ANALYSIS ON THE INFLUENCE OF SERVICE QUALITY AND PRODUCT QUALITY TO CUSTOMER SATISFACTION AND ITS IMPACT TOWARDS BRAND IMAGE OF ”KD” FRIED CHICKEN RESTAURANT

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ABSTRACT

”KD” Fried Chicken is a restaurant which offers food and beverages with speciality in Kalasan fried chicken, restaurant is known as a highly competitive industry. Customer satisfaction is a very important issue in this industry. This study is aimed to analyze customer’s satisfaction in order to have loyal returning customers. Objectives of this study is to analyze the influence of service quality and product quality to customers’ satisfaction and its impacts towards ”KD” restaurant’s brand image.

Pearson correlation and Path Analysis is used in this study. Samples of study 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 study 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 ”KD” Fried Chicken restaurant, thus this study suggest the improvement of Service Quality towards the existing customers to achive
customers satisfaction and brand image, and give some other beneficial inputs to the restaurant which may be resulted in Customers’ Satisfaction and better Brand Image in the future.

**Key Words:** Service Quality, Product Quality, Customer Satisfaction, and Brand Image

**A. 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 grasp 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 research also study the impact of the qualities to brand image.

**B. Research Questions**

Research questions of this study are:

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

**C. Research Objectives**

The research objectives are:

- To know the contributions effect of service quality and product quality simultaneously to the level of customer satisfactions
• To find out the contributions effect of service quality, product quality, and customer satisfaction simultaneously toward brand image of KD Fried Chicken

D. Literature Review

1. Quality Product

Irawan (2002, p45-51) states that there are 6 dimensions of product quality that should be taken care by any producers that keep to focus on customer satisfaction. The dimensions are:

• Performance
• Reliability
• Feature
• Durability
• Conformance
• Design

2. Kualitas Pelayanan

Arief (2007, p125) explains the result of his research that there are ten criteria/dimensions to evaluate service quality, they are:

• Tangible
• Reliability
• Responsiveness
• Competency
• Courtesy
• Credibility
• Security
• Access
• Communication
• Understanding The Customer
3. Customer Satisfaction

Irawan (2002, p37-40) explain that the driving factors to customer satisfaction, they are:

- Product Quality
- Price
- Service Quality
- Emotional Factor
- Easiness

4. Brand Image

Ferrinadewi (2008, p165) 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
- Favorability, strength & uniqueness of brand association

D. Research Model

![Research Model Diagram]
E. Research Method

1. Study Design

Study is carried out in form of survey through questionnaires to obtain primary data. Type of study is associative, which supports to find out relationship between 2 variables or more. The unit analysis of this study are individual customers.

2. Variables of Study

a. Independent Variable 1

Product Quality is the independent variable which has indicators of Performance, Reliability, Feature, Durability, Conformance, and Design.

b. Independent Variable 2

Service Quality is another independent variable with indicators of Tangible, Reliability, Responsiveness, Competency, Courtesy, Credibility, Security, Access, Communication, Understanding The Customer.

c. Mediating Variable

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.

d. Dependent Variable

Brand Image is the dependent variable with indicators of Brand Association, Favorability, strength & uniqueness of brand association or positive attitude.

3. Measurement

Measurement Scale used in this study is Likert Scale which provides alternatives responses that can reduce reliability errors (Sugiyono, 2005)
4. **Hypotheses**

Ho = Variable \( X_1 \) dan \( X_2 \) have no contribution simultaneously and significantly to \( Y \)

Ha = Variabel \( X_1 \) dan \( X_2 \) have contribution simultaneously and significantly to \( Y \)

Basis of decision (level of confidence is 95%)

Sig > 0.05 means Ho is accepted

Sig < 0.05 means Ho is rejected

5. **Data Analysis Technique**

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

F. **Result**

This study involves the answer from 100 respondents of KD Fried Chiken customers.

