

MEDIATING ROLE OF CUSTOMER SATISFACTION AND ITS IMPACT TOWARDS BRAND IMAGE OF FRIED CHICKEN RESTAURANT

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Abstract

Customer satisfaction is a very important issue in industries including food industry. This research is aimed to analyze the mediating role of customer satisfaction in order to have loyal returning customers. Objectives of this research is to analyze the influence of service quality and product quality to customer satisfaction and its impacts towards restaurant's brand image. *Pearson* correlation and *Path Analysis* are used in this research. Samples of this research are visiting customers of "KD" Fried Chicken restaurant. Data is collected using questionnaires filled by the visiting customers with choosing the answer in likert scale. The result of this research shows product quality has a strong relationship and significant contribution in influencing customer satisfaction and brand image. Customer satisfaction also has a strong relationship and contributed to brand image, while service quality has no contribution to both customer satisfaction and brand image of Fried Chicken restaurant, thus this research suggest the improvement of service quality towards the existing customers to achieve customers satisfaction and brand image, and give some other beneficial inputs to the restaurant which may be resulted in customer satisfaction and better brand image in the future.

Keywords: service quality, product quality, customer satisfaction, brand image

Abstrak

Kepuasan pelanggan adalah masalah yang sangat penting dalam industri termasuk industri makanan. Penelitian ini bertujuan untuk menganalisis peran mediasi kepuasan pelanggan dalam rangka untuk memiliki kembali pelanggan setia. Tujuan penelitian ini adalah untuk menganalisis pengaruh kualitas pelayanan dan kualitas produk terhadap kepuasan pelanggan dan dampaknya terhadap citra merek restoran. Penelitian ini menggunakan korelasi *Pearson* dan analisis jalur. Sampel penelitian adalah pelanggan yang mengunjungi restoran ayam goreng "KD". Data dikumpulkan dengan menggunakan kuesioner yang diisi oleh pelanggan dengan memilih jawaban dalam skala likert. Hasil penelitian ini menunjukkan kualitas produk memiliki hubungan yang kuat dan kontribusi yang signifikan dalam mempengaruhi kepuasan pelanggan dan citra merek. Kepuasan pelanggan juga memiliki hubungan yang kuat dan memberikan kontribusi bagi citra merek, sementara kualitas layanan tidak memiliki kontribusi terhadap kepuasan dan citra merek restoran ayam goreng. Penelitian ini menunjukkan peningkatan kualitas pelayanan terhadap pelanggan yang sudah ada untuk mencapai kepuasan pelanggan dan citra merek, dan memberikan beberapa masukan lain yang bermanfaat ke restoran yang dapat menghasilkan kepuasan pelanggan dan citra merek yang lebih baik di masa mendatang.

Kata kunci: service quality, product quality, customer satisfaction, brand image

JEL Classification: M31, M37

1. Research Background

Food and beverages are needed by human beings in order to survive their lives. This reality triggers restaurants all over the world to compete and win heart of consumers. On the other hand, consumers or buyers have choices to choose foods which suitable to their tastes. These conditions cause restaurants compete uneasily to grap the market share and at the same time it is quite high cost to enter the market, and it needs food, beverages and services to attract consumers to retain as consumers.

In line with the increasing buying power of the community, restaurants must also know the important winning factors. Quality of products and services may be important factors to win the competition among restaurants. These thinkings then are the backgrounds of research, and the object is KD Fried Chicken. This reseach also research the impact of the qualities to brand image. Research questions of this research are:

- a. What is the contributions effect of service quality and product quality simultaneously to the level of customer satisfactions?
- b. What is the contributions effect of service quality, product quality, and customer satisfaction simultaneously toward brand image of Fried Chicken?

2. Literature Review

Product quality (Haque et. al, 2010) from the consumer's perspective is associated with the capacity of a product to satisfy consumer needs. Irawan (2002) states that there are 6 factors of product quality that should be taken care by any producers that keep to focus on customer satisfaction. The factors are performance, reliability, feature, durability, conformance, and design.

