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Anas Hidayat

Universitas Islam Indonesia (S-127-122)

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Dr. Hungxiz Li
Conference Chair
ROES – Secretariat
ROES – 2017



Office Address:
M2-17- 01 Tower 2, Level 17 8trium
Bandar Sri Damansara,
52200 Kuala Lumpur, Malaysia
Contact: (+6) 03 6735 6566
Email: contact@roes.education

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Presenting Author: Anas Hidayat
Affiliation Details: Universitas Islam Indonesia
Contact Email: hidayatanas@gmail.com
Reference Number: S-127-122
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Secondary Author: Arief Darmawan, Aprilia Putri Adanti

Respected Anas Hidayat, Congratulations!

I am pleased to write that based on systematic blind peer review process your abstract / paper titled "**Investigation of Customer Satisfaction and Loyalty toward Local Fast Food Restaurant in Indonesia**" has been accepted for Oral Presentation at ROES-2017. Acceptance is based on abstract only. The Conference will be held in *Ibis Style Myeongdong Hotel Seoul, South Korea on December 02-03, 2017*. Your paper will be included in the conference proceeding with ISBN No: 978-969-683-759-6 provided in a USB and online publication on the website.

You are requested to improve your research in view of reviewers feedback provided with this acceptance letter. As a presenter you are requested to bring your power point presentation slides with you on the day of conference. You are advised to submit your improved / proof edited version of full paper to us at least one week before the conference so that it can be included in full paper conference proceeding. Please make sure to pay the registration fee and send us the payment proof as soon as possible. Your registration will only be confirmed after receiving the fee payment proof from your side. For details of registration please visit at <http://roes.education/roes-dec-2017/>. In case your paper is multi-authored, each attending author have to register separately and pay the registration fee for the conference.

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With Warmest Regards

Mr. Ryan Aminullah
Conference Coordinator



INVESTIGATION OF CUSTOMER SATISFACTION AND LOYALTY TOWARD LOCAL FAST FOOD RESTAURANT IN INDONESIAN

Anas Hidayat

Management Department, Faculty of Economics, Universitas Islam Indonesia
e-mail: hidayatanas@gmail.com

Arief Darmawan

Diploma Program, Faculty of Economics, Universitas Islam Indonesia
e-mail: Arief.darmawan@uii.ac.id

Aprilia Putri Adanti

Management Department, Faculty of Economics, Universitas Islam Indonesia
e-mail: putridantis@yahoo.com

Abstract

This paper aimed to analyze the influence of customer satisfaction on customer loyalty toward local fast food restaurant in Indonesian. There were variables involved including perceived service quality, perceived product quality, and perceived price fairness as antecedents of the customer satisfaction. Samples of this study were customer of local fast food restaurant in Yogyakarta, since this city became a student city as well as a tourism destination in Indonesia. Data was collected by using convenience sampling technique that analyzed 200 respondents. The method used questionnaires and processed by using Structural Equation Modelling- AMOS. The results of this study indicated that, Firstly, perceived service quality, perceived product quality and perceived price fairness had positive and significant influence on customer satisfaction. Secondly, perceived service quality, perceived product quality and perceived price fairness had positive and significant influence on customer loyalty. Finally, customer satisfaction had positive and significant influence on customer loyalty. However, perceived price fairness apparently was the highest influence on Indonesian consumers for being loyal toward local fast food restaurant.

Keywords : *Perceived Service Quality, Perceived Product Quality, Perceived Price Fairness, Customer Satisfaction, Customer Loyalty, Local Fast Food Restaurant*

INTRODUCTION

Culinary industry has become one of the promising businesses in today's modern era, one of them is fast food restaurant. Fast food restaurants are still favourite restaurant destination for people, it shown from MasterCard research that 80 percent of Indonesian people prefer to dine at fast food outlets (Handayani, 2016). For this reason, culinary remains a business

that ogled to cultivate. Each restaurant always offers excellence as well as its own uniqueness, of course this makes consumers have many alternative options in buying the menu offered.

