

The Influence Of Product Quality And Product Halal Awareness Towards Satisfaction And Word Of Mouth For Restaurant Customers In Yogyakarta

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Submission date: 21-Dec-2022 07:55AM (UTC+0700)

Submission ID: 1985268865

File name: PROCEEDING_ICGBSS_2018.docx (77.42K)

Word count: 3410

Character count: 19520

THE INFLUENCE OF PRODUCT QUALITY AND PRODUCT HALAL AWARENESS TOWARDS SATISFACTION AND WORD OF MOUTH FOR RESTAURANT CUSTOMERS IN YOGYAKARTA

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7 **Abstract** • This research aimed to prove and explain empirically the influence of product quality and halal product awareness towards satisfaction and word of mouth for restaurant customers in Yogyakarta, Indonesia. This research model was organized by fourth latent variables that are being used to construct this model. The customer satisfaction was predicted by quality product and halal product awareness. Mile the customer satisfaction, product quality and halal product awareness was the antecedent that word of mouth.

The research used adult Moslem consumers in Yogyakarta as a sampling and data collected with non probability sampling, quota sampling and convenience approach. The sample was 180 respondents and the Empirical data analyzed by Structural Equation Modeling (SEM) Amos. The result can be explain that there is positive and significant influence of product quality and halal product awareness toward satisfaction of restaurant customer. The product quality and satisfaction are influence positively and significantly by the word of mouth, but the halal product awareness is not significantly with the word of mouth.

Keywords: Product Quality, Halal Product Awareness, Satisfaction, Word Of Mouth, Indonesian Restaurant.

8 **Introduction**

Word of Mouth is a free and voluntary communication between people about an object, product, or service (Silverman, 2001). The result of word of mouth towards an object may be positive or negative. Word of mouth may occur by direct face to face communication between people in office, school, house environment, playgroup, and through electronic media such as internet in form of blog, WhatsApp, and others social media (Hawkins et.a1, 2004).

Positive word of mouth is used for a company to create or increase image of products or the institution itself. Word of mouth is a promotion tool to establish good image and create interest to buy or use company's product. Whereas, negative word of mouth has bad effect for a company. Word of mouth occurs because customers are satisfied to the product they use or consume. Several studies have proven that word of mouth is affected by customers satisfaction (Anderson, 1998; Anderson, et a l., 2008; Anderson and Sullivan, 1993).

Customers **satisfaction** happens because their expectations are fulfilled (Kotler and Keller, 2016). Customers satisfaction occurs due to several factors such as product quality, service, and price (Kotler and Keller, 2016, Kotler and Armstrong 2016). However, satisfaction or not may happen because of the factors of cultural, believe, religion, ethnic, and etc. The result of Abdullah study (2002) in Malaysia explains that there are five important factors which influence customers satisfaction. They are, Price, Service Quality, Branding, realization prove and halal. Generally, the practitioners and experts in marketing field have agreed that provide and sell products which give satisfaction to customers will give many financial benefits to the company. A satisfied customer will loyal to the company and its product. They tend to buy again and again (Oliver, 1999). Information on satisfaction and loyalty of the customers may become company's material to arrange marketing strategy (Hooley et al, 2008). The existence of halal label on the company's product, which in this research is a restaurant, has a big role to become satisfaction factor towards customers in which they will share the satisfaction information to others. It is considered as a new thing and worth to examine. Based on that issue, this research is worth conducting.

Literature review and hypothesis

Several explanations related to concept, research variable, operational definition which become the references in this research will be explained as follows.

Word of Mouth

Generally, Word of Mouth is a free and voluntary communication between people about an object, product, or service of a company (Silverman, 2001). Word of Mouth is an informal communication which is done directly by customers. It can be the communication about company's ownership, service use or service characteristic and about sales service (Lloyd *et al.*, 2011). Buttle (2008) also states that word of mouth refers to spoken evaluation of a company's performance.

The statement within WOM (word of mouth) may be positive or negative (Wang, 2002). WOM that contains positive or negative statement about a product will be very helpful in purchase decision making. The result of research by Ennew *et al.*, (2000) states that positive WOM affects purchase increase. Mazarol *et al.*, (2007) also explains that positive WOM may become important media for company's advertisement.

Customers Satisfaction.

Satisfaction is pleasurable fulfillment of anything that is wanted, consumed, purposed, and etc (Oliver, 1999). Consumer is a person or party who uses product for any interest, for instance, last customer who directly uses product for individual consumption, or the consumer agent who involves in distributing product to take product's economical benefit. Meanwhile, customer is a person or party who often makes a purchase. Customer can be last consumer or consumer agent. Customers satisfaction has business concern to give information about customers' re-purchase or to become cheap promotion media (Pizam and Ellis, 1999). Zairi, (2000) states that customers satisfaction can be a guidance to track and develop business performance. Wang *et al.*, (2002) added that in marketing practice, customers satisfaction is an important goal of each business activity.