Parasuraman, et al. (in Kuo, 2010) considered consumers as the only ones who can judge service quality, and the service quality generally is assessed based on the contrast between their perceptions and their expectations. Arief (2007) explains the result of his research that there are ten criteria to evaluate service quality, they are tangible, reliability, responsiveness, competency, courtesy, credibility, security, access, communication, and understanding the customer.

Customer satisfaction is an important objective in all areas of business and services (García and Segura, 2009). Oliver (Ming, 2010) holds that satisfaction is an emotional statement, which is the response towards products and service. Irawan (2002) explains that the driving factors to customer satisfaction, they are product quality, price, service quality, emotional factor, and easiness.

Ferrinadewi (2008) defines brand image as perception about a brand which reflects the memory of consumer's association about the brand. In other words, brand image is the concept created by consumer for subjective and private emotional reasons, there are two components of Brand Image, they are brand association and favorability, strength & uniqueness of brand association.

3. Research Methods

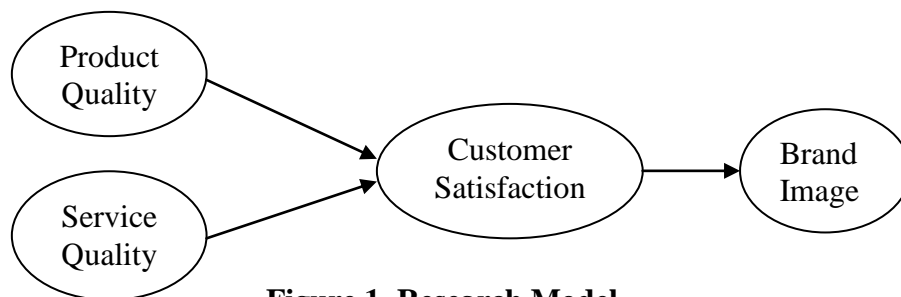


Figure 1. Research Model

Research is carried out in form of survey through questionnaires to obtain primary data. Type of research is associative, which supports to find out relationship between 2 variables or more. The unit analysis of this research are individual customers. Measurement scale used in this research is Likert Scale which provide alternatives responses that can reduce reliability errors (Sugiyono, 2005).

The independent variables are: a) Product quality is the independent variable which has indicators of performance, reliability, feature, durability, conformance, and design; b) Service quality is another independent variable with indicators of tangible, reliability, responsiveness, competency, courtesy, credibility, security, access, communication, understanding the customer.

Customer satisfaction is the mediating variable, it mediates the independent variables to brand image. Customer satisfaction has indicators of product quality, price, service quality, emotional factor, easiness. Brand image is the dependent variable with indicators of brand association and favorability, strength & uniqueness of brand association or positive attitude.

Model used in this research for data analysis are Pearson Correlation and Path Analysis. Correlation is used to find out the relationship among variables, while Path Analysis is a technique to find out the contribution of X to Y and its impacts toward Z (Riduwan & Kuncoro, 2007).

4. Results and Discussion

This research involves the answer from 100 respondents of KD Fried Chicken customers. There are 23 indicators and each question has 2 to 3 questions which make up of 50 questions. After the validity test with SPSS, the result show all 50 questions are valid since each question has $r_{\text{count}} > r_{\text{table}}$ at 0.1654.

Reliability test result shows each question is reliable since Cronbach Alpha value $> r_{\text{table}}$ at 0.1654. This shows that the tool of measurement is reliable since repeatedly this tool of measurement resulted same values, stable or consistent in measuring thus it can be used to measure real data (Sugiyono, 2009).

