

## **The Effect of Product Quality and Customer Satisfaction on Customer Loyalty at Pempek 888 Taman Kenten Palembang Restaurant**

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### **Abstract**

This study aims to determine product quality and satisfaction on customer loyalty. This research uses descriptive research with a quantitative approach and multiple regression analysis methods. The sampling technique uses accidental sampling. The population is all customers who come to Pempek 888 Taman Kenten Palembang Restaurant, while the total sample is 98 respondents based on the Slovin formula. The results showed that product quality and satisfaction partially had a significant effect on customer loyalty. It is hoped that Pempek 888 Taman Kenten Palembang Restaurant will continue to maintain and improve product quality from color, appearance, portion, shape, temperature, texture, aroma, level of maturity, and taste offered, up to the halal guarantee provided must be maintained and improved so that customers continue to feel satisfied and do not move to another place.

**Keywords:** Product Quality, Customer Satisfaction, Customer Loyalty

### **A. Introduction**

According to a Central Statistics Agency (BPS) survey, most business actors have experienced a decline since the Covid-19 pandemic. The Covid-19 pandemic has dramatically affected all sector activities in Indonesia. The food and beverage industry, the packaged food and beverage processing industry, restaurants, cafes, and catering have also experienced severe impacts due to the Covid-19 pandemic. During this pandemic, several rules emerged, such as eating at places, bans on gatherings, closing restaurants determined by the government, and not being allowed to eat on the premises (Central Bureau of Statistics, 2021).

The impact of the pandemic on the food and beverage industry sector is not felt only in the capital city but also does not affect the sale of regional

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specialties. One of the areas that I visited was South Sumatra, precisely in the city of Palembang. As in the restaurant business that sells food and souvenirs typical of the city of Palembang. The city of Palembang is most often known by people by the nickname Pempek city because there are not a few business people who sell this food.

If a restaurant or restaurant can provide or offer quality food products, the restaurant will be able to create consumer satisfaction (Al-Tit, 2015). A customer will usually feel satisfied because of the experience of purchasing a food product that is consumed (Zardi et al., 2018). The quality of food products has a vital role in influencing customer satisfaction and forming customers to be loyal to the products offered by restaurants (Djumarno et al., 2020). Customer satisfaction expresses a customer's feelings after comparing what is expected with what the restaurant provides (Kristiawan et al., 2021).

Customer loyalty will appear when customers are satisfied with the quality of the products offered by the restaurant (Rochmawan et al., 2019). Loyalty is the loyalty of customers to make repeated purchases of food products provided by restaurants (Murad & Ali, 2015). Customer loyalty is one of the critical factors for restaurant development and increasing sales (Danurdara, 2021). Businesses in the food sector will benefit significantly from being able to create satisfaction in every customer; satisfied customers will form their loyalty to the restaurant (Rozekhi et al., 2016).

One restaurant that has lasted a long time and is quite famous is Pempek 888 Taman Kenten restaurant in Palembang. This restaurant is also one of the places to eat that survived the pandemic. This restaurant is a restaurant that not only sells pempek but also sells Palembang souvenirs. This restaurant is one of the restaurants that has stayed amid the pandemic situation until now and can compete with its competitors. Today's business competition is a challenge and a threat for all business actors. One of the critical factors in competing today is no exception in product quality which plays a role in winning consumers. Pempek Restaurant 888 Taman Kenten Palembang continues to follow directions and policies from the government to continue to run its business by prioritizing the health and safety of both employees and customers.

In the current situation, innovation and attention are needed from business actors not to open Pempek 888 Taman Kenten Restaurant in Palembang to combine business strategies with health protocols recommended by the Indonesian government. Circumstances like this will significantly affect the choice of customers in choosing a product so that they can feel satisfied and customer loyalty is maintained. The quality of food products at Pempek 888 Taman Kenten Palembang Restaurant must be able to satisfy consumers, so the products in the restaurant (Aneka Pindang, Aneka Lenggang, and Ala Carte) can have a quality level that will help or support businesses to improve or maintain the product's position in the market. The target. Pempek 888 Taman Kenten Palembang

Restaurant products do not use preservatives or other chemicals and can last for two weeks if stored in the freezer. This restaurant uses fresh fish as essential ingredients and other elements that always maintain their quality in its production.

The problem Pempek 888 Taman Kenten Palembang Restaurant faced during the Covid-19 pandemic was declining sales for two years, 2020 and 2021. However, the restaurant still chose to open because the food and beverage industry is urgently needed as a significant need for all men. Therefore Pempek 888 Taman Kenten Palembang Restaurant must maintain good quality for consumers. By maintaining product quality, it is hoped that consumer satisfaction will increase so that they often visit Pempek 888 Taman Kenten Palembang Restaurant and become loyal customers.

