

DOI 10.18551/rjoas.2019-08.15

INFLUENCE OF SERVICE QUALITY AND CUSTOMER SATISFACTION ON CUSTOMER LOYALTY IN RESTAURANTS OF THE TANGERANG AREA

Karani Laila Maisya, Syah Tantri Yanuar Rahmat*, Anindita Rina

Faculty of Economics and Business, University of Esa Unggul, Indonesia

*E-mail: tantri.yanuar@esaunggul.ac.id

ABSTRACT

In recent decades the quality of a service to be one of the most important factors that contribute to consumer satisfaction. But it is not certain whether the good service quality is also capable of being the most important factors on consumer loyalty. This article presents an analysis of the relationship between a restaurant service quality on customer satisfaction and customer loyalty. This study aims to determine whether the quality of service and customer satisfaction has a significant influence on customer loyalty and to determine which variables are the most dominant has a significant influence on customer loyalty. Data were analyzed using Structural Equation Model (SEM). The results showed that service quality affects customer satisfaction, customer satisfaction affects customer loyalty, but the quality of service does not affect customer loyalty.

KEY WORDS

Service quality, customer satisfaction, customer loyalty, public service.

The more advanced economies, the growing market and market segmentation has now dramatically changed consumer buying interest with the many kinds of products services. Consumers have had greater expectations and more challenging than ever. Consumers now demand high quality products and the price can be reached by them. Companies must be able to seize the consumer of the hands of competitors by providing more value. The dimensions of a certain quality that can contribute substantially need to be identified (Veloso et al., 2014) Currently, provide quality of service is seen as a way to stay competitive in a market where global competition and technology has changed the products and services into commodities (Nadiri and Gunay, 2013) in (Salome and Victor, 2014), Many researchers have examined the relationship between perceived service quality and customer satisfaction in the service industry (Cronin and Taylor, 1992; Zaibaf et al., 2012; Zhang and Prybutok, 2005) (Veloso et al., 2018), Confirming that service quality is a significant antecedent of satisfaction. The key to customer satisfaction lies in the identification and how to anticipate consumer needs and especially to be able to satisfy them. Companies are able to understand and satisfy the needs of consumers quickly, generating more profit than companies that fail to understand and satisfy them (Dominici and Guzzo, 2010) in (Veloso et al., 2017), Sari (2015) stating customer satisfaction is a situation in which cognitive buyer in regard to proportionality or mismatch between the results obtained compared with the sacrifices made. Furthermore, it enhances the value of the benefits and the level of customer service loyalty to the organization's finances. Many empirical evidence can be found in the literature around the world that explore the relationship between service quality, perceived value, loyalty and customer service (Parasuraman and Grewal, 2000; Ogunnaike and Olalekei 2010; Kaur and Kiran, 2015; Hapsari et al., 2017) in (Sabah, Al, and Turan, 2017)

Loyalty is an important step in ensuring that consumers do something beneficial for the company, either through purchase or by word of mouth (WOM). It is believed that satisfaction is a consequence of the quality of service, and guarantee, increasing the possibility of involving consumers and loyalty. Several studies have shown that there is a positive relationship between service quality and customer loyalty (Yuen and Chan, 2010) in (Veloso et al., 2018), Consumers who are loyal to his purchase decision no longer consider the factors that influence in determining the choice of price levels, range, quality, and other attributes, because it has been ingrained in him that the products or rservice purchased in

line with expectations and is able to meet the needs. Consumers who are loyal or faithful is someone who does the repeated use of the same company, notify all other potential customers, word of mouth, and became an antidote to attack from competitors (Sari, 2015).

In this context, the main aim of this article is to propose a methodology that allows for examination of the effect of the antecedents and consequences of service quality on customer satisfaction, customer satisfaction influence on consumer loyalty as well as the final impact of service quality on customer loyalty to the restaurant.