4.1. Result of The Relationship, Influence and Contribution of Product Quality (X_1) and Service Quality (X_2) to Customer Satisfaction (Y)

Before test the relationship, influence and contribution with Path Analysis data used should be interval data. Thus ordinal data from the questionnaire should be first transform, in order to fulfill part of requirements of parametric analysis which insists on the data should at least in interval scale (Riduwan and Kuncoro, 2007). The simplest technique is by using MSI (Method of Successive Interval). The steps of transformation are as follow:

- a. First look at each point answer of survey by respondents.
- b. Tabulate each answer based on the score, which is also called frequency.
- c. Each frequency divided by total frequency, which is called proportion.
- d. Determine cumulative proportion value by summing proportion values consecutively column by column score.
- e. Use Normal Distribution Table, calculate Z value for each cumulative proportion resulted.
- f. Determine density level value for each Z value obtained using Density Level Table
- g. Determine scale value (NS) by using the formula as follow:

$$NS = \frac{(\text{Density at Lower Limit}) - (\text{Density at Upper Limit})}{(\text{Area Below Upper Limit}) - (\text{Area Below Lower Limit})}$$
- h. Determine transformation value by using formula: $Y = NS + [1 + |NS_{\min}|]$

The structure causalistic relationship of the variables can be seen as follow:

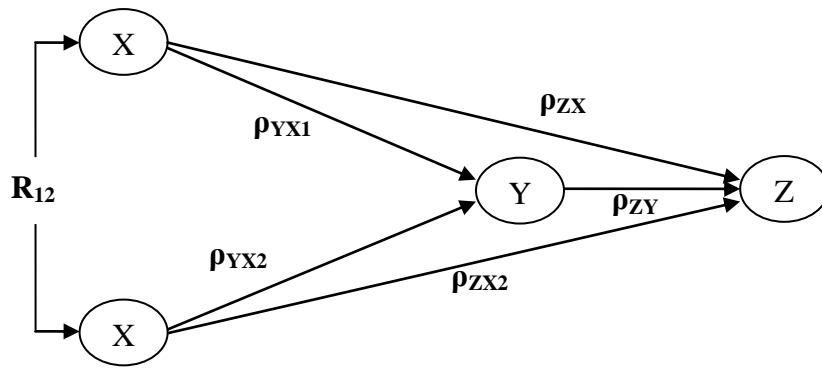


Figure 2. X_1 , X_2 , Y and Z Complete Structure Relationship

In order to analyze the path, the structure above is divided into two sub-structures. In analysis on the influence of Product Quality (X_1) and Service Quality (X_2) to Customer satisfaction (Y) can be drawn as sub-structure1, as follows:

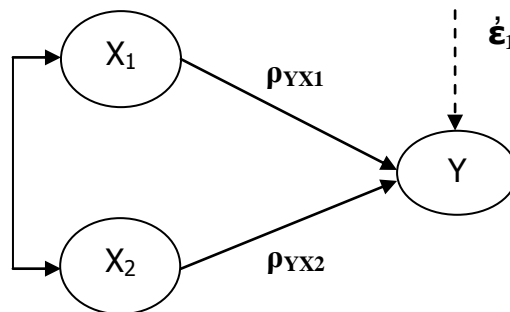


Figure 3. Sub – Structure 1

Table 1. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.171	0.086		-1.990	0.049
	Product Q	1.414	0.233	1.368	6.066	0.000
	Service Q	-0.418	0.240	-0.393	-1.741	0.085

a. Dependent Variable: Cust. Satf.

Examining coefficient table, there is one variable that does not significantly contributed that is Service Quality variable. Then Trimming is carried out by excluding Service Quality variable and retest without Service Quality variable. The result of retest shows:

- Tabel Coefficient: Sig = 0.000, Beta 0.977, Tabel Model Sumarry = ($R^2 = 0.955$).
- Based on this result, coefficient path value of Product Quality (X_1) to Customer satisfaction (Y) is 0.977 (Beta). Influence of Variable X_1 to variable Y can be known by looking at the value of R_{Square} in the Model Summary table, where value of $R^2 = 0.955 = 95.5\%$. Thus variable X_1 influences variable Y at 95.5% and the rest 4.5% is influenced by other variables. Meanwhile the path coefficient for other variables out of this research that influence the variable value: (Y (ρ_Y) = $\sqrt{1-R^2} = \sqrt{1-0.955} = 0.2121$).