The aims of this study are: (1) To determine the effect of product quality on customer loyalty at Pempek 888 Restaurant Taman Kenten Palembang; (2) To determine the effect of satisfaction on customer loyalty at Pempek 888 Taman Kenten Palembang Restaurant; (3) To determine product quality and satisfaction with customer loyalty at Pempek 888 Taman Kenten Palembang Restaurant.

## **B. Literature Review**

### **Product Quality**

The quality of a food product is essential for every founder of a food-selling company because the quality of food products is a characteristic of food quality that consumers can accept (Japariato, 2012). There are nine indicators to measure the quality of food products, namely as follows (Japariato, 2012): (1) Color, the color of food ingredients must be combined in such a way that it does not look pale or the color does not match; (2) Appearance, food should look good when served which is an essential factor; (3) Portions, having standard portions in each serving of food; (4) Attractive food forms can be obtained by cutting various foodstuffs; (5) Temperature, can affect the taste of food; (6) Texture, there are many textures in food such as smooth, liquid, solid, hard, soft, dry, moist; (7) Aroma, is a reaction from food that will affect consumers before consumers enjoy the food; (8) The level of maturity, food texture can be influenced by the level of maturity; (9) Taste, there are various kinds of taste, namely sweet, sour, salty, and bitter, food must have a good taste to be enjoyed.

### **Customer Satisfaction**

Customer satisfaction (Tjiptono, 2015) is a person's feeling of pleasure or disappointment that arises after comparing the perception of the performance of a product with his expectations. According to Tjiptono (2015), the indicator of customer satisfaction, namely: (1) Satisfaction, is an expression of feeling satisfied or satisfied. Dissatisfied from customers when receiving good service and quality products from the company; (2) Fulfillment of customer expectations after buying a product, namely whether or not the quality of a product or service after

purchasing a product with the expectations the customer wants; (3) Always buying the product That is, customers will continue to use and continue to buy a product if the expectations they want are achieved.

### Customer loyalty

A consumer is loyal or loyal to every customer who shows normal behavior. Certain conditions require a specific time and loyal customers (Griffin, 2015): (1) make regular purchases. , loyal customers who will repurchase the product within a certain period; (2) buying other product lines, loyal customers not only buy one type of product but also buy other product lines and services in the same legal entity; (3) Providing references to others, loyal customers will recommend and suggest positive things about the product to colleagues or other customers; (4) defense against the attractiveness of similar products from competitors, loyal customers, will refuse to consider bids against other products because the product they take is the best.

### C. Research Methodology

This research uses descriptive research with a quantitative approach. The analysis method uses multiple regression analysis; the sampling technique uses accidental sampling, namely, who happens to meet the researcher, the respondent. Based on data obtained from Pempek 888 Taman Kenten Restaurant in Palembang, it is stated that currently, the number of customers in the last one month is approximately 4000 customers. To make it easier to determine the sample size, the Slovin formula is used:

$$n = \frac{4000}{1 + 4000 (10\%)^2}$$

n = 97,56

Based on the above formula, the number of samples taken in the study was 98 respondents.

### D. Result

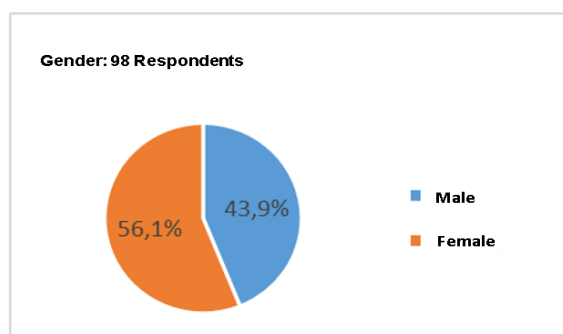


Figure 1. Respondent's Occupation

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Based on Figure 1, the number of respondents with female gender has a higher percentage than the percentage of male respondents. The rate of female respondents is 56.1%, or 56 people, while the share of male respondents is 43.9%, or 44 people. From these results, it can be said that most respondents who filled out the questionnaire in this study were women.

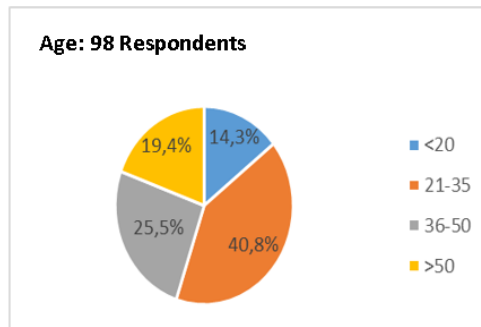


Figure 2. Age of Respondents

Based on Figure 2, the percentage of respondents aged <20 years is 14.3% or as many as 14 respondents, then the percentage of respondents aged 21-35 years is 40.8% or as many as 41 respondents, then the percentage of respondents aged 36- 50 years, namely 25.5% or as many as 26 respondents, while the percentage of respondents aged > 50 years is 19.4% or as many as 19 respondents. From these results, it can be concluded that the respondents who filled out the questionnaire in this study were 21-35 years old at most.

