

Analysis of The Effect of Service Quality and Product Quality on Consumer Loyalty

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ARTICLE INFO

Article history

Received: 22 Augus 2022

Revised: 15 September 2022

Accepted: 30 September 2022

Keywords

Service Quality;

Product Quality;

Consumer Loyalty;

Fast food application;

ABSTRACT

The purpose of this study is to obtain valid and reliable empirical data, facts, and information regarding the analysis of product quality factors and customer loyalty service quality of fast food restaurant consumers. This research is a quantitative research. There are two independent variables, namely product quality (X1), Service Quality (X2) and one dependent variable, namely Consumer Loyalty (Y). Data was collected by means of a survey. The data analysis technique used multiple linear regression analysis. The population in this study were all consumers who had bought fast food using an online application, where there were 142 respondents who gave answers to questionnaires via google forms which were distributed online. The results showed that there was an effect of service quality on customer loyalty, amounting to 51.9%, there was an effect of product quality on customer loyalty of 59.8% and there was an effect of service quality and product quality together in influencing consumer loyalty by 61, 5%.

1. INTRODUCTION

(Sitanggang & Damiyana, 2022)said that the COVID-19 pandemic and the presence of the Industrial Revolution 4.0 era as well as the large number of millennials have proven to accelerate economic digitization and change the behavior of Indonesian people in shopping. Where the habit of shopping online has now become a new culture for people in urban areas. In the past, shopping online was generally only done by the millennial generation, now it is starting to be done across generations. According to Sitanggang and Damiyana, 72.41% of internet users use the internet for various purposes, including communicating, buying goods, ordering transportation, ordering food to doing business and creating. The view expressed, Amandin, FL, Vikaliana, R., et al (tt), that e-commerce media is a media that is on the rise because during the pandemic, sellers and buyers cannot meet in person due to distance restrictions. Therefore, with the pandemic, many marketplaces have emerged so that e-commerce media is the right medium at this time. This opportunity gave birth to competition between business players in wooing and growing consumer loyalty. Marcella Puspita and Adriana Aprilia (2020). In the study entitled, Factors Encouraging Surabaya Consumers to Buy Food and Beverages Through the Gofood and Grabfood Applications, which aims to determine the factors that encourage Surabaya consumers to buy food and beverages through the GoFood and Grabfood applications, with 351 respondents finding 8 factors that encourage consumers buying food and beverages through online applications, namely: quality of service and application, variety, lifestyle, effectiveness and efficiency, conditional, social, preference and individual. Then, Kharis Fadlullah Hana (2019), found that service quality had an effect on purchasing decisions of 0.143. Ardanis Fitri Pitaloka (2015), in his article entitled, The Effect of Service Quality, Price and Promotion on Online Shop Sales of Muslim Clothing, concludes that service quality, price and promotion have a significant and positive effect on online shop sales.

In addition to the above factors, (Dingot Hamonangan Ismail, Damdam Damiyana, 2022)also recommends the importance of companies maintaining and improving their brand image so that more and more people are interested in buying the products being sold. comfort and safety as well as the image of the wearer. For the millennial generation who likes to change, companies must adapt as much as possible in order to survive and compete. Furthermore, in order for companies to be able to compete, customer loyalty is also needed - although it is not easy for companies to reach that stage. In addition to

having good product quality, competitive prices, it must also be able to satisfy consumers. A similar view was conveyed, (Harfaina, 2018), there is a positive influence of promotion, experiential marketing, product quality and sales service quality on repurchase interest at Ayam Geprek Sa'i restaurant Yogyakarta.

About this, (Kukuh Familiar, 2015), said, "The factors that influence customer loyalty are product quality and service quality (Dien, Oroh and Soepeno, 2016, Lestari and Hermani, 2017, Minawati, 2017)", he wrote. From the thoughts and previous research above, it can be concluded that the online business competition is so tight and tough, especially in the food sector and especially fast food restaurants. The target is urban communities, especially millennials and gen Z. In order to find out how the tips and strategies of online-based food companies, especially fast food restaurants, in building consumer loyalty, this study was conducted.

Based on the background of the problem above, the research problem can be formulated:

1. Does the quality of service affect consumer loyalty in fast food restaurants?
2. Does product quality affect consumer loyalty in fast food restaurants?
3. How to influence service quality and product quality together in affect consumer loyalty to fast food restaurants?