However, the situation is considered a threat by business people due to the increasing level of competition among restaurants. This increasing fierce

competition requires businessman to maximize the performance of restaurants in order to compete in the market. To overcome this, the restaurant must have appropriate and effective marketing strategies and improve the quality of products to be sold, quality service, and competitive pricing (able to compete) so that business can still survive. A big problem for business people is how to get customers to repurchase the products or services they offer and become loyal customers. One way to create customer satisfaction and to have loyal customers is to understand the needs, wants and demands of customers (Adi, Agustin and Yoestini, 2012). Customer loyalty is considered an important factor to improve profitability and maintain the position of an organization or company. With regard to loyalty, Hasan, Ilias, Rahman and Razak (2008) defined customer loyalty as the person who buys, especially those who buy regularly and repeatedly. A loyal customer is not only willing to buy goods that have been consumed repeatedly, but also willing to recommend it to others in the future. According to Aryani and Rosinta (2010), customer satisfaction is the key to create customer loyalty.

Meanwhile, to create customer satisfaction, business people must pay attention to the quality of service and product quality. According to Putro, Samuel and Karina (2014), the quality of service is an effort to meet the needs and desires of consumers and the accuracy of delivery in the balance of consumer expectations. Basically, there are two main things related to the service, namely expected quality and perceived quality. Customer ratings of service quality are generated based on a comparison between expectations and the reality of the services it receives (Japrianto 2007; and Lu, Berchoux, Marek and Chen, 2015).

While the quality of the product is the characteristics and characteristics of

goods or services that have the ability to meet the needs based on the assessment of suitability with the measurement standards set. The higher the standards established, the higher the product is rated. If customers are satisfied with a product they will re-buy it in the future.

In addition to product quality and service quality, price factor is also considered as one of the determinant variable to create consumer satisfaction. Price plays an important role in communicating the quality of goods and services. At a certain price level, if the perceived benefits of consumers increases, the value obtained by consumers will increase as well. As explained by Wijanarko (2010), price fairness is still one important rule to create customer satisfaction and purchasing retention. Satisfied customers of a product or company tend to rarely bargain for each purchase. The consumers will feel more satisfied if it fulfilled their expectation. To create customer satisfaction, the company must be able to sell goods or services with the best quality and pricing in accordance with what is obtained. Customer satisfaction create loyalty to the brand, usually the customer will repurchase it in the future.

Consume a fast food product has become a culture for some people, especially for young people (Bugge, 2011). Therefore, it can be an opportunity for local businesses to entering fast food industry. There are already a big players of fast food restaurant in Indonesia, such as KFC (Kentucky Fried Chicken), Mc Donald's, Wendy's, etc; those can be a challenge for local fast food restaurant, especially in Yogyakarta, such as Dirty Chicks, Olive Fried Chicken, Popeye Fried Chicken, etc. The abundance of business competition in the culinary field requires business people to behave creatively, innovatively, and always give more value

to every product offered. This research adopts from previous research of Bei and Chiao (2001) which is focused on antecedents of satisfaction and loyalty of automobile maintenance service. The research objective is to examine the effect of service quality, product quality, price reasonableness on customer satisfaction and loyalty of local fast food restaurant in Yogyakarta. Thus, local fast food business owner can implement optimal business strategy to create customer loyalty.

LITERATURE REVIEW

Customer Loyalty

Measurement of customer satisfaction and dissatisfaction of a product is an important indicator of the product loyalty. According to Putro et al. (2014), loyalty can be interpreted as loyalty, that is loyalty to an object, meaning that when someone already has a loyal attitude, he will have positive view on a brand, have a commitment to the brand, and will repurchase it in the future.

Customer loyalty is very important for a good company services and goods to increase profits because when consumers are not loyal to a product that has been issued by a company, it is certain that consumers will turn to other products. Providing the best service, with the aim of customers will return back to conduct transactions, can be done with maintaining customer loyalty

The research conducted by Yuen, and Chan (2010); and Riswandi (2014) found significant influence between service quality and product quality on satisfaction that will create a consumer loyalty. Other research is also expressed by Utami and Oetomo (2015) which explained that the quality of service, product quality, price and customer satisfaction have significant effect on loyalty.

Perceived Service Quality

Bei and Chiao (2001) assumed that the method for measuring service quality and customer satisfaction is essentially the same, both based on a comparison of expectations and performance. Research conducted by Cronin Jr. and Taylor (1992) affirmed that the quality of service becomes the most important thing in consumer satisfaction. The result of this research is the quality of service influence consumer satisfaction.

In a research conducted by Mosahab and Muhammad (2010), the concept that is often used as a tool to test the quality of services is called SERVQUAL. This concept was proposed firstly by Parasuraman. Initially, this concept has 10 dimensions but now it has been more simplified into 5 dimensions, namely: tangible (physical evidence), empathy, reliability, responsiveness, and assurance.