Several results of researches explain that customers satisfaction in a restaurant influences word of mouth (Jalilvand, et al., 2017; Sivadas & Jindal, 2017). It also happens to the satisfaction of another object such as consumer satisfaction on private higher education in Taiwan that has positive and significant

influence towards word of mouth. It shows the more satisfy people will cause ³ the more positive word of mouth (Chang Li, 2013). Therefore, the hypothesis for this research is:

³ H1: There is influence between customers satisfaction and word of mouth of restaurant customers in Yogyakarta.

Product Quality

Quality is fitness for use (Juran, 1988). Product quality is determined by customer not based on engineer (Feigenbaum, 1987). The higher quality, the higher customers satisfaction which support higher price and lower cost (Kotler and Keller, 2016). Food quality is the basic entity of the whole customer's ⁸ experience in a restaurant (Kivela *et al.*, 1999; Sulek & Hensley, 2004). Mattila, (2001) also states that food quality is the important factor ¹¹ that affects customers' loyalty in choosing a restaurant. There are several indicators to determine the quality of food in a restaurant. They are; visible attractiveness, food variation, selection of healthy, delicious, and fresh food, also selection of service within several temperatures ⁷ (Jalilvand, 2017).

Several result of the researches shows that there is positive and significant influence between product quality in a restaurant and customers satisfaction (Almohaimmeed, 2017); between general product quality and customers satisfaction (Awan *et al.*, 2011). Thus, this research proposes the hypotheses:

H2: There is influence between product quality and restaurant customers satisfaction in Yogyakarta.

³ H3: There is influence between product quality and word of mouth for restaurant customers in Yogyakarta.

Awareness of Halal Product

According to language, Halal means "free" or "not bound". Something which is halal is something that free from any harms in this world or heaven (duniawi and ukhrawi). The halal of food is related to non-material law. Halal means permitted (Riaz and Chaudry, 2004). Halal food can be determined from how it is obtained and what kind of food it is. Related to how it is obtain, Islam forbids a product or item that obtained from snitch, robbery, comption, and fraud. The food that comes from the forbidden actions (law) is haram. Eventhough, basically the food ingredients are halal. This forbidden (haram) is based on others element of food which called as *haram lighairihi* (Iqbal, 2005)

Halal is a belief. Halal related to the product characteristics cannot be evaluated or ascertained by customers by only examines or feels the product (Bonne and Verbeke 2008). Attribute of halal product is related to the origin of product, and the process In producing the product from the beginning until it ready to be consumed (Bonne *et al.*, 2007). One of the ways to inform and convince people that the product is halal is by giving a clear and responsible label on the product packaging or shop.

Awareness is a condition where someone knows and understands about the requirements of product to be permitted by Islamic Law. Halal product awareness is a condition where someone knows and understands that the offered entity, service, or consumed product is permitted by Islamic Law. The product offered by a restaurant is all foods, beverages and services for the consumer. Muslim consumers have their own consideration on halal of the products which is

more important than price, packaging, and taste. In example, the halal status of meat related to how it is slaughtered, and for processed food product it is related to the list of halal ingredients (Kumar, Garg, & Garg, 2011). Furthermore, Hanzaee and Ramezani (2011) describe that halal is not only an issue that limited only on one religion.

Several results of researches show that halal information and guarantee of a product have significant relation in strengthening strategy and marketing management also a tool to increase competitiveness (Jonathan, et al., 2010). Halal has positive correlation with customers satisfaction. It means the more products can give information and insurance of halal. Thus customers will be more satisfied (Abdullah et al., 2012). Almohaimmeed (2017) also states that a restaurant that provides and guarantee their products are halal, so customers will be satisfied. The result of Kamarulzaman et al., study (2017) states that company of food industry in Malaysia which is able to give guarantee that their products are halal by giving certificate logo halal from the responsible institution (JAKIM) makes their customers more satisfied. Based on the explanation above, the proposed hypotheses are :

10 H4: There is influence between halal product awareness and restaurant customers in Yogyakarta.

10 H5: There is influence between halal product awareness and word of mouth by restaurant customers in Yogyakarta.

Any relation that has been explained in this literary review, relationship between research variables, can be simplified and described in a research model within flowchart diagram as follows.

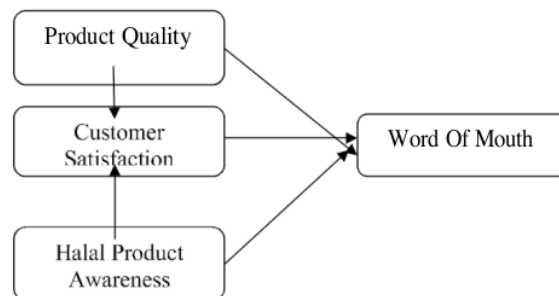


Figure 1 : Research Model

Research Methodology

Structural Model Testing

Structural model testing is aimed to know whether the relationship between variables as research model structurally meet the requirements and goodness of-fit or not. The assessment is conducted by looking at the comparison between the result number and the used standard number (cut-off value).