HYPOTHESIS DEVELOPMENT

Preliminary studies on the quality of service is defined as a measure of the service that provides the needs of consumers, and involves a comparison between consumer expectations with their perceptions of the actual service performance (Parasuraman et al., 1985; Parasuraman et al., 1988) in (Veloso et al., 2017), Quality of service has taken a leading role in public and private institutions, as an indispensable requirement for customer satisfaction (Veloso et al., 2014), According Nadiri and Hussain (2005) Veloso et al. (2014) service quality increases customer satisfaction, influence the repurchase and encourage consumers to give recommendations.

Consumer satisfaction is derived from the comparison process (Oliver, 1993) in (Yi-Chin Liu et al., 2008), The comparison that is what consumers created between their expectations before they receive the services and the perception that they form after they receive services. It is a thorough assessment made consumers on the quality of service. This, is a subjective assessment which resulted in consumer thinking after they receive services (Yi-Chin Liu et al., 2008), If the quality of service together with the hope of pre-consumer services, the service had previously perceived quality (Yi-Chin Liu et al., 2008), Similar to Kotler (1996; 1999) Yi-Chin Liu et al. (2008) He explained that consumer perceptions of layanan highly dependent on the quality of service. Services are intangible / cannot be seen and without ownership. This could be a sub-product of a product, can also be the product itself.

It could be said that customer satisfaction is a reflection of the quality of service. Based on the research results Cornin and Taylor (1992) and Kolter (1991) in Yi-Chin Liu et al. (2008) customer satisfaction occurs when both are equal, or when the quality of service exceeds customer satisfaction, Ruyter (1997) in Yi-Chin Liu et al. (2008) also said the same thing, namely the quality of service is a major factor in the effect of customer satisfaction. From the results of the literature on hypotheses that can be submitted:

H1: good service quality will increase customer satisfaction.

Customer loyalty is defined as a permanent fidelity (or long-term interest) to a product or service based on previous experiences and views with a diverse array of establishment, not just one-dimensional (Allen and Meyer, 1990) in (Lin, Jao- Chuan et al., 2008), In Yi-Chin Liu et al. (2008) noted that previous studies have shown that it takes costs 5 times more likely to generate new customers than retain old customers. Customer loyalty can be measured through their desire to buy back, satisfaction and tolerance against price fluctuations.

Prus and Brandt (1995) in Yi-Chin Liu et al (2008) mentioned that customer satisfaction leads to customer loyalty. Several other studies which suggested a link between customer satisfaction and customer loyalty is Kao (1986) and Anderson and Sullivan (1990) in Yi-Chin Liu et al. (2008) stated that customer satisfaction has a positive relationship with repeat purchase behavior. Consumer loyalty is directly influenced by consumer satisfaction (Binter, 1990; Cronin and Taylor; 1992; Heskett et al., 1994; Drack, 1998) (Yi-Chin Liu et al., 2008), Goodman et al. (1989) in Yi-Chin Liu et al. (2008) shows that customer satisfaction occurs when consumer needs are met and exceeded.

Customer satisfaction and customer loyalty is always related to one another, but they do not always show a positive relationship (Yi-Chin Liu et al., 2008), It is mentioned by Bowen and Chen (2001) in Yi-Chin Liu et al. (2008) that customer satisfaction and customer loyalty are two parts of a concept. They are not directly related. Fay (1994) in Yi-Chin Liu et

al. (2008) proving that despite its good quality can generate high satisfaction, high satisfaction not directly create loyalty.

Based on the reference of previous studies, we would like to know whether there is a relationship of customer satisfaction and customer loyalty my place to do research. From the above literature, the hypothesis can be proposed, namely:

H2: Consumer satisfaction will increase consumer loyalty.

To some extent, the same service quality to customer satisfaction as a result of comparing both consumer expectations and from actual experience that experienced by consumers (Zeithaml et al., 1990) in (Yi-Chin Liu et al., 2008).