Another study conducted by Adi et al. (2012) defined service quality as a customer's assessment of the superiority or privilege of a product or service as a whole. The quality of this service is closely related to the customer's perception of the quality of a business. If the perceived service is as expected, the quality of service can be well perceived and satisfactory. Thus, the quality of service depends on the ability of service providers to meet customer expectations consistently (Lu, Berchoux, Marek and Chen, 2015).

Based on the above definition, the quality of service can be interpreted as any form of activities undertaken by companies to meet consumer expectations. Another study on the quality of service with satisfaction is also done by Al Tit (2015). He explained that the quality of service has a positive and significant

impact on customer satisfaction. Thus, the proposed hypothesis is as follows:

H1 : Perceived service quality has positive and significant influence on customer satisfaction.

In this research, the quality of goods, price, and quality of service have an important role to build customer loyalty. Research conducted by Savaranakumar (2014) also showed that the improvement of service quality can influence the level of customer satisfaction, and customer satisfaction can help increase customer loyalty, empathy, guarantee, and reliability which all of them have positive effect.

Hasan et al. (2013) showed that service quality affects loyalty. Quality of service becomes the main factor to create customer satisfaction and loyalty, meaning the better the quality of service provided, the higher the consumer loyalty. Thus, the proposed hypothesis is as follows:

H2 : Perceived service quality has positive and significant influence on customer loyalty.

Perceived Product Quality

According to Utami and Oetomo (2015), consumers buy goods or services as a tool to satisfy the needs and desires. Consumers buy a product not solely because of the physical state of the product but because of the benefits contained in the product purchased.

One of the characteristics that need to be considered about the product is the quality of the product. Product quality has a very close relationship with customer satisfaction because the quality of the product can be judged from the ability of the product to create customer satisfaction. To create customer satisfaction, it can be done through improvement of product quality (Jahanshahi, Gashti, Mirdamadi, Nawaser and Khaksar, 2011). With a high

level of acceptance of perceived product quality, it will provide a sense of satisfaction to consumers because the company is considered to realize consumer expectations. Thus, the proposed hypothesis is as follows:

H3 : Perceived product quality has positive and significant influence on customer satisfaction.

In addition to affecting customer satisfaction, the perceived quality of the product also affects customer loyalty. A study conducted by Bei and Chiao (2001) at a gas station uses customer satisfaction model to examine the effect of product and service quality on customer satisfaction and loyalty. Their research results show that customer perceptions about the quality of gasoline at the pump station is not only positive to customer satisfaction, but also affect directly the behavior of purchases made by consumers in the future. Even so, perceived product quality has a stronger impact on customer loyalty than satisfaction.

Another statement that was also made by Kassim, Igau, Harun and Tahajudin (2014) explained that when perceived quality of a product increases, customer satisfaction is also expected to increase which will ultimately shape brand loyalty. The research is in line with the research conducted by Asmayadi and Hartini (2015). They stated that product quality has significant influence on customer loyalty. Thus, the proposed hypothesis is as follows:

H4 : Perceived product quality has positive and significant influence on customer loyalty.

Perceived Price Fairness

Another factor to produce consumer satisfaction is price. From the price offered, consumers can assess the quality of services provided. When viewed

from the cognitive concept of consumers, price itself is considered as a sacrifice on something that must be given to get a certain type of product or service. While the price definition according to Kotler and Keller (2012) is a sum of money that can be exchanged for products or services, or exchanged for a number of benefits from these products and services. The price of service can have significant influence on the perception of quality and satisfaction (Malik, Ghafoor and Iqbal, 2012).

When viewed from the cognitive aspect, this definition suggested that assessment of the fairness of prices involves comparisons among price procedures and related standards, references, or norms. Fairness itself is defined as an assessment of whether the process for achieving an outcome is acceptable or not. Price fairness can affect consumer attitudes and behavior. When consumers feel incompatible with the price offered or the price is not feasible, it can cause negative behavior.

When customers pay reasonable, they feel more satisfied. He explained that pricing is an important factor to retain customers and lead to customer satisfaction, which helps increase the profits of all businesses (Malik, Ghafoor and Iqbal, 2012).

Other research on price fairness toward satisfaction was also done by Andaleeb and Conway (2006) and Herman et al. (2007). They explained that price can affect customer satisfaction. Thus, the proposed hypothesis is as follows:

H5 : Perceived price fairness has positive and significant influence on customer satisfaction.

Once customers are confident that they will get the best quality of their products or services, in the long term they will tend to be loyal to the product or

service. Research conducted by Al-Msallam and Alhaddad (2016) showed that the hospitality industry found positive relationship between price and customer loyalty.

