Effect of Service Quality, Brand Image and Product Quality On Customer Loyalty through Customer Satisfaction On Fast Food Restaurant

Djumarno\textsuperscript{1}, Martin Tanando\textsuperscript{2}, Dudi Permana\textsuperscript{3}
\textsuperscript{1}Lecturer, Mercubuana University, Indonesia
\textsuperscript{2}Alumni, Mercubuana University, Indonesia
\textsuperscript{3}Lecturer, Mercubuana University, Indonesia

ABSTRACT: The purpose of this study is to find out how service quality, brand image, and product quality affect customer loyalty through customer satisfaction. This study is a census-based study, the object of research used in this study were 100 respondents. The research method used in this research is descriptive analysis, and data analysis techniques used are correlation analysis techniques and SEM (structural equation model). Correlation analysis technique to determine the relationship between independent variables on the dependent variable. The tool used to process and analyze data in this study is Smart PLS version 3.0. The results show that service quality, brand image, and product quality have a positive and significant effect on customer loyalty through customer satisfaction.

KEYWORDS: service quality, brand image, product quality, customer loyalty, customer satisfaction

I. INTRODUCTION

In this day and age, we often encounter the growth of the culinary business industry in the form of food in Indonesia. This has resulted in more and more variables that can affect the success of a business. Companies must strive to learn and understand the needs and desires of their customers because by understanding the needs, desires, and demands of customers, the company has important information in designing marketing strategies to increase customer satisfaction. Fast Food has been known by the public as an alternative food that can be eaten and can be consumed quickly and buy it very quickly to get it and easily. Fast food means consumers do not need to wait or require a long time to eat fast food because after placing an order, it can be consumed immediately because the process is very easy and fast. This concept is very necessary for the millennial era now because consumers need anything that is practical and does not take long. Consumer satisfaction or dissatisfaction is part of the consumer experience of a product or service offered, and based on the experience gained, consumers have a tendency to build certain values.

The most important characteristic for most restaurant businesses is the brand positioning of the food itself to defeat competitors in the fast-food sector and always be the market leader, must maintain the brand and have strong brand equity. This research was conducted at a Kentucky Fried Chicken fast-food restaurant in Indonesia. This study analyzes customer-based brand equity in the company.

The development of the restaurant business is also related to the behavior of consumers who like to eat outside the home, be it alone, with friends or family. According to the online newspaper article “Merdeka” which discusses a survey conducted by Ipsos Indonesia, it shows that the third-largest independent market research company that was founded in France, states that Indonesians are not too fond of cooking.

Based on the problems described above, the following research questions can be formulated:

1. Does service quality affect customer satisfaction at KFC Alam Sutera?
2. Does brand image affect customer satisfaction at KFC Alam Sutera?
3. Does product quality affect KFC Alam Sutera customer satisfaction?
4. Does customer satisfaction affect customer loyalty at KFC Alam Sutera?
II. LITERATURE REVIEW

Service quality. Quality is a dynamic condition related to products, services, people, processes, and environments that meet and exceed expectations Fandy Tjiptono (2012). Service is an activity or a series of activities that are invisible (intangible) that occur as a result of interactions between consumers and employees or other things provided by service providers that are intended to solve the problems of consumers/customers. According to Freddy Rangkuti (2009), the level of service quality cannot be assessed based on the company’s point of view but must be viewed based on the customer’s point of view. Therefore, in formulating service strategies and programs, companies must be customer-oriented through the service quality component.

Brand Image, According to Rangkuti (2008), brand image can be interpreted as a collection of brand associations that are formed and embedded in the minds of consumers. Consumers who are accustomed to consuming or using a particular brand will tend to have consistency in the brand image. Kotler and Keller (2009) also explained that brand image is a prerequisite for a strong brand and image can also be interpreted as a relatively consistent perception in long term (enduring perception), so it is not easy to form an image, and when it is formed it will be difficult to change it. The image formed must be clear and have an advantage when compared to its competitors. So that when differences and advantages of a brand are faced with other brands, a brand position will emerge.

Product Quality, According to Kotler (2013), defining a product is a product that is anything that can be offered to a market to satisfy a want or need, which means that a product is anything offered to the market to satisfy a desire or need. Meanwhile, according to Kotler and Armstrong (2012), product quality is the ability to demonstrate a product, including overall durability, reliability, accuracy, ease of operation and product improvement as well as other product attributes. Kotler (2013) said that product quality is a characteristic of a product or service that depends on its ability to satisfy customers. (Amalia S. et al, 2017) The importance of product quality, the focus on core competencies and the value offered to customers, are very important factors in purchasing decisions, but they are not the only irresistible attraction.