According to Bolton and Drew (1991) in Yi-Chin Liu et al. (2008) customer satisfaction is the perception that consumers have when they receive services. This will affect the quality of service, and behavioral intention to re-purchase the service. The results of the research and Lijander Strandvik (1994) in Yi-Chin Liu et al. (2008) also mentioned that the quality of service determining customer satisfaction. Consumer satisfaction is directly influencing the decision to buy back the goods / services. Based on the results of previous studies above, indicate that the quality of service and customer loyalty have a correlation. It can be said that high consumer satisfaction will increase consumer loyalty. From the above literature, the hypothesis can be proposed, namely:

H3: high consumer satisfaction will increase consumer loyalty.

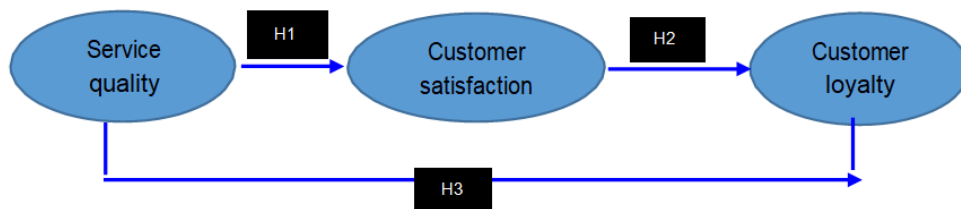


Figure 1 – Research model

METHODS OF RESEARCH

This research was conducted on consumers of restaurant in Tangerang. Aspects studied are the quality of service, satisfaction and loyalty. The study was conducted using a survey method. This is a descriptive study. Data was collected by questionnaire spread throughout existing customers in the restaurant. Methods of data analysis in this study using Structural Equation Modeling (SEM). Hair, Anderson, Tatham and Black (1995) in (Lin, Jao-Chuan et al. (2008) must be at least 5 times the amount of the questionnaires, so in this study the number of questionnaires used operationalization of thirty-three, so that samples taken in this study a number of 125 (25x5) of respondents, with three variables: quality of service, customer satisfaction and customer loyalty.

In this study, there are two exogenous variables, namely the quality of service, customer satisfaction and an endogenous variable that consumer loyalty. Measurement of service quality variables using the theory of Parasuraman et al. (1988) in (Ghotbabadi et al., 2015), Measurement variables using the theory of consumer satisfaction (Crosby, et al., 1990; Kim and Cha, 2002) (Kulsum and Shah, 2017) and the measurement of customer loyalty variables by using the theory of (Lin and Ding, 2006) in (Astuti, Fitri Budi, 2017), This study using confirmatory factor analysis, to test the validity by looking at the value of Kaiser-Msyer-Olkin measure of sampling (KMO) and measures of sampling adequacy (MSA).

In this test the value obtained must be greater than 0.500, which means that the factor analysis appropriate or suitable for use, and can be processed further. Product quality scale consists of 12 questions and all valid because the value (MSA> 0.500), consumer satisfaction scale consists of 4 questions and all valid (MSA> 0.500). While consumer loyalty scale consists of nine questions and all valid (MSA> 0.500). Test reliability with Cronbach alpha values> 0.5, which means reliable.