Another research on the influence of price fairness to customer loyalty was also done by Bei and Chiao (2001). He explained that in addition to product quality that has a strong influence on consumer loyalty, the reasonable price also has a direct influence on consumer loyalty.

But if consumers feel that the amount of money they have given or sacrificed to get a product or service does not provide benefits, in the future they may not repurchase. Thus, the proposed hypothesis is as follows:

H6 : Perceived price fairness has positive and significant influence on customer loyalty.

Customer Satisfaction

After consumers buy a product or service, consumers will evaluate the product or service whether it is in accordance with their expectations or not. If the product or service is in accordance with the expectations of consumers, they will feel satisfied and vice versa. If the products and services are not in accordance with what they expect, consumers will feel less or unsatisfied. This indicated a close relationship between customer satisfaction and evaluation results after consumers make a purchase (Putro, et al. 2014).

Understanding of satisfaction itself is the level of a person's feelings that arise after comparing the performance of products received with expectations (Kotler and Keller, 2012). The main factor for customer satisfaction is not the distance between "product performance" and "expectation" or initial expectations. But the main factor is the performance of

production. Satisfaction occurs when consumers make certain purchases and then compare between the performance or the results they feel and expectations.

Customer satisfaction has the function of service quality, product quality, and price. All these things are measured from the overall consumer ratings (Bei and Chiao, 2001). Research conducted by Kurniasih (2012) was related between satisfaction and loyalty that reveal customer satisfaction was important for service provider. When customers feel satisfied, they will disseminate their satisfaction to other prospective customers. Besides, customer satisfaction can increase customer loyalty in a company. For customers who are satisfied with the products or services offered by the company, they are likely to re-purchase, which is an indicator of the creation of customer loyalty. Thus, the proposed hypothesis is as follows:

H7 : Customer satisfaction has positive and significant influence on customer loyalty.

Schematically the relationship of variables in this study is described in the model as follows:

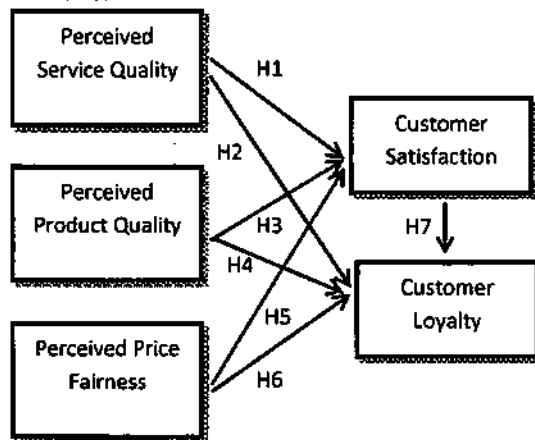


Figure 1: Framework Model

RESEARCH METHODOLOGY

This research was based on hypothesis testing called the causal research and survey based on data collection. The population of this study was all consumers who have visited and bought food at Local Restaurant of Indonesian Fast Food. Yogyakarta was a sample of the research since this city is famous as an Indonesian student city. Many students come across many regions in Indonesia studying here. Besides that, this city is also famous as a second destination of tourism after Bali. Many people come to this city for having holiday and pleasure. Sampling method was done by convenience sampling. The number of samples in this study amounted to 200 that met the multivariate test rule of 25 x the number of independent variables.

The data used primary data source obtained from the dissemination of research instruments or questionnaires. The instrument was adapted from Bei and Chiao (2001) and measured by 5 Likert scales, where the value started from number 1 = strongly disagree to number 5 = strongly agree.

The operational definitions of each of these variables are as follows: Service quality is an effort to meet the needs and desires of consumers and accuracy of delivery to compensate the expectations of consumers as measured by reliability, responsiveness, assurance, empathy and tangibles. Product quality is the ability of the product to perform its functions such as overall product, reliability, accuracy, ease of operation and improvement and other valuable attributes as measured by performance, reliability, and conformance. Price fairness is the customer's perception of what to sacrifice to get a product or service. If the price perceived by the customer makes sense or the price paid is cheaper, the customer will be more satisfied with the product or service

purchased as measured by the current set. Price can be acceptable to the consumer or not, compete with the competitor product, and match with products available. Customer satisfaction is the feeling of pleasure or disappointment of someone who emerges after comparing his expectation of reality derived from a product's performance as measured by satisfaction with service, product satisfaction, comparison between expectations and reality. Customer loyalty is an in-depth customer commitment to re-subscribe or re-purchase consistent products / services in the future as measured by continue purchasing, recommend friend, say positive things.