This meant changes in Sub-structure 1 path, and becomes following figure:

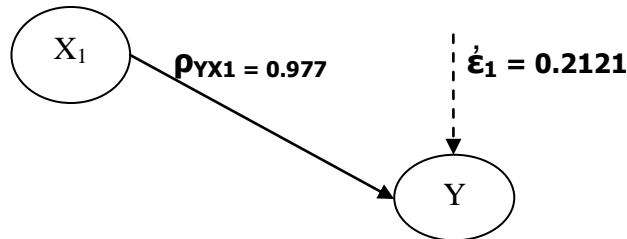


Figure 4. Empirical Causal Relationship Sub-Structure 1 Variable X_1 to Y

4.2. Result of Implementation analysis on Product Quality (X_1), Service Quality (X_2), and Customer Satisfaction (Y) toward Brand Image (Z)

The implementation analysis of X_1 , X_2 , and Y towards Z will be shown in sub-structure figure, named Sub-Structure 2 :

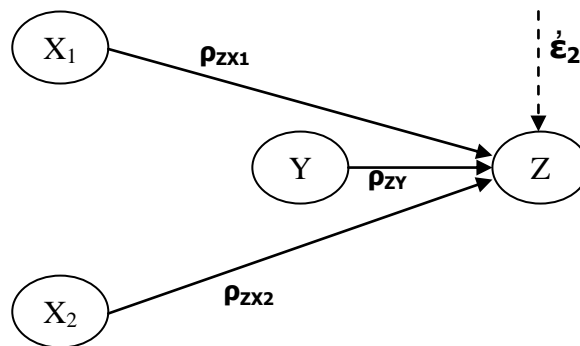


Figure 5. Sub-Struktur 2

Table 2. Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.081	0.077		-1.054	0.295
	Product Q	0.825	0.240	0.779	3.437	0.001
	Service Q	-0.569	0.214	-0.522	-2.664	0.090
	Cust. Satisf.	0.745	0.089	0.727	8.368	0.000

a. Dependent Variable: Brand Image

The coefficient table shows one variable that does not contribute significantly, which is Service Quality. Trimming by excluding Service Quality variable and retest is carried out without Service Quality, come to:

- Coefficient Table: Sig (X_1)= 0.014, Sig (Y)= 0.000, Beta(X_1)= 0.220, Beta(Y)=0.767
- Model Sumarry Table = ($R^2 = 0.966$).
- The amount of influence of X_1 and Y variables simultaneously towards Z variable can be examined by observing the value of R_{Square} in Model Summary table, where value of $R^2 = 0.966 = 96.6\%$, which means X_1 and Y variables simultaneously influence Z variable at 96.6% and the rest 3.4% is influenced by other variables out of this research. Meanwhile path coefficient value of other variables out of this research, which influence the variable is:

$$Z(\rho Z) = \sqrt{1-R^2} = \sqrt{1-0.966} = 0.1844$$

This effects the path diagram of Sub-structure 2 to be as follows:

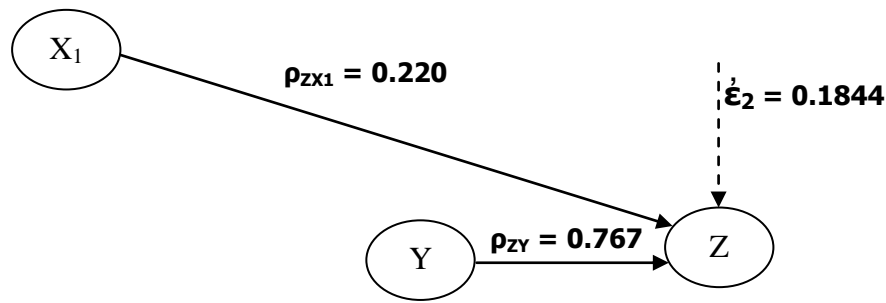


Figure 6. Empirical Causal Relationship Sub-Structure 2 Variable X_1 and Y towards Z