2. LITERATURE REVIEW

Product quality

(Nugroho, 2018) Product quality is the ability of a product to carry out its functions, including durability, reliability, accuracy, ease of operation, and repair and other valuable attributes. Kotler and Armstrong (2012). (Kukuh Familiar, 2015) says, According to Kotler (2015: 49) product quality is the overall characteristics of a product or service on the ability to satisfy stated or implied needs. Kotler and Armstrong (2014: 283) state that product quality is a potential strategic weapon to beat competitors. (Nugroho, 2018) also concludes that product quality has a positive effect on customer loyalty at the Babeh Sadeli Betawi Restaurant. From some of the definitions above, it can be concluded that quality is the overall characteristics of a product or service on the ability to satisfy stated or implied needs (Chadwick & Piartrini, 2019).

Service Quality

In Sitanggang, Dingot Hamonangan & Damiyana, Damdam (2022), According to Kotler and Armstrong, (2012:681), "*Quality is the totally and characteristics of the product and service that bear on its ability to satisfy stated or implied needs*". This means that quality is the sum total of features and characteristics of a product or service that support its ability to satisfy needs directly or indirectly. Service quality can be interpreted as an effort to fulfill consumer needs and desires as well as the accuracy of delivery in balancing consumer expectations" (Tjiptono, 2011). (Nugroho, 2018) also said that service quality had a positive effect on customer loyalty at the Babeh Sadeli Betawi Restaurant. From this definition of service quality, it can be concluded that service quality is all forms of activities carried out by companies to meet consumer expectations (Lesmana, 2019a, 2019b).

Consumer Loyalty

(Nugroho, 2018) defining consumer loyalty is According to Morais (2005) in the book Etta Mamang Sangadji and Soipah (2013): "Stating that customer loyalty is a customer's commitment to a store brand, or supplier, based on a very positive attitude and is reflected in consistent repeat purchases. (Kukuh Familiar, 2015) quoting (Lupiyoadi, 2014:113), defines customer loyalty as a manifestation and continuation of customer satisfaction in using the facilities and services provided by the company, as well as to remain a customer of the company.

(Kukuh Familiar, 2015) Product quality and service quality simultaneously have a significant effect on KFC customer loyalty in Banda Aceh City. This is evidenced by the value of $F_{count} > F_{table}$ ($31,052 > 3,090$) or the level of significance ($0.000 < 0.005$). So that the higher the product quality and service quality, the more customer loyalty will increase.

From some of the definitions above, it can be concluded that customer loyalty is a manifestation and continuation of customer satisfaction in using the facilities and services provided by the company, as well as to remain a customer of the company (Sweeney & Swait, 2008).

3. METHOD

This research is a quantitative research. There are two independent variables, namely Service Quality (X1) and Product Quality (X2), and one dependent variable, namely Consumer Loyalty (Y). Data was collected by means of a survey. The data analysis technique used multiple linear regression analysis (Nurhasanah & Vikaliana, 2021). The population in this study were all consumers who had bought and used fast food restaurant online food applications, where there were 142 respondents who gave answers to questionnaires via google forms that we distributed online. Respondents are online application users in the Greater Jakarta area.

From the data of 144 respondents, the respondents consisted of 49 respondents and 93 female respondents. Based on the age of the respondents, there were 67 people from 17-21 years old, 40 people from 21-30 years old, 14 people from 31-40 years old, 11 people from 41-50 years old and 10 people over 50 years old.

The method of analysis carried out in this study is to perform a descriptive analysis of response characteristics, variable description and effect testing (multiple linear regression test) to see between two or more variables. SPSS software was used to support data analysis (Vikaliana & Irwansyah, 2019). To meet the BLUE (Best Linear Unbiased Estimator), then the classical regression assumptions are tested as follows:

Classical Assumption Test The classical assumption test process is carried out together with the regression test process. There are three classical assumption tests that must be performed on a regression model, namely:

- a. Data Normality Test Testing the normality of the data using the Kolmogorov-Smirnov technique.
- b. Multicollinearity Test Detection of multicollinearity problems can be seen from the Tolerance value and the Variance Inflation Factor (VIF) value.
- c. Heteroscedasticity Test Method In order to test the position of the statistic, the Spearman's Rank Correlation Test method or the Glesjer Test with the help of SPSS V.25 can be used. (Gani and Siti Amalia, 2018)

Multiple Linear Regression Multiple linear regression analysis is used to test whether the independent variable has an effect on the dependent variable either simultaneously or partially. Multiple linear regression analysis can be formulated as follows:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Description: Y = Online Purchase Decision X1 = Service Quality X2 = Promotion b0 = Constant Number b1, b2, b3 = Regression coefficient e = Epsilon (influence of other factors) (Sugiyono, 2017) The formation of the regression model is continued with model feasibility testing and hypothesis testing,

Model feasibility testing and hypothesis testing are carried out with a set of test tools as follows:

1. Model Feasibility Test (F Test) Feasibility Test

The model includes is done by checking the value of R (correlation coefficient), Coefficient of Determination and F Test.