Customer Satisfaction, According to Kotler Armstrong (2014), in his book Marketing Management provides a definition of "Customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparison from product's perceived performance (or outcome) in relation to his or her expectations", which means satisfaction is someone's pleasure or disappointment for a product after the customer compares the performance of the product with his expectations. While customer satisfaction according to Zethaml, Bitner, and Dwayne (2009, p.104), "Customer evaluation of a product or service in terms of whether that product or service has met the customer's needs and expectations", according to him customer satisfaction is the customer's assessment of product or service in terms of assessing whether the product or service has met customer needs and expectations. Based on the explanation above, it can be concluded that customer satisfaction is a feeling or emotional assessment of customers for the use of a product or service to their expectations and needs are met. If the performance fails to meet expectations, then the customer will not be satisfied and vice versa if the performance meets expectations, the customer will be satisfied, especially if the performance exceeds expectations, the customer will be very satisfied or happy.

Customer Loyalty, According to Griffin (2013) the definition of loyalty as a form of behavior from the decision making to make purchases continually on the goods/services of a selected company. Loyal customers are important assets for the company. The characteristics of loyal customers according to Grifin (2013) are as follows:

1. Recommend it to others
2. Make regular repurchases
3. Indicates the difficulty of making a purchase at a competitor

Based on Fig. 1. the research model, several hypotheses can be made as follows:

H1: Service quality has a positive and significant effect on customer satisfaction.
H2: Brand image has a positive and significant effect on customer satisfaction.
H3: Product quality has a positive and significant effect on customer satisfaction.
H4: Customer satisfaction has a positive and significant effect on customer loyalty.
III. Research Methodology

The population used in this study is consumers who consume products from fast-food restaurants in KFC Alam Sutera, Tangerang. The sampling criteria in this study were determined by researchers with those relevant to the research object as follows:

1. Customers who eat at KFC Alam Sutera fast food restaurant
2. At least have consumed food at KFC Alam Sutera

The number of samples that fit the criteria according to the assessment of researchers is the average number of visitors per month of 59,670 people. Sampling from a population can be done in various ways, according to Umar (1997: 78) to determine the sample size of a population can use the Slovin formula with the following details. (Satria E, 2015)

\[ n = \frac{N}{1 + Ne^2} \]

\( n \) = sample size
\( N \) = total population
\( e \) = The percentage of inaccuracy is due to sampling errors that can still be tolerated or desired 10%

\[ n = \frac{59,670\,\text{visitor}}{1 + 59.670\,\text{visitor}(0.1)^2} \]

n = 99.83 rounding to 100 samples

The number of samples that will be used for this study is 100 customers who eat food at KFC Kentucky Fried Chicken fast-food restaurants in Alam Sutera Tangerang.
IV. Result And Analysys

Table 1. Convergen Validity shows that the overall loading factor of research indicators on the construct is > 0.5. In addition, the value of AVE (Average Variance Extracted) produced is greater than the alpha value of 0.5 and the value of Composite reliability is above 0.7, so it can be explained that all research indicators have been able to represent and are able to measure the research construct.

Based on Table 2. Discriminant Validity, it can be concluded that each indicator on the research variable has a cross-loading value on the variable that it forms greater than the cross-loading value on other variables. Based on the results obtained it can be stated that the indicators used in this study have good discriminant validity in preparing their respective variables.

![FIG 2. STRUCTURAL EQUATION ALGORITHM]

<table>
<thead>
<tr>
<th>TABLE 1. CONVERGENT VALIDITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
</tr>
<tr>
<td>Service Quality</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Brand Equity</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Product Quality</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Costumer Satisfaction</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
TABLE 2. DISCRIMINANT VALIDITY

<table>
<thead>
<tr>
<th></th>
<th>(X1)</th>
<th>(X2)</th>
<th>(X3)</th>
<th>(Y1)</th>
<th>(Y2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Y1)</td>
<td>0.746</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(X2)</td>
<td>0.365</td>
<td>0.727</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(X3)</td>
<td>0.208</td>
<td>0.278</td>
<td>0.736</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Y1)</td>
<td>0.373</td>
<td>0.486</td>
<td>0.399</td>
<td>0.720</td>
<td></td>
</tr>
<tr>
<td>(Y2)</td>
<td>0.366</td>
<td>0.565</td>
<td>0.442</td>
<td>0.714</td>
<td>0.793</td>
</tr>
</tbody>
</table>

TABLE 3. COMPOSITE RELIABILITY

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Standard</th>
<th>Keputusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.861</td>
<td>&gt;0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>X2</td>
<td>0.844</td>
<td>&gt;0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>X3</td>
<td>0.833</td>
<td>&gt;0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Y1</td>
<td>0.844</td>
<td>&gt;0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>Y2</td>
<td>0.895</td>
<td>&gt;0.700</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Based on the data in Table 3, Composite Reliability, it shows that the composite reliability value of all research variables > 0.7. This shows that each variable meets the composite reliability, so it can be concluded that all variables have a high level of internal consistency reliability.