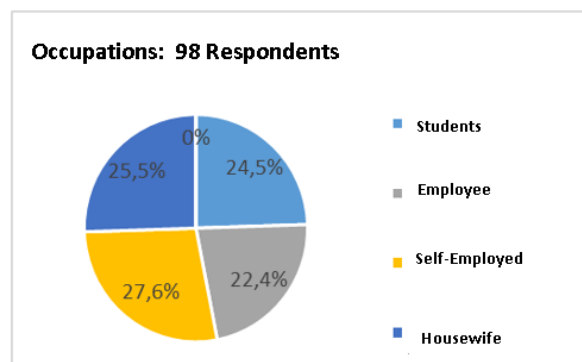


Figure 3. Respondents' Occupations

Based on Figure 3, the percentage of respondents with a student jobs is 24.5% or 24, then the percentage of respondents with employee jobs is 22.4% or 22 respondents. The percentage of respondents with self-employed jobs is 27.6%,

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or as many as 27 respondents, while the number of respondents with housewife jobs is 25.5%, or as many as 25 respondents.

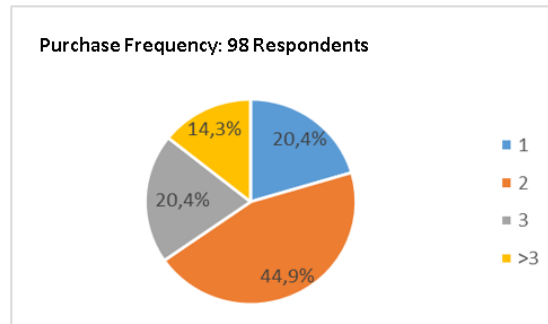


Figure 4. Respondents Purchase Frequency

Based on Figure 4, the percentage of respondents with a purchase frequency of 1 time is 20.4%, or as many as 20 respondents. The percentage of respondents with a purchase frequency of 2 times is 44.9% or as many as 44 respondents, then the percentage of respondents with a purchase frequency of 3 times, 20.4% or as many as 20 respondents, while the number of respondents with a purchase frequency > 3 times is 14.3% or as many as 14 respondents..

### Validity Test and Reliability Test

Table 1. Validity Test

Variable	Questions Item	r-count	r-table
Product Quality	X1.1	0.440	0.1671
	X1.2	0.525	0.1671
	X1.3	0.431	0.1671
	X1.4	0.400	0.1671
	X1.5	0.341	0.1671
	X1.6	0.411	0.1671
	X1.7	0.403	0.1671
	X1.8	0.403	0.1671
	X1.9	0.387	0.1671
	X1.10	0.250	0.1671
	X1.11	0.510	0.1671
	X1.12	0.456	0.1671
	X1.13	0.462	0.1671
	X1.14	0.299	0.1671
	X1.15	0.437	0.1671
	X1.16	0.431	0.1671
	X1.17	0.435	0.1671
	X1.18	0.529	0.1671

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Variable	Questions Item	r-count	r-table
Customer satisfaction	X2.1	0.856	0.1671
	X2.2	0.850	0.1671
	X2.3	0.788	0.1671
	X2.4	0.851	0.1671
	X2.5	0.669	0.1671
	X2.6	0.681	0.1671
Loyalty customer	Y1	0.675	0.1671
	Y2	0.667	0.1671
	Y3	0.634	0.1671
	Y4	0.641	0.1671
	Y5	0.794	0.1671
	Y6	0.714	0.1671
	Y7	0.698	0.1671
	Y8	0.706	0.1671

Source: Data processed by SPSS 21 (2021)

The table above shows that all question items have an r-count value more significant than the r-table, which is 0.1671. So it can be said that all question items are declared valid from thirty-two.

Table 2. Reliability Test

Variable	Cronbach's Alpha
Product Quality	0.721
Customer Satisfaction	0.869
Loyalty Customer	0.841

Source: Data processed by SPSS 21 (2021)

The table above shows that all variables have a Cronbach's alpha value greater than 0.60, so all variables are declared reliable..

Table 3. Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.461 <sup>a</sup>	.213	.196	2.517

Source: Data processed by SPSS 21 (2021)

Based on the table above shows the adjusted results of R square of 0.196, meaning that there is an influence of 19.6%, which means that the loyalty of Pempek 888 Taman Kenten Palembang can be explained by the variables of product quality and satisfaction with the loyalty of 19.6%, while the remaining 80.4% Influenced by other factors.

