

Study of the Effects of Service Quality Variables on Customer Satisfaction and Loyalty

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Abstract

This research aims to explore the influence of service quality variables on customer satisfaction and loyalty. Adoption of an explanatory survey type was the research method chosen, with a sampling technique that involved identifying customers who regularly visit at least three times a month. A total of 100 respondents were collected during the research using quantitative analysis methods through structural equation modeling (SEM). The research results show that service factors such as tangibility, reliability, responsiveness, and assurance have a significant influence on customer satisfaction. The research results indicate that service quality plays a crucial role in shaping consumer satisfaction, as evidenced by the significant relationships found between service variables and customer satisfaction. Furthermore, customer satisfaction significantly influences customer loyalty. Furthermore, reliability, responsiveness, assurance, and empathy have also been proven to significantly impact customer loyalty. Overall, the research findings indicate that tangible, reliability, responsiveness, assurance, and empathy together influence customer loyalty through customer satisfaction. The importance of the direct influence of service factors on customer loyalty is emphasized with greater value compared to the indirect influence through customer satisfaction. These results illustrate the positive contribution of direct service aspects to forming customer loyalty through increasing satisfaction levels in the restaurants studied.

Keywords: service quality, satisfaction, customer loyalty.

INTRODUCTION

The prospects for food service businesses, especially restaurants, in several areas are growing very quickly. This also happens in regional areas and will be an effort that needs to be taken into account to overcome competition among food and beverage service providers so that they are varied by improving the quality of service. This service quality has great value in bringing consumers to a level of satisfaction, so that satisfaction will have a positive impact on customers. Customers often use service quality in the restaurant service sector as a criterion for assessing the quality of the restaurant. Apart from the taste and quality of food, service

quality and good performance also greatly support customer satisfaction. Customer satisfaction can influence customer behavior, especially customer loyalty, which is manifested in the desire to repurchase and the intention to recommend. Customer satisfaction can influence customer behavior, especially customer loyalty, which is manifested in the desire to repurchase and the intention to recommend.

Factors that can support consumer satisfaction are product quality, price, service quality, emotional factors, cost, and convenience. Service quality functions as a driver that brings variables into satisfaction. In the midst of today's intense competition, restaurant entrepreneurs compete with each other to win the hearts of customers. Companies must be able to design appropriate marketing strategies to achieve company goals. One of the company's goals is to create customer loyalty. Efforts to maintain loyal customers are a challenge for entrepreneurs because today's customers are increasingly critical when choosing food according to their expectations. Retaining loyal customers is a challenge for entrepreneurs due to the increasing critical nature of today's customers in choosing food according to their expectations. So, companies must be able to carry out innovation and good strategies.

Local restaurants, especially Indonesian-cuisine restaurants, are very popular with customers. Its location is not far from industrial areas and densely populated residential areas, making this restaurant one of the favorite places for customers. always trying to innovate and provide quality services and approaches to customers so that they feel satisfied and loyal. This is evident as many customers express their satisfaction and loyalty by recommending the restaurant to others and returning for future visits. Customers are not only dominated by local residents themselves; in fact, many other local tourists who are outside the city have become regular customers. Quality always focuses on customers. Services can be said to be of quality if they are in accordance with customer wishes. Service quality influences customer loyalty and satisfaction; if a company has quality products and services, then customers will automatically be loyal to that company. So that it provides benefits for the company concerned.

Quality service in the service industry is the result of a combination of elements that form it. First of all, human quality is the main foundation, reflected through the personal behavior and attitudes of individuals who interact with guests. Success in providing quality service is highly dependent on interpersonal skills, effective communication, and the ability to read customer needs and expectations. Furthermore, workers' skills and expertise play a crucial role in achieving service quality. This includes mastering the technical elements and procedures related to their job duties. These skills enable workers to provide services with a high level of professionalism, ensuring efficient and standardized execution of every aspect of the service.