Validity and Reliability of Research Instruments

Testing the validity of the instrument was done by using the validity of the construct, which measured the validity done by doing correlation between the score questions and the total score of the construct or variable. The significance test was done by comparing the r value of r with the r table for degree of freedom (df) = n-2. In this case, n is the number of samples. Question items are said to be valid when r count > r table (Ghozali, 2011). Testing the validity of the research instrument using the

validity of the construct showed all valid items. Instrument reliability testing was done by One Shot or one measurement only. The tool to test reliability was Cronbach Alpha (α). A construct or variable is said to be reliable if it gives Cronbach Alpha value > 0.60 (Ghozali, 2011). Validity and reliability test results can be seen in Appendix 1. The analytical method used was path analysis.

RESULT AND DISCUSSION

The results of model suitability test using chi-square, CMIN / DF, GFI, AGFI, RMSEA, TLI and CFI were summarized as shown in Table 2. It showed that the overall research model was fit. Overall Chi square value with probability of 0.070 > 0.05 showed overall fit model (Overall goodness-of-fit). The recommended level of acceptance was significance when $p > 0.05$ or $p > 0.10$. In addition, after the compatibility of RMSEA, TLI, and GFI values were tested and compared to the reference value (cut of value) equations of structural model results were good, except AGFI which was still below the criteria value, but it can be generally tolerated. Schematically the path analysis results are shown in Figure 2 below:

Table 2 : Goodness of Fit Result

Indeks.	Cutt off Value	Result	Model Evaluation
Chi square	Expected small	142.467	Good Fit
Probability	≥ 0.05	0.070	Good Fit
RMSEA	≤ 0.08	0.031	Good Fit
GFI	≥ 0.90	0.929	Good Fit
CMIN/DF	≤ 2.00	0.119	Good Fit
AGFI	≥ 0.90	0.899	Marginal
TLI	≥ 0.95	0.983	Good Fit
CFI	≥ 0.95	0.987	Good Fit

Source: Primary data processed, 2017

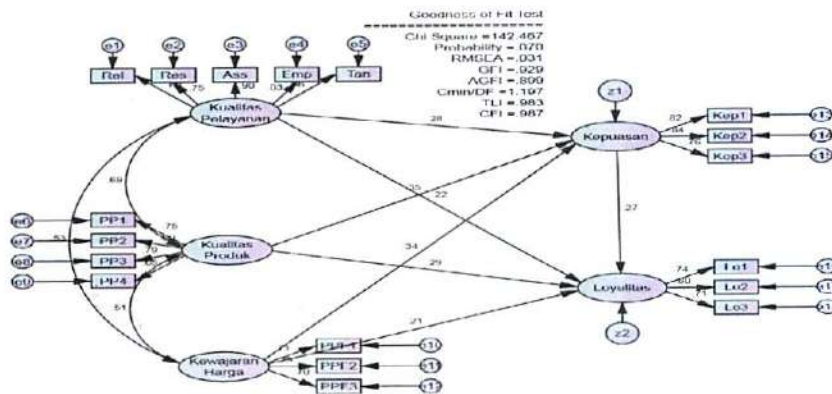


Figure 2: Path Analysis

Table 3: Evaluation of Weight Regression Test of Causality

Variable	Estimation	S.E.	C.R.	P
Satisfaction <--- Service Quality	0.284	0.136	2.991	0.003
Loyalty <--- Service Quality	0.219	0.139	2.134	0.033
Satisfaction <--- product quality	0.353	0.099	3.553	0.000
Loyalty <--- Product Quality	0.285	0.111	2.428	0.015
Satisfaction <--- Price Fairness	0.343	0.068	4.128	0.000
Loyalty <--- Price Fairness	0.206	0.075	2.113	0.035
Loyalitas <--- Satisfaction	0.271	0.127	2.021	0.043

Source: Primary data processed, 2017

The result of regression weights among variables which are often referred to as loading factor or lambda value estimation that can be used to analyze the variable causality test. It was on the significance of CR (Critical Ratio) value with the probability (p) = 0.05. The results of regression weights of causality test are presented in Table 3.

