

The Influence of Product Quality, Service Quality, Customer Satisfaction on Customer Loyalty at Pizza Hut Restaurant

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Abstract

This research aims at product quality, service quality, customer satisfaction, and customer loyalty. The sampling technique used was purposive sample, that is people who have eaten at a pizza hut restaurant with a total of 125 respondents used by deploying google form. Hypothesis testing using a partial test (t test), simultaneous test (F test), and the coefficient of determination (R^2). The test results prove that product quality, service quality, and customer satisfaction have a positive effect on customer loyalty.

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1. Introduction

Recently, many businesses have developed in the food business sector such as restaurants. Businesses in the food sector still have many opportunities and potential to expand widely because of the many innovations and creations that have been developed. The development of competition makes it increasingly difficult for a company to maintain the loyalty of its customers.

The difficulty of maintaining consumer loyalty according to J Hasanuddin, (2000) can occur due to environmental turmoil which results in shifting consumer demands, thus demanding company management to be able to adapt. MR Shahrudin, AS Ismail, SW Mansor, (2011) explained that the overall marketing orientation has changed from a production concept to a marketing and social concept. The company prioritizes the wishes of its consumers, so that they respond well to the company in the long term. Consumers do not only act as buyers or users of products or services, but consumers are company assets whose loyalty must be maintained. In other words, producers find the right product or service for their customers, not to find the right customer for the product, besides that, achieving consumer satisfaction can be obtained if the company pays attention to the quality of service offered to consumers (Kotler, 2002).

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According to Dewi Urip Wahyuni, (2008) for consumers in determining the selection of quality products and services is the main goal so that quality is defined as one of the tools in achieving competitive advantage. Optimal product quality is one of the company's strategies in increasing and retaining customers. Intense competition in the business world occurs because many companies offer the same product variants (Hermawan, 2011).

According to Polyorat, Kawpong; Sophonsiri, (2010) customer satisfaction mediates the influence of service quality dimensions on customer loyalty. In order to achieve optimal customer satisfaction, the company needs to improve service quality and product quality so that customer wants and needs are achieved and more importantly customers do not switch to competitors. It can be said that quality is the most strategic weapon that can win business competition. So it is the companies with the best quality that will grow and continue to exist in the business market. In the intense competition in the restaurant business, every company tries to respond and understand consumer needs, thus making Pizza Hut restaurants inevitably have to deal with them.

Companies engaged in the restaurant sector, service quality and product quality are one of the determinants of the level of satisfaction felt by customers which will then have a long-term positive impact on the company. Pizza Hut restaurant intends to offer quality service and food menus so that customers will feel satisfied and continue to consume their products and services. On the previous occasion, an initial survey was conducted to find out the various types of customer complaints that often occur at Pizza Hut restaurants. The results obtained from the initial survey of some customers still have complaints related to the restaurant's services and products. Such as less parking space, less clean toilets, etc. From the results of this simple survey, this research was conducted in more depth to find out how much influence Product Quality, Service Quality, and Customer Satisfaction have on Customer Loyalty at Pizza Hut Restaurant.

Product Quality

Product quality according to Kotler and Keller, (2012) is the ability of a product to carry out its functions, including durability, reliability, accuracy, ease of operation and repair, as well as other valuable attributes. Product quality has a very important meaning in creating consumer loyalty. If a product quality is good, consumers will tend to be loyal, whereas if the product quality is not as expected, consumers will divert their purchases to other similar products. Therefore, companies must try to focus on the quality of their products and compare them with products offered by competing companies.

Service Quality

According to Kotler, (2002) the word service is any action or activity that can be offered by a party to another party, which is basically intangible and does not result in any ownership. Production can be linked or not linked to one physical product. Service is the behavior of producers in order to meet the needs and desires of consumers in order to achieve satisfaction with the consumers themselves. Kotler also said that this behavior can occur during, before and after the transaction. In general, a high level of service will result in high satisfaction and more frequent repeat purchases. The word quality contains many definitions and meanings, different people will interpret it differently, but from the several definitions that we can find, they have some similarities even though it's just the way of conveying it. It can be concluded that service quality is all forms of activity carried out by companies to meet consumer expectations. Service in this case is interpreted as a service or service delivered by the service owner in the form of convenience, speed, relationship, ability and hospitality which is addressed through attitudes and characteristics in providing services for customer satisfaction.

Customer Satisfaction

According to Schiffman, L.G. and Kanuk, (2007) After a customer buys a product and service, the customer will evaluate the product and service whether it is as expected by the customer or not as expected by the customer. When purchases made by customers result in fulfillment of needs and expectations, customer satisfaction will be created. It can be concluded that consumer satisfaction is a feeling or emotional assessment of consumers towards the use of products and services where the expectations and needs of consumers are met. revealed "the main key to retaining consumers is customer satisfaction" . This is because the company's sales in each period come from new customers and existing customers. Therefore, to be able to retain consumers, companies must conduct research on customer satisfaction.

