give good impression (image) to the overall cooperative principles which are understood and accepted by members of that cooperative that institutions gradually have the trust and the responsibility to carry out activities in accordance with the program based on the past experience, apply the value in accordance with the Cooperatives regulation, among others in the form of an open management, concerned about the needs of members and employees, quick to respond to requests or complaints, such as security for transactions in order to improve the social and economic welfare, especially for members and the general public in the province of Central Sulawesi.

2. The Cooperative Performance has significant and positive impact on the image of cooperatives in Central Sulawesi province at the level of 5%, it is proved by the P-Value  $< \alpha$  0.00 (0.05). It may be imply that the performance of cooperatives which consist of aspects: active business firm, the business performance is getting better, Cohesiveness and members participation, business linkage to members, service to the community, and contribution to regional development significantly affected the image of cooperatives from the aspects of: *personality*, *reputation*, *the value, and identity* in Central Sulawesi province. The results of the study confirmed by the opinion expressed by Grönroos in Tjiptono (2014; 269) that, usually the service provider cannot hide behind the name of the brand or distributor. In most cases, customers can see and know the company, from the aspect of resources, and the way it operates (performance). Therefore, the image of cooperatives is crucial in most services. Furthermore Grönroos argued that, if the service provider has a positive image in the minds of customers, a minor error that occurred very likely to be forgiven. If errors often occur, then the positive image will be damaged. Conversely, if the organization's image is negative, then the impact of any errors often much greater.

In line with the opinion of Grönroos mentioned above, the results of this study can be concluded that the

performance of cooperatives give the impression (image) to six aspects of cooperative performance which are understood and believed by members of the cooperative that the institutions gradually have the trust and the responsibility to carry out activities in accordance with the planned program based on the past experience, apply the value in accordance with cooperative regulation, among others; open management, concerned about the needs of members, employees that quick to respond to requests or complaints, such as feeling secure for transactions in order to improve the social and economic welfare, especially members and society in general in the province Central Sulawesi.

3. Service quality has a significant effect on the level of 5% to the satisfaction of Cooperative Members in Central Sulawesi province, it is proven by the P-Value  $0,016 < \alpha (0.05)$ . It may imply that the quality of service that consists aspectsof: physical appearance (*tangibles*), *reliability*, *responsiveness*, the ability to provide a guarantee (*assurance*), and responsiveness (responsiveness) significantly affect the satisfaction of Cooperative Members comprising aspect of: *Expectations*, *disconfirmation*, *performance*, *Affect*, and *Equity* in Central Sulawesi province.

The results of the research similar to the results of research conducted by Yusman Yacop et al (2016) in (Sarawak) Kalimantan that, quality of service is proved to be significant and positive effect on member satisfaction. quoted the opinions of Grönroos in paragraph 1 (a) above that the perceived quality of a good / positive obtained when experienced quality meet customer expectations (expected quality), when customer expectations are not realistic, then the perception of the total perceived quality will be low, even if the quality of the experience is good (as measured by various objective measures).

The results of this sresearch is different from the results of a survey conducted by the Department of Cooperatives SMEs of Central Sulawesi province in 2015, the conclusion is that, 1 of 33 of cooperative units surveyed and judged by its members and there was satisfactory services obtained from the cooperative, 6 units of cooperative assessed by members were unsatisfactory, and 26 units of cooperative judged by its members were not very satisfactory. Results of interview to some members of the cooperative are to be sampled in the study stated that the quality of services provided by the manager / employee of the cooperative are good however it is not fully meet their expectations, it means an increase in the services they receive from managers / employees of cooperatives has not been on par with expectations of the members, for example, (1) the relatively lack of inventory quantity, quality and completeness of the items required by members. (2) Lack of inventory amount of cash when making lending transactions. (3) The selling price of goods and services set by the manager / employee cooperative relatively less competitive compared to other SMEs. (4) Promotion of goods and services performed is done relatively less by the cooperative. (5) Location of the offices and service centers located relatively less strategic. (6) The business unit is closed every holiday. In general, the respondents understand that members of the cooperative is not just a customer / user but also as the owner of cooperatives (Act No. 25 of 1992 Section V) of the membership of article 17, paragraph 1 that the members of the cooperative is the owner and the users (owners and users) of cooperative services. This is what differentiates it from other business entities.