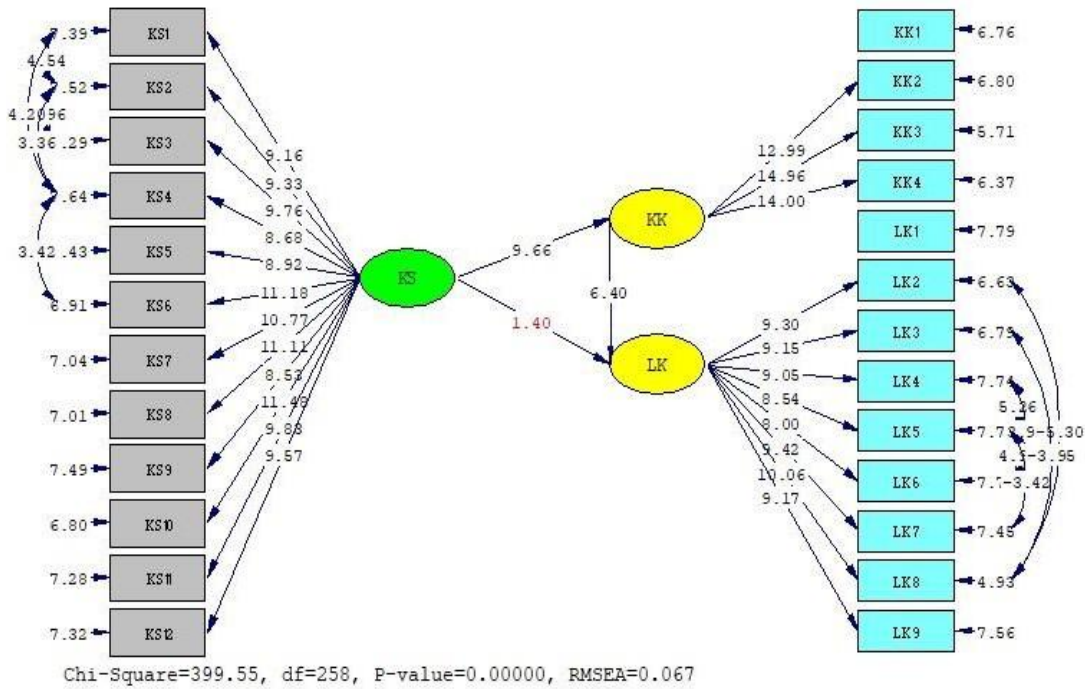


Figure 2 – Path Diagram t-value

Analysis of all test almost showed a good match, include: Chi Square, RMSEA, ECVI, AIC, CAIC, and Fit Index. There results in the form of marginal fit of Critical N and Goodness of Fit. Furthermore, this study resulted in a path diagram (Figure 2).

Table 2 – Hypothesis Testing Research Model

Hypothesis	Statement hypothesis	T-Value	Information
H1	Good quality services will create customer satisfaction	9.66	The data support the hypothesis
H2	Customer satisfaction will create consumer loyalty	6,40	The data support the hypothesis
H3	Good quality of service will be creating customer loyalty	1.40	The data do not support the hypothesis

DISCUSSION OF RESULTS

The first hypothesis testing (H1), found the analysis results support the hypothesis H1 that is good quality services create customer satisfaction. From the results of this test showed that service quality affects customer satisfaction at the restaurant. Improved quality of service will affect the level of customer satisfaction. Therefore, in theory, satisfaction is influenced by the quality of service (Lin, Jao-Chuan et al., 2008), According to Gilang Aji Son (2017) cited in Tjiptono (2000: 27-28) have already identified five dimensions of service quality, namely: Direct evidence (tangibles), reliability (reliability), responsiveness (responsiveness), assurance (assurance) and attention (empathy). The fifth of these factors may be of the perception of satisfaction with a service. This is in accordance with the research-research previously outlined in the development hypothesis concluded that service quality affects customer satisfaction products.

In the second hypothesis testing results (H2), found the analysis results support the hypothesis H2 that customer satisfaction will create customer loyalty. Consumer satisfaction has a positive influence on consumer behavior in order to reuse or recommend the service at the restaurant to others. This shows that customer satisfaction which include a statement after the purchase or receive the maximum services, consumers are satisfied with the quality service and satisfied with the performance of employees, so that the effect on consumer loyalty. The results are consistent with research by Binter (1990) ; Cronin and Taylor (1992) ; Heskett et al. (1994) ; Drack (1998) Yi-Chin Liu et al. (2008) stating that consumer loyalty is directly influenced by consumer satisfaction.

In the third hypothesis testing results (H3), found the results of the analysis do not support the hypothesis H3 where the results obtained from this study. Although based on previous research the relationship between service quality and loyalty of consumers, in fact is not the case on the results of the present study. Factors that cause this does not correlate could be due to the limited number of correspondents used. Another factor that makes the negative results of this hypothesis is the possibility of consumers who do not pay much attention to the quality of service, although the influential consumer satisfaction with their loyalty but their loyalty is not directly related to service quality.