5 The result of Goodness of Fit SEM testing is Chi-Square, = 180,973; probability value = 0,072; CMIN/DF = 1,318; RMSEA= 0,074; GFI= 0,945; AGFI =0,989; TLI = 0,951 and CFI = 0,993. By looking at the result numbers, so theoretically structural model can be accepted and the data is corresponding. Consequently, this research may be continued.

Discussion and Result.

Testing of research's hypotheses is done by concerning on sign and regression coefficient number, critical ratio and probability value (sig.) that are produced by computer calculation using SEM analysis. To determine whether the hypotheses are accepted or rejected is by looking at the result of the mentioned calculation. Number and sign of standardized regression coefficient, critical ratio (CR) or t calculation and probability value (sig) from the calculation of computer data are presented in brief below.

Table 1 Result of Hypothesis Testing

Effect of Variable	Standardized Coefficien Regression	Critical Ratio (CR)	Prob. Value	Evaluation
PQ → CS	+ 0,112	1,972	0,047	H2 Supported
HPA → CS	+ 0,647	2,116	0,030	H4 Supported
PQ → WOM	+ 0,454	2,359	0,010	H3 Supported
HPA → WOM	+ 0,220	1,254	0,210	H5 no Supported
CS → WOM	+ 0,273	1,968	0,044	H1 Supported

4 Based on the summary of calculation result in table 1 above, it can be seen that there is positive and significant influence between product quality and customers satisfaction on significancy degree 5%. It is shown by the number of standardized regression coefficient + 0,112, critical ratio 1,972 and probability value (sig) 0,047. This result proves that hypthothesis 2, there is influence between food product quality and customers satisfaction can be accepted. The finding of this research is in line with the research that states there is positive and significant influence between food product and customer satisfaction in a restaurant by Almohaimmeed (2017;) and the product quality in general with customers satisfaction by Awan et al.(2011).

Consumers' awareness toward halal product has positive and significant influence towards satisfaction. It can be explained by the number of calculation result of standardized regression coefficient + 0,647, critical ratio 2,116 and probability value (sig) 0,030. Consumers' awareness includes the understanding that product provider guarantee that the offered products by the restaurants are halal. The positive and significant result means when a company can guarantee and provide halal product, thus customer's satisfaction will increase. This result proves that hypothesis 4 that states there is influence between halal food awareness and restaurant customers in Yogyakarta can be accepted. This finding supports that product with halal assurance influence customers' satisfaction just like a research in Malaysia conducted by Abdulah et al (2012). A restaurant which is able to give halal assurance makes customer satisfied, Almohaimmed (2017). Also, it is in line with a research by Kamaruzzaman et al (2017) in Malaysia that industries with halal assurance makes customer satisfied.

Product quality of a restaurant has direct influence towards word of mouth positively and significantly without through customer satisfaction. It is proven by the result of standardized regression coefficient + 0,454, critical ratio 2,359 and probability value (sig) 0,010. It describes the higher product quality, the higher WOM based on customer assessment and perception. It

can prove hypothesis 3 that states there is influence between quality product and restaurant customers satisfaction in Yogyakarta. Whereas, direct influence of consumer awareness towards halal product is not significant. Therefore, hypothesis 4 that states there is influence between product quality and word of mouth on restaurant customers in Yogyakarta must be rejected or is not proved.

Meanwhile, customer satisfaction as mediating variable for product quality and customer satisfaction towards halal product and word of mouth has positive and significant influence. It can be described by result of the calculation that shows + 0,273 critical ratio 1,968 and probability value (sig) 0,044. This finding can prove the first hypothesis that states there is influence between customers satisfaction and word of mouth of restaurant customers in Yogyakarta. It describes that when customers satisfaction of a restaurant in Yogyakarta is increasing and positive, so as well as word of mouth. This research is in line with a research by Jalilvand, et al., 2017; Sivadas & Jindal, 2017 that customers satisfaction has influence towards word of mouth. This research also support a research by Chang Li (2013) in Taiwan that consumers satisfaction on private higher education has positive and significant influence towards word of mouth.

Conclusion and Implication

In this research can be concluded that product quality and halal guarantee have positive and significant influence toward satisfaction and the satisfaction itself has positive and significant influence toward word of mouth. Product quality directly has positive and significant influence towards word of mouth without high satisfaction variable. Nevertheless, direct influence of halal product guarantee towards word of mouth is not significant. The influence of food halal towards word of mouth must pass satisfaction mediation first.

Based on the result of this research, the role of halal product guarantee has important meanings for restaurant customers to create their satisfaction. It happens because customers are aware that consume halal product is an urgent material. In consequences, giving halal guarantee for the products of a restaurant is need to be conducted. The existence of halal product guarantee and its certification may be used for cheap promotion media through word of mouth.

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