METHOD

This research adopts an explanatory survey type as a methodological framework, chosen based on the consideration that this type of research does not only aim to explain or describe empirical facts in the field but also to provide an in-depth analysis of existing influences. The sampling technique was selected by identifying customers who have a habit of visiting at least three times a month. A total of 100 respondents were included in the research. Quantitative analysis methods were used in this research, applying structural equation modeling (SEM) as the main analysis tool. This approach allows researchers to investigate relationships between variables in greater depth, illustrating the complexity of interactions between the various elements involved. Therefore, by utilizing SEM, this research is anticipated to enhance the comprehension of the factors that impact customer behavior.

RESULT AND DISCUSSION

The validity assessment in this research is based on the standard factor loading value, with a value above 0.40 considered an indicator of good validity. The results of the indicator assessment show that they meet these standards, ensuring that the constructs measured by this questionnaire have good validity. Next, a reliability test is used to measure the level of reliability of the questionnaire. The reliability of a questionnaire indicates the extent to which respondents' answers can be trusted or relied upon over time. In this case, a questionnaire is considered reliable if the answers given by respondents are consistent or stable over time. The reliability testing process aims to ensure that this questionnaire provides consistent and reliable results in measuring the variables being measured. Positive results from reliability tests will increase confidence in the data obtained from the questionnaire, providing a strong basis for interpreting research results.

The results of variable analysis using AMOS software reveal that in this model there are variables that can be observed (observed, endogenous variables). These variables involve aspects of service quality, which include tangibles such as reliability, responsiveness, assurance, and empathy, which directly influence customer satisfaction through customer loyalty. Apart from that, there are also unobservable variables (unobserved, endogenous variables), which involve deeper and more abstract concepts of service quality and consist of tangibles such as reliability, responsiveness, assurance, empathy, and influencing customer satisfaction through customer loyalty.

Unobserved, exogenous variables involve measurement error factors, such as error 1 and error 2. However, the results of the model suitability test showed that the planned model did not meet the desired fit standards or goodness of fit. Values such as Chi Square, Probability, CMIN/DF, RMSEA, TLI, and CFI have not reached the expected criteria, indicating that the proposed structural model is not optimal according to existing data. Therefore, this research requires review and possible adjustments to improve model fit and obtain more accurate and reliable results. This is important so that the interpretation of research results is more reliable and makes a significant contribution to understanding the relationship between service quality, customer satisfaction, and customer loyalty.

In analyzing the confirmatory factor analysis (CFA) modeling through the goodness of fit table, it was found that the results were in the identified state. This can be seen from the chi-square value of 0.000, with a significance value (sig or P), which also reaches 0.000, and a degree of freedom (df) of 499.034. Furthermore, the Root Mean Square Error of Approximation (RMSEA) value is 0.91105, and the value is 1.0000 for the Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), Adjusted Goodness of Fit Index (AGFI), and Normed Fit Index (NFI). The goodness-of-fit assessment includes eight criteria used to evaluate the suitability of a model. Overall, the results show that all these criteria meet the established standards. These optimal results provide an indication that the model identified through confirmatory factor analysis (CFA) can be considered appropriate to the existing data, illustrating a good match between the model structure and the measured empirical data. The results indicate that the model identified through Confirmatory Factor Analysis (CFA) provides a reliable explanation of the relationship between the variables studied in the analysis.

CONCLUSION

Based on the results of the research that has been conducted, it can be concluded that service factors such as tangibility, reliability, responsiveness, and assurance have a significant influence on customer satisfaction. Test results using structural equation modeling (SEM) with AMOS show that the regression weights for each of these variables have a probability value of less than 0.05, confirming that the relationship between service variables and customer satisfaction is significant. Furthermore, SEM test results show that customer satisfaction has a significant effect on customer loyalty, with a probability value of less than 0.05. This indicates that customer satisfaction has an important role in forming customer loyalty. Apart from that, the variables' reliability, responsiveness, assurance, and empathy also have a significant influence on customer loyalty. This is confirmed by the SEM test results, which have a probability value of less than 0.05. Finally, the research results show that tangible, reliability, responsiveness, assurance, and empathy together influence customer loyalty through customer satisfaction. The direct influence of service factors on customer loyalty has a greater value than the indirect influence through customer satisfaction. This confirms that direct service aspects contribute significantly to customer loyalty through the level of customer satisfaction in the restaurant.

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