Based on the result of path coefficient at Sub-structure 1 and Sub-structure 2, then can be drawn a diagram that shows empirical causal relationship among variables of X_1 , X_2 , and Y toward Z as follows :

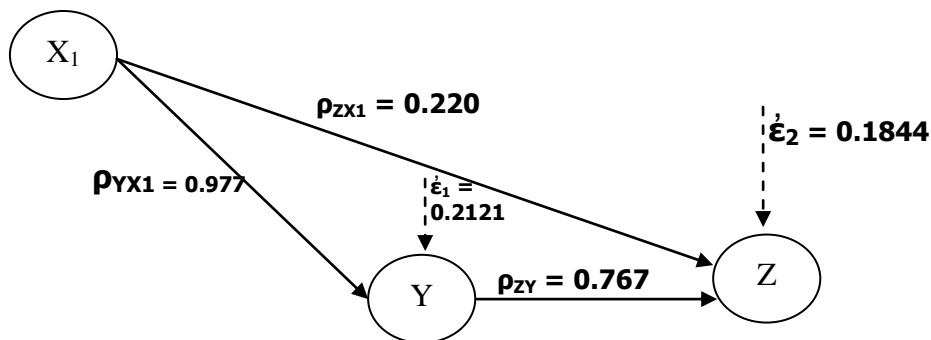


Figure 7. Empirical Causal Relationship of Variabels X_1 and Y toward Z

4.3. Discussion

As it has been explained before that the purposes of this research are to know the contributions effect of service quality and product quality simultaneously to the level of customer satisfaction and to find out the contributions effect of service quality, product quality, and customer satisfaction simultaneously toward brand image of Fried Chicken restaurant.

From the results that have been explained before the writers can show that service quality does not influence significantly to customer satisfaction and only product quality who contributes significantly to customer satisfaction, so the writers do not continue to test the result of service quality and product quality simultaneously to the level of customer satisfaction, and only test the effect of product quality to customer satisfaction by firstly trimming to exclude service quality and retest without this variable. The result of the test show that product quality influences customer satisfaction at 95.5% and the rest 4.5% is influenced by other variables out of this research.

Then, the writers try to find out the contributions effect of service quality, product quality, and customer satisfaction simultaneously toward brand image of Fried Chicken restaurant. But the test also shows that service quality does not influence significantly to brand image. So, the writers also do not continue to test the effect of the three variables simultaneously to brand image and only test the effect of product quality and customer satisfaction simultaneously to brand image by firstly trimming to exclude service quality and retest without this variable. The

result of the test show that product quality and customer satisfaction simultaneously influences brand image at 96.6% and the rest 3.4% is influenced by other variables out of this research.

Based on results and discussions, this research concludes five conclusions that supported by empirical research findings. Those conclusions are:

- a. Product Quality influences Customer Satisfaction at 95.5%. This means Product Quality gives a very strong and inline influence to Customer Satisfaction. So it is important to pay attention to indicators that can influence product quality as stated by Irawan before, they are performance, reliability, feature, durability, conformance, and design.
- b. Product Quality and Customer Satisfaction simultaneously influence Brand Image at 96.6%. This means Product Quality and Customer Satisfaction give a very strong and inline influence toward Brand Image.
- c. Product Quality of Fried Chicken restaurant must be maintained and improved from time to time since it is a major factor to customer satisfaction and brand image of this restaurant.
- d. Fried Chicken restaurant may provide training and development program to increase Service Quality of employees, since this factor less influence the customer satisfaction. Moreover Fried Chicken restaurant although sell product it is still in a service industry. Agus et al. (Haque et. al., 2010, p19) find out that there is a strong correlation between service quality dimensions, service performance and customer satisfaction. So, increasing Service Quality may result in better Customer Satisfaction, that may enhance Brand Image.
- e. Programs to increase Customer Satisfaction should be created since Customer Satisfaction has relationship with the Brand Image.

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