TABLE 4. CRONBACH’S ALPHA

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha</th>
<th>Standard</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.810</td>
<td>&gt;0.600</td>
<td>0.000</td>
</tr>
<tr>
<td>X2</td>
<td>0.764</td>
<td>&gt;0.600</td>
<td>0.000</td>
</tr>
<tr>
<td>X3</td>
<td>0.783</td>
<td>&gt;0.600</td>
<td>0.000</td>
</tr>
<tr>
<td>Y1</td>
<td>0.775</td>
<td>&gt;0.600</td>
<td>0.000</td>
</tr>
<tr>
<td>Y2</td>
<td>0.854</td>
<td>&gt;0.600</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on Table 4, Cronbach’s Alpha, it shows that the value of Cronbach alpha of each variable > 0.6, so it can be stated that each research variable meets the requirements of the Cronbach alpha value, so it can be concluded that all variables have a high level of internal consistency reliability.

FIG 3. PATH COEFFICIENT

a) Service Quality has a positive effect on Customer Satisfaction. This is indicated by the influence coefficient of 0.229 and positive value. This means that the service quality provided by the KFC Alam
Sutera restaurant has a positive influence on customer satisfaction so that by increasing the service quality it will produce good customer satisfaction, and that will always go hand in hand.

b) Brand Image has a positive effect on Customer Satisfaction. This is indicated by the influence coefficient of 0.346 and positive value. This means that the image of a brand will have an impact on customer satisfaction, when customers are satisfied with the brand image built by the KFC Alam Sutera restaurant, the brand image will play a role, and support the existence of customer satisfaction, besides that with a good and maintained brand, then customer satisfaction will also build on its own, because brand image has a positive influence on customer satisfaction.

c) Product quality has a positive effect on customer satisfaction. This is indicated by the influence coefficient of 0.265 and positive value. This means that optimal product quality will shape customer satisfaction, low or high-quality products will affect customer satisfaction will be counted, because if the quality of the product is getting better, then customer satisfaction will also be better, but if the quality of the product given is poor, then the restaurant will get bad customer satisfaction too.

d) Customer satisfaction has a positive effect on Customer Loyalty. This is indicated by the effect coefficient value of 0.772 and positive value. This means that customer satisfaction will shape customer loyalty, the influence exerted by customer satisfaction is large enough to form customer loyalty. If the customer is satisfied with the variables formed behind him, then customer satisfaction will also form and affect customer loyalty, if customer satisfaction increases, it will have an impact on customer loyalty as well, but if customer satisfaction decreases, then the loyalty received by the restaurant also will decrease.

Analysis of the model evaluation or testing of the goodness of fit in this study was carried out with the aim of ascertaining whether the model in this study was the best model that had been formed and was appropriate based on theory, empirical studies, and facts. Based on data processing conducted by researchers using the SmartPLS program, an evaluation of the goodness of fit model obtained the value of R-Square and the calculation of Q-Square as follows:

\[
\text{Q-Square} = 1 - \left( 1 - \text{R-Square} \right)^2
\]

Based on Fig 4. R Square and Q Square, it shows that the R-Square value for Customer Loyalty is 0.510 with a strong enough category and Then the R-Square value for Customer Satisfaction is 0.343 with a moderate category.

The model evaluation will be carried out through goodness of fit. Goodness of fit assessment is known from the Q-Square value. Q-Square value has the same meaning as the coefficient of determination (R-Square) in the regression analysis, where the higher the Q-Square, the model can be said to be more fit with the data. The results of the calculation of the values of Q-Square are as follows:

\[
\text{Q-Square} = 1 - \left( 1 - 0.343 \right) \times \left( 1 - 0.510 \right)
\]

\[
= 1 - (0.657 \times 0.590)
\]

\[
= 1 - 0.382
\]

\[
= 0.618
\]
Based on this calculation results obtained Q-Square value of 0.678. This shows the amount of diversity of research data that can be explained by the research model is 67.8%, while the remaining 32.2% is explained by other factors that are outside this research model. Based on these results, the model in this study can be stated to have excellent goodness of fit.