Further explanation of regression weight evaluation analysis can describe and explain test of hypotheses as follows, service quality variable had significant influence on satisfaction with the

significant level of equal to 0.003 which was less than the probability value of 0.05 which means hypothesis 1 was accepted. Service quality variable had significant influence on loyalty with the significant level of equal to 0.033 which was less than the probability value of 0.05 which means hypothesis 2 was accepted. Product quality variables had significant influence on satisfaction with the significant level of 0.000 which was smaller than probability value of 0.05 which means hypothesis 3 was accepted.

Product quality variables had significant influence on loyalty with the significance level of 0.015 which was smaller than probability value of 0.05 which means hypothesis 4 was accepted. The price fairness variable had significant influence on satisfaction with the significance level of 0.000 which was smaller than the probability value of 0.05 which means hypothesis 5 was accepted. Price reasonableness variable had significant influence on loyalty with the significance level of equal to 0.035 which

was less than probability value of 0.05 which means hypothesis 6 was accepted. The satisfaction variable had significant influence on loyalty with the significance level of 0.043 which was less than probability value of 0.05 which means hypothesis 7 was accepted.

The magnitude of the influence of each variable which was direct (standardized direct effect) or indirect (standardized indirect effect) is summarized in the following table:

Table 4 : Direct and Indirect Effect

Variable	Direct Effect	Indirect Effect
Service Quality → Satisfaction	0.284	0.219
Product quality → Satisfaction	0.353	0.285
Price Fairness → Satisfaction	0.343	0.206
Satisfaction → Loyalty	0.271	-

Source : Primary data processed, 2017

The amount of influence of each direct variable (standardized total effect) showed that the quality of the product had the effect of 0.353 on satisfaction, which had the greater influence than the service quality of 0.284 and fairness of the price of 0.343. The overall value of product quality had greater indirect influence on loyalty than the quality of service and price fairness.

Discussion

The findings in the testing of hypotheses 1 and 2 were consistent with Bei and Chiao (2001) who found that better quality of service would increase customer satisfaction and loyalty. Service quality was a measure of how good the level of service which was provided with customer expectations. It also consistent with Al Tit (2015) whose explained that the quality of service has a positive and significant impact on customer satisfaction. Quality of service was an

absolute thing that must be owned by companies or institutions that offered services because the quality of services provided to consumers, companies or agencies could measure the level of performance that had been achieved. In line with Savaranakumar (2014), they also stated that the improvement of service quality can influence the level of customer satisfaction, and customer satisfaction can help increase customer loyalty, empathy, guarantee, and reliability which all of them have positive effect. Quality of service provided by the company would cause consumer perception. The greater the perception of the quality of service received, the greater the expectations of consumers fulfilled and the greater the customer satisfaction.

With the good improvement of the quality of service it could lead to customer loyalty, and likely to attract new customers. Consumers who had been loyal to service product could also mean that

consumers feel satisfied on the need to purchases more than one and would continuously visit the local Fast Food Restaurant. The statement was supported by research conducted by Almsalam (2014) that indicated a positive relationship between service quality and customer loyalty, meaning that high quality of service would result in customer satisfaction and loyalty, a great desire to recruit others, reduce complaints and improve customer retention rates. In line with Hasan et al. (2013), they showed that service quality affects loyalty. Quality of service becomes the main factor to create customer satisfaction and loyalty, meaning the better the quality of service provided, the higher the consumer loyalty.

The findings of hypotheses 3 and 4 were also consistent with Bei and Chiao (2001); and Bowen and Chen (2001) who found that better quality of the product would increase customer satisfaction and loyalty. Product quality is an important thing that should be undertaken by every company if they wanted the products to compete in the market to satisfy the needs and desires of consumers. Consistent with Jahanshahi, Gashti, Mirdamadi, Nawaser and Khaksar (2011), customer satisfaction can be achieved through improvement of product quality. A product could satisfy consumers when judged to meet or exceed the wishes and expectations. When purchasing a product made by consumers, it can meet the needs and in accordance with consumer expectations; thus, it will create customer satisfaction. On the other hand, consumers would feel very satisfied if the received product performance exceeded expectations. Opinions about the influence of product quality on satisfaction were presented by Putro et al. (2014). They explained that product quality had significant influence on consumer satisfaction.

Product quality was also a crucial thing to create customer satisfaction and customer loyalty. Kassim, Igau, Harun and Tahajudin (2014) explained that when perceived quality of a product increases, customer satisfaction is also expected to increase which will ultimately shape brand loyalty. If consumers felt satisfied with a product purchased, it would lead to loyalty of purchase so as to make buyers repurchases in the future. Beside that, satisfied consumers would also recommend the product to others. This was another form of customer loyalty. In a study conducted by Sembiring et al. (2014) in McDonalds' fast food restaurant showed that product quality had a direct and significant influence on customer loyalty. The explanation of the research was the quality of the product was an important part and desperately needed to get serious attention for each company to stay afloat and became a customer choice in the restaurant business.