4. Cooperative performance has significant and positive impact on the satisfaction of Cooperative Members in Central Sulawesi province at the level of 5%, it is proved by the P-Value  $0,041 < \alpha (0.05)$ . It may imply that the performance of cooperatives consisting aspects of: active business firm, the business performance is getting better, Cohesiveness and member participation, linkages of business to the members, service to the community, and contribution to regional development significantly affect the satisfaction of Cooperative Members which consist of aspects: *Expectations*, *disconfirmation*, *performance*, *Affect*, and *Equity* in Central Sulawesi province. This finding is supported by the theory advanced by Rust, et al, in Tjiptono (2014; 268) that, the definition of service quality is focused on addressing the needs and desires of customers and accuracy of delivery to keep pace with customer expectations. Customer expectations can be three types. First, *will expectation*, that the level of performance that is predicted or expected by members they will receive, based on all the information they know. This type is the performance level of cooperative that covers six areas in which expected by members particularly contribution to the regional development. Second, *should expectation*, that the level of performance of cooperatives covering six aspects that should be received by members. Usually the demands of what it would have received much greater than what is expected to be received. Third, *the ideal expectation*, namely the optimum or the best level of cooperative performance which is expected to be received by members, based on the statement of the cooperative members of the sixth aspect of the performance of the cooperative aspects, the contribution to regional development graded highly for its members, the results of this study are consistent with the research conducted by Ibtitoye, Stephen Jimoh (2012) in Nigeria that: (1) cooperative of farmer society contributes considerably significant to the development of farming, the increasing of economy and the capital formulation from the village community. (2) Cooperative society in the state participate in the production, distribution



and the marketing of agriculture products other activities.

5. The image Cooperative significant and positive impact on satisfaction of Cooperative Members in Central Sulawesi province at the level of 5%, proved by the P-Value  $0,002 < \alpha$  (0.05). It may imply that the image of cooperatives consist aspects of: *Personality, reputation, the value, and identity* significantly affect the satisfaction of Cooperative Members consist aspects of: *Expectations, disconfirmation, Performance Affect and Equity* in Central Sulawesi province. This Findings is supported by the theory proposed by Grönroos in point two above that, usually the service provider cannot hide behind the name of the brand or distributor. In most cases, customers can see and know the company, resources, and how it operates. Therefore, corporate image and / or local (corporate and / or local image) is very important in most services. These factors can affect the perception of the quality through various means. If the service provider has a positive image in the minds of customers, a minor error that occurred is very likely to be forgiven. If a mistake is often the case, the positive image will be damaged. Conversely, if the organization's image is negative, then the impact of any errors often much greater than when the image is positive. In relation to the perception of the quality, the image can be viewed as a filter that is used to evaluate the overall quality. Other studies using the same variables carried by Fujun Lai, et, all (2009) that affect the company's image positively and significantly to China's telecom customer satisfaction.
6. The Cooperatives Service Quality has less significant effect on the satisfaction of Cooperative Members in Central Sulawesi province, mediated by Cooperative Image at 5% level. These findings contradict the results of the analysis of the third point that the service quality of cooperatives has less significant effect on the Member Satisfaction of Cooperative in Central Sulawesi although mediated by Cooperative Image variables.
7. The Cooperative Performance has significant effect on the satisfaction of Cooperative Members in Central Sulawesi province, which is mediated by Cooperative Image at the level of 5%. These findings reinforce the results of the analysis of the fourth point above that the performance of cooperatives significantly and positively effect the satisfaction of cooperative members in Central Sulawesi province mediated by the cooperative image variable.

## CONCLUSION

1. The Quality of Service has significant and positive impact on the image of cooperatives in the Central Sulawesi Province.
2. The Performance of Cooperative has significant and positive impact on the image of cooperatives in the Central Sulawesi Province.
3. The Service Quality significantly influence the satisfaction of Cooperative Members in Central Sulawesi province.
4. The Performance of Cooperative has significant and positive impact on the satisfaction of Cooperative Members in Central Sulawesi Province.
5. The Cooperative image has significant and positive impact on the satisfaction of Cooperative Members in Central Sulawesi province.
6. The Quality of Cooperatives Service has less significant effect on the satisfaction of Cooperative Members in Central Sulawesi which is mediated by the Cooperative Image.
7. The Cooperative Performance has significant effect on the satisfaction of Cooperative Members in Central Sulawesi mediated by the Cooperative Image.

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