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Table 4. T-Test (Partial)

Model	Unstandardized Coefficients		Unstandardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.778	5.322		0.522	0.603
Product Quality	0.264	0.083	0.308	3.181	0.002
Customer Satisfaction	0.357	0.136	0.254	2.618	0.010

Source: Data processed by SPSS 21 (2021)

Based on the table above, the significant value for product quality is 0.002, while for the customer satisfaction variable, it is 0.010. The second variable has a significant value of less than 0.05. It can be said that H<sub>0</sub> is rejected and H<sub>a</sub> is accepted, meaning that product quality and customer satisfaction partially have a significant effect on Pempek 888 Taman Kenten Palembang customers.

Table 5. F test (Simultaneous)

Model	Sum of Squares	df	Mean Squares	F	Sig.
Regression	162.541	2	81.271	12.828	.000 <sup>b</sup>
Residual	601.877	95	6.336		
Total	764.418	97			

Source: Data processed by SPSS 21 (2021)

The table above shows that the significance value is 0.00, more significant than 0.05. It can be said that product quality and customer satisfaction simultaneously affect customer loyalty at Pempek 888 Taman Kenten Palembang.

## E. Discussion

### The Effect of Product Quality on Customer Loyalty

Product quality has a significant effect on customer loyalty, this is because there are many food products offered by Pempek 888 Taman Kenten Palembang Restaurant such as Aneka Pindang, Aneka Lenggang and Ala Carte. These food products must be of good quality, the color of the food is not dark and looks good, the appearance of the food is served neatly and cleanly, the portions and sizes are according to standards, the shape of the food is attractive with precise sizes, the temperature of the boiled food is suitable when it is not hot, and the temperature is Fried food is suitable when hot, the texture of the food is chewy,



so it is suitable for consumption, the aroma of the food is appetizing. It does not smell bad, the level of maturity of the food is guaranteed to be cooked, and the taste of the food product never changes over time. The quality of products provided by Pempek 888 Taman Kenten Palembang Restaurant to consumers will provide excessive expectations, so consumers will continue to buy, enjoy these food products, and visit the restaurant regularly will recommend them to others, which ultimately becomes loyal customers.

This study is by research conducted by (Albari & Kartikasari, 2019), Sambo et al. (2022), Timo et al. (2019), Rahmawati & Sentana (2021), and Mahsyar & Surapati (2020), showing that product quality on customer loyalty is by satisfaction and purchasing products offered to consumers; they continue to buy and use the product regularly and are not interested in other products because they already believe in the product and remain loyal to one product and recommend the product to others, this is also because the level of satisfaction is related to product quality which results in customer loyalty. The level of consumer loyalty is related to the level of consumer satisfaction, which reflects the level of one's feelings after comparing the level of perceived performance with the customer's expectations. Meanwhile, product quality is a factor that influences it.

### **Influence on Customer Loyalty**

Loyalty has a significant effect on customer loyalty; this is because there are many quality food products offered by Pempek 888 Taman Kenten Palembang Restaurant followed by the service provided by employees to customers very well, friendly and polite will result in customer satisfaction so that it will have an impact on loyalty consumers to buy, enjoy these food products and visit the restaurant regularly.

This study is done by research conducted by Darmawan et al. (2017), Ibojo & Odunlami (2015), and Chiguvu & Guruwo (2015), which show that customer expectations will be obtained when the customer finishes using the product or service and meets the customer's expectations. Satisfied customers will make repeat purchases and continue, not switch to other parties, and recommend products or services used to other parties. Thus, the customer is said to be a loyal customer.

### **F. Conclusion**

Product quality has a significant influence on customer loyalty. This means that the better and the higher the quality of the products offered at Pempek 888 Taman Kenten Palembang Restaurant to customers, the more loyal customers will be to the products offered. Customers have a significant influence on customer loyalty. This means that if the customer is satisfied with all aspects that exist both regarding the products and services provided by Pempek 888 Taman Kenten Palembang Restaurant, then this will make the customer want to buy the same

product in the same place; in other words, if satisfaction has been fulfilled then customers will be loyal to Pempek 888 Taman Kenten Palembang Restaurant.

The hope of Pempek Restaurant 888 Taman Kenten Palembang continues to maintain and improve product quality starting from color, appearance, portion, shape, temperature, texture, aroma, level of maturity, and taste offered, up to the halal guarantee provided must be maintained and improved so that customers continue to feel satisfied and do not move to another place. To increase and maintain the intensity of customers to buy at Pempek 888 Taman Kenten Palembang Restaurant, they must provide innovations without reducing or eliminating aspects that already exist. This is done so that customers do not feel bored when they come to Pempek 888 Taman Kenten Palembang Restaurant.

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