The Fig. 5. Path T-Value, it explains the significance of the influence given by Service Quality, Brand Image and Product Quality on Customer Loyalty Through Customer Satisfaction, the details will be explained as follows:

a) Service Quality has a significant effect on Customer Satisfaction. The quality of service performed so far has a significant influence on the customer satisfaction process. The significance value of the influence is 2.258 and it is significant, indicated by the magnitude of the significance or probability value of influence which is 0.024 which is smaller than the specified critical value limit of 0.05.

b) Brand Image has a significant influence on Customer Satisfaction. This is indicated by the influence value of 3.541, then it has a significance value of 0.000 which is less than the specified critical value limit of 0.05.

c) Product Quality has a significant effect on Customer Satisfaction. This is indicated by the effect probability value of 0.002 which is less than the specified critical value limit of 0.05. Then it has an influence of 3.139.

d) Customer Satisfaction has a significant effect on Customer Loyalty. This is indicated by the effect probability value of 0.000 which is less than the specified critical value limit of 0.05 and has an influence value of 14.557.

FIG. 5. PATH T-VALUE

The Fig.5. Path T-Value, it explains the significance of the influence given by Service Quality, Brand Image and Product Quality on Customer Loyalty Through Customer Satisfaction, the details will be explained as follows:

a) Service Quality has a significant effect on Customer Satisfaction. The quality of service performed so far has a significant influence on the customer satisfaction process. The significance value of the influence is 2.258 and it is significant, indicated by the magnitude of the significance or probability value of influence which is 0.024 which is smaller than the specified critical value limit of 0.05.

b) Brand Image has a significant influence on Customer Satisfaction. This is indicated by the influence value of 3.541, then it has a significance value of 0.000 which is less than the specified critical value limit of 0.05.

c) Product Quality has a significant effect on Customer Satisfaction. This is indicated by the effect probability value of 0.002 which is less than the specified critical value limit of 0.05. Then it has an influence of 3.139.

d) Customer Satisfaction has a significant effect on Customer Loyalty. This is indicated by the effect probability value of 0.000 which is less than the specified critical value limit of 0.05 and has an influence value of 14.557.
Table 5. Hypothesis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>t-cal</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>2.258</td>
<td>0.024</td>
<td>Support</td>
</tr>
<tr>
<td>H2</td>
<td>3.541</td>
<td>0.000</td>
<td>Support</td>
</tr>
<tr>
<td>H3</td>
<td>3.139</td>
<td>0.002</td>
<td>Support</td>
</tr>
<tr>
<td>H4</td>
<td>14.557</td>
<td>0.000</td>
<td>Support</td>
</tr>
</tbody>
</table>

V. Conclusion

In this section, the conclusions of the hypotheses proposed in the previous chapter will be presented. The conclusions obtained based on the results of research and discussion are as follows:

1) This research proves that service quality has a positive and significant effect on customer satisfaction at KFC Alam Sutera restaurant.
2) Brand image has a positive and significant effect on customer satisfaction at KFC Alam Sutera restaurant.
3) Product quality has a positive and significant effect on customer satisfaction at KFC Alam Sutera restaurant.
4) Customer Satisfaction has a positive and significant effect on customer loyalty at KFC Alam Sutera restaurant.

Suggestions that can be given based on the results of this study are:

1) For further researchers/academics
   Future studies can examine other variables that are thought to affect customer satisfaction, especially in similar restaurant products or those engaged in similar fields. These variables can be examined in previous studies affect customer satisfaction and customer loyalty.
   It is also expected that this research can be a reference in determining the supporting characteristics of determining customer satisfaction and customer loyalty which is determined by the service quality provided by related restaurant businesses. Furthermore, related restaurants can also use the dimensions of each of these research variables as a reference.

2) For Company
   1) Service quality must be improved to get good customer satisfaction, based on the relationship between proven service quality because good service quality will get customer satisfaction and through technological developments, we will make improvements so that consumers get convenience in service.
   2) KFC can adapt to local culture because many menus in KFC are accepted by local culture, such as the presence of crispy KFC variants, when in fact the original menu is the real menu of KFC products.
   3) In the respondent's response, KFC restaurant has a distinctive taste that is the lowest respondent's response. The drinks provided by KFC must be consistent so that consumers think the taste of KFC restaurants has a distinctive taste.
   4) For respondent responses in posting photos of KFC products on social media to be low respondents, for that KFC product must make the presentation of KFC food products more attractive to be instagramable, so that visitors want to photograph KFC products and post on their social media.
   5) for packaging and queuing positions, we will improvise in technology applications to make it easier in the payment system, both to eat on the spot or take home.
Based on the level of the relationship between brand image and customer satisfaction, it can be suggested to companies to prioritize a good brand image in order to improve the Consumer Satisfaction of the fast-food restaurant industry.

Product quality is very important for fast-food restaurants because customers want food that is fresh and not frozen. Customers want food that is warm and ready to eat, consumer confidence in the quality of service will always be maintained in order to continue to get good customer loyalty.

REFERENCE


Influence Of Brand Knowledge And Brand Relationship On Purchase Decision Through Brand