Customer Loyalty

Loyalty can be interpreted as loyalty, namely one's loyalty to an object. Mowen, J. C., and Minor, (2005) stated loyalty as a condition where customers have a positive attitude towards a brand, have a commitment to the brand, and intend to continue their purchases in the future. Consumer loyalty is very important for a company, both services and products (goods) to increase profits for a company, because if consumers are not loyal to a company's products, then it is certain they will turn to other products, to maintain consumer loyalty there is one way to increase Customer loyalty is by providing good service, which is expected to make customers return to make transactions.

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2. Research Method

The type of research used in study This is study Which explain phenomena between variables (explanatory research) which means to explain the position other variables through hypothesis testing (Sekaran & Bougie, 2016). Study This done For know variable effect product quality (X1), service quality (X2), customer satisfaction (X3) customer loyalty (Y) Which tested on pizza hut restaurant.

Population in study this is people who have eaten at the pizza hut restaurant in ciputra mall jakarta. Amount population Lots, And No Lots is known clear amount And identity. Research This take sample based on the theory of (Hair et al., 2018). Which that amount indicator question 25 x 5 so amount sample Which used as much 125 respondent. Technique taking sample use probability sampling, i.e. people who have eaten at a pizza hut restaurant . Method data collection using a questionnaire on google form. Method deployment questionnaire done in a manner on line.

Table 1. Respondent Data

Profile	Indicator	f	Percentage (%)
Gender	Man	35	28%
	Woman	90	72%
Age	15 - 20 years	28	22.4%
	21 - 25 years	86	68.8%
	26 - 30 years	1	0.8%
	> 30 years	8	6.4%
Education	High School/Equivalent	70	56%
	D3 - D4	8	6.4%
	S1	47	37.6%
	S2	0	0%
Work	Student / Student (i)	98	78.4%
	Businessman	2	1.6%
	Private employees	20	16%
	civil servant	0	0%
	Nurse	1	0.8%
	Teacher	1	0.8%
Pizza customer	Yes	125	100%
	No	0	0%

Source : Data processed SPSS, 2022.

Measurement Which used in obtain answer from respondent measured using a Likert scale. This Likert scale is 1-5, that is very No agree - very agree.

3. Results and Discussion

After done test validity And reliability on all variable Which give valid results And reliable. Tool analysis Which used in test this validity is Factor Analysis by looking at the Loading Factor. What when sample Which used in study that is as much as 125, then the Factor Loading is used must be > 0.50 for the indicator to be declared valid (Hair et al., 2019).

Table 2. Validity Test

VARIABLE	INDICATOR	ANTI-IMAGE MATRICES (FACTOR LOADING)
Product Quality	PQ1	0.710
	PQ2	0.714
	PQ3	0.719
	PQ4	0.758
	PQ5	0.778
Service Quality	SQ1	0.794
	SQ2	0.837
	SQ3	0.783
	SQ4	0.735
	SQ5	0.834
	SQ6	0.844
Customer Satisfaction	CS1	0.555
	CS2	0.794
	CS3	0.564
Customer Loyalty	CL1	0.797
	CL2	0.832
	CL3	0.785
	CL4	0.834
	CL5	0.884
	CL6	0.837

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Table 3. Reliability Test

Variable	Cronbach's Alpha	Limitation	Information
Product Quality	0.709	>0.6	Reliable
Service Quality	0.833	>0.6	Reliable
Customer Satisfaction	0.731	>0.6	Reliable
Customer Loyalty	0.84	>0.6	Reliable

Based on the test results above, it can be seen that all statement items/indicators on Product Quality, Service Quality, Customer Satisfaction, and Customer Loyalty have a value above 0.5 and Cronbach's value alpha is greater than 0.60. it can be concluded that all variables are valid and reliable, so that they can be included in the research model.

Table 4. Data Normality Test

Kolmogorov-Smirnov test	Unstandardized Residuals	Information
asypm. Sig	0.106	Ho Accepted

Source: though data use SPSS

Based on table 5, the normality test results yield a sig of KS-Z = 0.106 > 0.05 so that Ho is accepted and the conclusion is that the data distribution is normal (the data is of good quality).

Source: though data use SPSS

Based on the table above it can be seen that the variables of product quality, service quality, and customer satisfaction have a tolerance value of > 0.10 and VIF < 10. So it can be said that there are no symptoms or multicollinearity problems in the regression model in this study.