CONCLUSION AND RECOMMENDATIONS

The results can be concluded from this study: (1) there is the influence of service quality on customer satisfaction at the restaurant, it can be said good quality services will create high customer satisfaction; (2) there is the influence of customer satisfaction on consumer loyalty restaurant, it can be said that high customer satisfaction can create customer loyalty; (3) the quality of the service has no direct effect on consumer loyalty to a restaurant, it can be said that good quality services are not necessarily affect customer loyalty.

Limitations of the study refer to some weaknesses in this study. Some of the limitations contained in this research Limitations of this study include: (1) need to be developed more other variables outside variables that have been used in this study, (2) other than that more research is needed to include various aspects of the service in foodservice due to the trend of new services (3) there is the possibility of the respondents had not filled with real or just fill based on ideal conditions expected and not a condition exactly is going on, (4) the need for variations of respondents not only from within the city, but also from other cities.

The development of future research may add other variables that can affect the quality of service and customer loyalty. Subsequent research can be done on the object of research on other products in order to obtain results more objectively with variables more certainly.

REFERENCES

1. Astuti, Fitri Budi, TYRS (2017). Determinants of Patient Loyalty in West Jakarta Government Hospital, Obstetry and Gynecology Clinic. *International Journal of Economics, Commerce and Management United Kingdom*, 6, 714-727.
2. Claudia Miranda Veloso, Daniel Magueta, Humberto Ribeiro, SRA (2018). The Links Between Service Quality, Brand Image, Customer Satisfaction And Loyalty In The Retail Industry. 28th International Scientific Conference on Economic and Social Development - Paris, 19-20 April 2018, 19-20.
3. Claudia Miranda Veloso, Humberto Ribeiro, Sandra Raquel Alves, POF (2014). Determinants of Customer Satisfaction and Loyalty In. 22nd International Scientific Conference on Economic and Social Development - "Legal Challenges Of Modern World" Determinants, 2 (5), 67-83.
4. Claudia Miranda Veloso, DM, Fernandes, PO, & Ribeiro, HR (2017). The Effects Of Customer Satisfaction, Service Quality And Perceived Value On Behavioral Intentions In Retail Industry. 23rd International Scientific Conference On Economic And Social Development - Madrid, 15 to 16 September 2017 (September), 15-16.
5. Ghotbabadi, AR, Feiz, S., & Baharun, R. (2015). Service Quality Measurements: A Review. *International Journal of Academic Research in Business And Social Sciences* February 2015, Vol.5, No.2 ISSN: 2222-6990, (August).
6. Gilang Aji Putra, AE (2017). Influence of Service Quality Customer Satisfaction at Jaguar Fitnes Sidoarjo. *Jem17 Journal of Economics*, Page 381-394 Volume 2, Number 2, November 2017 Influence, 2.
7. Kulsum, U., Yanuar, T., & Shah, R. (2017). The Effect Of Service Quality On Loyalty With Mediation Of Patient Satisfaction. *International Journal Of Business And Management Invention*, 6 (3), 41-50.

8. Lin, Jao-Chuan, Chair: Dr. M. Brian Wallace, Daphne, A. (2008). Service Quality.
9. Of The Ocean Sports Clubs And Its Impact On Customer Satisfaction And Customer Loyalty. Umi Mircoform Proquest Llc.
10. Sabah, H., Al, A., & Turan, A. (2017). The mediating Role of Perceived Value on the Relationship between Service Quality and Customer Service Loyalty: An Explanatory Study For Iraqi Private Banking Sector. *Global Business and Management Research: An International Journal*, 9 (4), 37-67.
11. Sari, DAE (2015). Effect of Service Quality and Customer Satisfaction on Customer Loyalty (Case Study at Consumer Ud. Supreme Chicken in Boyolali) Manuscript Publication. Thesis Accounting Studies Program Faculty of Economics and Business Universitas Muhammadiyah Surakarta.
12. Yi-Chin Liu, Dr. Enrico Esposito, Dpahne, A. (2008). An analysis Service Quality, Customer Satisfaction and Customer Loyalty of Commercial Swim Clubs in Taiwan. Umi Mircoform Proquest Llc.