2. Hypothesis Testing (t test) Hypothesis testing in the regression model is used to determine the effect of one independent variable (X) on the dependent variable (Y) and to determine the effect of the independent variables together on the dependent variable. To test this hypothesis, the t-test (t-test) and F-test techniques are used.

4. RESULTS AND DISCUSSION

- a. The effect of product quality on consumer loyalty in fast food restaurants

Product Quality variable coefficient testing

Hypothesis:

H0: Product Quality partially has no effect on Customer Loyalty

H1: Product Quality Partially Affects Customer Loyalty

From the table obtained t-count = 4.942 and significance = 0.000. Then t-table with sign level-0.05/2=0.025 and df=142 obtained t-table=1.287.

Because t-count > t-table (4.942>1.287) and significance <0.05 (0.000<0.05) then Ho is rejected, so it can be concluded that product quality partially has a significant effect on customer loyalty.

While the multiple correlation coefficient (R) of 0.598 can be interpreted that between the Product Quality variables significantly has a strong positive relationship with Customer Loyalty.

Based on the statistical results above, it can be concluded that Product Quality partially has an effect significantly to Customer Loyalty. This conclusion is in line with the opinion that delivered, (Nugroho, 2018) also concluded that product quality has a positive effect to Customer Loyalty at the Babeh Sadeli Betawi Restaurant.

Table 1. T Test Results Table

Customer Loyalty Variables	Coefficient	F test	Uji t test	Correlation		Determination	Correlation	Determination	
	B	F	Sig.	t	Sig.	r	r ²	R	R ² -
Service quality	1,605	42,33	.000b	2,147	0,033	.519a	0,270	.615a	0,379
Product quality	0,195	5,9		4,942	0,000	.598a	0,358		
Constant	0,299								

- b. The effect of service quality on consumer loyalty in fast food restaurants ?

Testing the coefficient of service quality variable (B1)

Hypothesis:

H0: Service Quality partially has no effect on Customer Loyalty

H1: Service Quality partially affects Customer Loyalty

From the table obtained t-count = 2.147 and significance = 0.033. Then t-table with sign level-0.05/2=0.025 and df=142 obtained t-table=1.287.

Because t-count > t-table (2.147 > 1.287) and significance < 0.05 (0.033 <0.05) then Ho is rejected, so it can be concluded that Product Quality partially has a significant effect on Customer Loyalty.

While the multiple correlation coefficient (R) of 0.519 can be interpreted that between the Service Quality variables significantly has a strong positive relationship with Customer Loyalty.

Based on the statistical results above, it can be concluded that service quality has a significant effect on customer loyalty (Khoerunisa & Vikaliana, 2022; Vikaliana et al., 2021). This opinion is in line with (Nugroho, 2018)also saying that service quality has a positive effect on customer loyalty at the Babeh Sadeli Betawi Restaurant.

- c. The effect of service quality and product quality together on consumer loyalty at a fast food restaurant?

Based on the results of the F test, the following results were obtained:

Hypothesis:

H0: Service Quality and Product Quality Simultaneously have no effect on Customer Loyalty

H1: Service Quality and Product Quality simultaneously affect Customer Loyalty From the table obtained $F\text{-count} = 42,359$ and a significance value of 0.000. Then for $df_1 = 2$ and $df_2 = 142 - 2 - 1 = 139$ and $sign. = 0.05$, $F\text{-table} = 3.06$ is obtained.

Because $F\text{-count} > F\text{-table}$ ($42.359 > 3.06$) and $significance < 0.05$ ($0.000 < 0.05$) then H_0 is rejected, so it can be concluded that Service Quality and Product Quality together have a significant effect on Customer Loyalty. While the multiple correlation coefficient (R) of 0.615 can be interpreted that the variables of Service Quality and Product Quality significantly have a strong positive relationship with Customer Loyalty.

Based on the statistical results above, it can be concluded that Service Quality and Product Quality together have a significant and strong positive relationship with Customer Loyalty. This opinion is in line with the conclusions of (Kukuh Familiar, 2015) Product quality and service quality simultaneously have a significant effect on KFC customer loyalty in Banda Aceh City. This is evidenced by the value of $F_{count} > F_{table}$ ($31,052 > 3,090$) or the level of significance ($0.000 < 0.005$). So that the higher the product quality and service quality, the more customer loyalty will increase (Vikaliana et al., 2021).

5. CONCLUSION

Based on the above discussion it can be concluded that:

1. There is an influence of service quality on customer loyalty, amounting to 51.9 .%,
2. There is an effect of product quality on customer loyalty of 59.8% and
3. There is an influence of service quality and product quality together in influencing consumer loyalty by 61.5%.

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