Table 5. Multicollinearity Test

Variable	tolerance	VIF	Information
Product quality	0.728	1,374	Multicollinearity Free
Service Quality	0.654	1,529	Multicollinearity Free
Customer satisfaction	0.708	1.413	Multicollinearity Free

Source: though data use SPSS

From the results of data processing obtained:

1. Sig of t for product quality 0.062 > 0.05 Ho is accepted (no heteroscedasticity)
 2. Sig of t for quality of service 0.961 > 0.05 Ho is accepted (no heteroscedasticity)
 3. Sig of t for customer satisfaction 0.991 > 0.05 Ho is accepted (no heteroscedasticity)
- Conclusion: The assumption of heteroscedasticity is fulfilled.

Table 7. Multiple Linear Regression Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	std. Error	Betas		
1	(Constant)	,162	,483		,336	,737
	TOTAL_KPR	,255	.095	,228	2,675	,009
	TOTAL_KLY	,454	,123	,332	3,694	,000
	TOTAL_KPL	,198	.096	,178	2,058	.042

a. Dependent Variable: TOTAL_LPL
Source: though data use SPSS

Based on the results of the multiple linear regression test above, the equation values are obtained:

$$Y = 0,162 + 0,255 + 0,454 + 0,198 + e$$

This test is used to test the significance of the relationship between the independent variable (X) whether it affects the variable (Y) separately or partially. Following are the test results in this study:

Table 8. Partial Test (T Test)

Variable	T-test	Sig.	Decision
Product Quality (X1)	2,675	0.009	Influential
Quality of Service (X2)	3,694	0.000	Influential
Customer Satisfaction (X3)	2,058	0.042	Influential

Source: though data use SPSS

1. The results of the t test in the table above can be seen that product quality [X1] Tcount = 2.675 > Ttable = 0.676 and a significance p-value = 0.009 < 0.05, it can be

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concluded that H_a is accepted and H_0 is rejected or product quality affects customer loyalty.

2. The results of the t test in the table above can be seen that service quality [X2] $T_{count} = 3.694 > T_{table} = 0.676$ and a significance p-value = $0.000 < 0.05$, it can be concluded that H_a is accepted and H_0 is rejected or service quality affects customer loyalty.
3. The results of the t test in the table above can be seen that customer satisfaction [X3] $T_{count} = 2.058 > T_{table} = 0.676$ and the significance of p-value = $0.042 < 0.05$, it can be concluded that H_a is accepted and H_0 is rejected or customer satisfaction affects customer loyalty.

Table 9 Simultaneous Test (Test F)

ANOVA ^a

Model		Sum of Squares	Df	MeanSquare	F	Sig.
1	Regression	28,004	3	9,335	22,716	,000 ^b
	residual	49,724	121	,411		
	Total	77,728	124			

a. Dependent Variable: TOTAL_LPL

b. Predictors: (Constant), TOTAL_KPL, TOTAL_KPR, TOTAL_KLY
Source: though data use SPSS

The results of the regression analysis using $F_{count} = 22.716 > F_{table} = 2.68$ with a significant level of p-value = $0.000 < 0.05$, it can be concluded that H_0 is rejected or H_a is accepted which means that the variables of product quality, service quality, and customer satisfaction affect customer loyalty.

Table 10. Coefficient of Determination (R^2)

Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,600 ^a	,360	,344	,6410

a. Predictors: (Constant), TOTAL_KPL, TOTAL_KPR, TOTAL_KLY

Source: though data use SPSS

From the processing results above, it is obtained that $adj-R^2 = 0.344$. This means that the variation of the independent variables (Product Quality, Service Quality, and Customer Satisfaction) is able to explain the variation of the dependent variable (Customer Loyalty) of 34.4%. While the rest ($100\% - 34.4\% = 65.6\%$) is a variation of other independent variables that affect earnings quality but are not included in the model. (Model GOODNESS OF FIT because the value of R^2 is close to 1.

4. Conclusions and Suggestions

Based on the results of research on the effect of product quality, service quality, customer satisfaction on customer loyalty at pizza hut restaurants, the conclusions of this study are as follows:

1. Product quality (X1) has a positive and significant effect on customer loyalty at Pizza Hut restaurants
2. Service Quality (X2) has a positive and significant effect on customer loyalty at Pizza Hut Restaurants
3. Customer satisfaction (X3) has a positive and significant effect on customer loyalty at Pizza Hut restaurants

As for suggestions that can be given for further research to correct the deficiencies in this study, first, future researchers are advised to perfect the research model of this study by adding other variables. Second, future research is suggested not only researching pizza hut restaurants but adding other restaurants such as burger king restaurants. And third, future research is suggested to examine many big cities with a larger number of samples so that the research results can provide general results.

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