The findings of hypotheses 5 and 6 were consistent with Bei and Chiao (2001). The research found that the reasonableness of the price had positive and significant influence on customer satisfaction and loyalty. This means that the more acceptable price that had been set would increase customer satisfaction and loyalty. In line with Malik, Ghafoor and Iqbal (2012), the price of service can have significant influence on the perception of quality and satisfaction. To create customer satisfaction, the company did not only pay attention to the product quality and service quality that would be offered to the prospective customer, but on the other side the company also had to consider the price in every product / service it sold. Price became something that was very important for the customer as a guide to measure the suitability between the benefits of products received and the sacrifices that had been given either in the form of money or certain

sacrifices. Customers would also give price as one of the perceived standards of satisfaction (Tomida and Satrio, 2016). Research conducted by Gumussoy and Koseoglu (2016) found that price fairness had a significant influence on customer satisfaction.

Price could indicate the brand quality of a product, where the set of price would form the perception on consumer's mind. From the positive thinking, the appropriate price had the appropriate quality that would influence consumer loyalty. Al-Msallam and Alhaddad (2016) showed that the hospitality industry found positive relationship between price and customer loyalty. Comparison of prices could be perceived to be cheap for consumers if consumers could see and receive the value greater than the price set. In this case consumers did not want to feel harmed. These results also supported the results of research from Utami, D. dan Oetomo, W. (2015) with the conclusion that prices had positive influence on consumer loyalty.

CONCLUSION

Based on the data analysis, it can be concluded that quality of service had positive and significant influence on customer satisfaction and loyalty which means that the hypothesis proposed in this research was true. The positive influence of service quality showed the better quality of service provided, the customer satisfaction and loyalty would increase. Quality of service was an absolute thing that must be owned by companies or agencies that offered services. With the quality of service provided to consumers, the company could measure the level of performance that had been achieved. Quality of service provided by the company would cause consumer perception. The more fulfilled the consumer expectations, the greater the satisfaction felt by consumers. This

The findings in the test of hypothesis 7 were consistent with the results of Bei and Chiao (2001) which explained that satisfaction had positive influence on customer loyalty. As customer satisfaction increases, it will increase customer loyalty. This was because consumers who had assumed that consumer expectation had been fulfilled on basic needs such as quality of service, quality of product quality and supported by fairness of competitive price. Hence, consumer loyalty will be stronger. Thus, consumer would increase their visit and willing to inform things or recommend to others (Zeithaml, 2002). Customer loyalty was also an indication of the strength of relationships because without customer loyalty, it would not create the power of relationships with consumers. The relationship between customer satisfaction and customer loyalty was directly proportional, meaning that when satisfaction increases, loyalty will also increase (Mosahab and Muhammad, 2010)

resulted a good perception of the quality of service provided by the company. By improving the good quality of service, it could lead to customer loyalty and was likely to attract new customers because the better the services provided, the more satisfied the consumers; thus, it will form loyal customer. Product quality had a positive and significant influence on customer satisfaction and loyalty which means that the hypothesis proposed in this research was correct. The positive influence of product quality showed the better the quality of the product, the higher the customer satisfaction and loyalty.

Product quality was an important thing that must be considered by every company if they wanted the products they produce could compete in the market to satisfy the needs and desires of consumers. A product could satisfy consumers when

judged to meet or exceed consumer wants and expectations. If consumers feel satisfied with a product purchased, it would lead to loyalty of purchase in the future. Even so, satisfied consumers would also recommend it to others, this was another form of customer loyalty. Price fairness had positive and significant influence on customer satisfaction and loyalty which means that the hypothesis proposed in this research was correct. The positive influence of fairness of price indicated that the more acceptable the price determined, the higher the satisfaction and customer loyalty. Price became something that was very important for the customer as guidance to measure the suitability between the benefits of products received and the sacrifices that had been given either in the form of money or certain sacrifices.

Consumers would feel fast if the price had been paid to buy a product will be proportional to the benefits of products that will be obtained later. It means that sacrifices had been given in proportion to the value obtained. Price could indicate the brand quality of a product, where the set of prices would form the perception in consumer's mind (Ngoc and Uyen, 2015). From the positive thinking of the appropriate price, the appropriate quality would influence consumer loyalty. Satisfaction had positive and significant influence on customer loyalty which means the hypothesis proposed in this research was correct. The positive influence of satisfaction indicated the increasing customer satisfaction; thus, customer loyalty would increase. This was because consumers had assumed that consumer expectation had been fulfilled on basic needs such as quality of service, quality of product quality and supported by fairness of competitive price hence consumer loyalty would be stronger. Thus, consumer would increase their visit and

willing to inform things or recommend to others (Montung, Sepang, Adare 2015).

Based on the analysis results, the dominant factors that influenced customer satisfaction and loyalty was the price reasonableness. Thus, marketers could improve customer satisfaction and loyalty orientation through price fairness and did not change the pricing that had been set for each product and always provide information in advance if the marketer had plans to raise prices for consumers to know. By this, the consumer does not feel harmed.

This research was inseparable from some research limitations. Limitations in this study were perceptions of respondents depending on the understanding of the questions listed in the questionnaire. Thus, the possibility of differences in perceptions of respondents with self-reported measurements without supplementing with other data collection methods for accuracy of data studied such as interviews would have the possibility of linear bias. Respondents were only from students. This will have an influence on the low external validity. Based on the limitations, the authors provided suggestions for subsequent research using restaurants of various types of businesses to compare customer satisfaction and loyalty of the type of business. In addition, data collection also needed to be completed with interviews to minimize self-reported.

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ATTACHMENT 1

Table 3.2 Result of Research Instrument Analysis

Variable	r Count	r Table	Coefficient of Cronbach Alfa
<i>Service Quality</i>			
Employee of local Fast Food Restaurant X provide good service	0.564	0.279	0.884
Local Fast Food Restaurant X delivers the service as promised	0.651	0.279	
Accuracy of handling or administration of documents (receipt of purchase) in accordance with the products ordered	0.53	0.279	
Local Fast Food Restaurant X employees always deliver orders quickly	0.761	0.279	
Employees of Local Fast Food Restaurant X help answer the questions of the consumers well	0.612	0.279	
Local Fast Food Restaurant employee X responds to customer needs	0.597	0.279	
I feel safe when buying at Local Fast Food Restaurant X	0.55	0.279	
I feel comfortable when buying at Local Fast Food Restaurant X	0.715	0.279	
Local Fast Food Restaurant X employees are always polite in providing service	0.691	0.279	
Employees master the knowledge of the product being sold	0.421	0.279	
Employees Local Fast Food Restaurant X are always friendly when providing services to consumers	0.76	0.279	
Local Fast Food Restaurant X employees are able to communicate well to consumers	0.807	0.279	
Local Fast Food Restaurant X employees always pay attention while serving customers	0.584	0.279	
The interior design of the local Fast Food Restaurant X looks interesting	0.322	0.279	
Facilities provided by the Local Fast Food Restaurant X is according to customer expectations	0.485	0.279	
Local Fast Food Restaurant X always looks neat	0.613	0.279	
<i>Product Quality</i>			
The quality of products offered by Local Fast Food Restaurant X is hygienic	0.612	0.279	0.735

If the menu is presented not in accordance with my expectations, the restaurant is ready to replace it	0.83	0.279	
The food menu offered by Local Fast Food Restaurant X has good taste quality	0.77	0.279	
The food menu sold by Local Fast Food Restaurant X varies	0.771	0.279	
<i>Price Fairness</i>			
Food prices offered by Local Fast Food Restaurant X are affordable for all walks of life	0.805	0.279	0.659
The price of food offered by Local Fast Food Restaurant X is quite competitive compared to other restaurants	0.743	0.279	
Local Fast Food Restaurant X prices are in accordance with the product presented	0.766	0.279	
<i>Customer Satisfactio</i>			
I am satisfied with the quality of service provided by Local Fast Food Restaurant X	0.863	0.279	0.796
I feel satisfied with the quality of the products served at Fast Food Restaurant X	0.829	0.279	
Overall quality of service, product quality and reasonableness of Local Fast Food Restaurant Price X according to my expectations	0.837	0.279	
<i>Customer Loyalty</i>			
Most likely I will buy at Local Fast Food Restaurant X in the future	0.82	0.279	0.751
I will recommend to others to buy at Fast Food Restaurant X	0.879	0.279	
I would rather eat at Local Fast Food Restaurant X than anywhere else	0.27	0.279	

Comment [11]: Over the time?

Source : Primary data processed, 2017