1. **Validity Test**

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 \( r_{count} > r_{table} \) at 0.1654.
2. **Reliability Test**

Reliability test result shows each question is reliable since Cronbach Alpha value > \( r_{table} \) 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 can be used to measure real data (Sugiyono, 2009).

G. **Relationship, Influence and Contribution of Product Quality \((X_1)\), Service Quality \((X_2)\) to Customer Satisfaction \((Z)\)**

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 dan Engkos, 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 by using the formula as follow:
\[
NS = (\text{Density at Lower Limit}) - (\text{Density at Upper Limit})
\]
\[
\text{(Area Below Upper Limit)} - \text{(Area Below Upper Limit)}
\]
h) Determine transformation value by using formula: \( Y = NS + [1+|NS_{\text{mul}}|] \)

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

![Diagram](attachment:image.png)

**Figure 1 X₁, X₂, Y dan Z Complete Structure Relationship**

**In order to analize the path, the structure above is divided into two sub-structures.**

**In analysis on the influence of Product Quality (X₁) and Service Quality (X₂) to Customer satisfaction (Y) can be drawn as sub-structure 1, as follows:**
To explain the relationship of $X_1$ and $X_2$ to $Y$, the result of process using SPSS is as follows:

**Table 1 Coefficient**

<table>
<thead>
<tr>
<th>Coefficients$^a$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td>Product Q</td>
</tr>
<tr>
<td>Service Q</td>
</tr>
</tbody>
</table>


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. Theresult 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 $X_1$ simultaneously to variable $Y$ can be known by looking at the value of $R^2_{\text{Square}}$ 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 study that influence the variable value: ($Y (\rho Y) = \sqrt{1-R^2} = \sqrt{1-0.955} = 0.2121$). This meant changes in Sub-structure 1 path, and becomes following figure:

**Figure 3** Empirical Causal Relationship Sub-Structure 1 Variable $X_1$ to $Y$

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

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

**Figure 4:** Sub-Struktur 2
To examine the relationship of $X_1$ and $X_2$, and $Y$ towards $Z$ can be assisted using SPSS program, which results:

**Table 2 Coefficient**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-.081</td>
<td>.077</td>
<td>-1.054</td>
<td>.295</td>
</tr>
<tr>
<td></td>
<td>Product Q</td>
<td>.825</td>
<td>.240</td>
<td>.779</td>
</tr>
<tr>
<td></td>
<td>Service Q</td>
<td>-.569</td>
<td>.214</td>
<td>-.522</td>
</tr>
<tr>
<td></td>
<td>Cust. Satisf.</td>
<td>.745</td>
<td>.089</td>
<td>.727</td>
</tr>
<tr>
<td>a. Dependent Variable: BrandImage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 Summary Table = ($R^2$ = 0.966).

The amount of influence of $X_1$ dan $Y$ 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 $X_1$ dan $Y$ variables influence $Z$ variable at 96.6\% and the rest 3.4\% is influenced by other variables out of this study. Meanwhile path coefficient value of other variables out of this study, 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:

![Path Diagram Sub-structure 2](image)

Figure 5 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:

![Path Diagram Sub-structure 1 and Y to Z](image)

Figure 6 Empirical Causal Relationship of Variables $X_1$ and $Y$ toward $Z$

I. Conclusion

- Product Quality influences Customer Satisfaction at 95.5%. This means Product Quality gives a very strong and inline influence to Customer Satisfaction.
- Product Quality and Customer Satisfaction influence Brand Image at 96.6%. This means Product Quality and Customer Satisfaction give a very strong and inline influence toward Brand Image.
J. Discussion

• Product Quality of KD Fried Chiken must be maintained and improved from time to time since it is a major factor to customer satisfaction and brand image of this restaurant.

• KD Fried Chiken may provide training and development program to increase Service Quality of employees, since this factor less influence the customer satisfaction. Moreover KD Fried Chicken although sell product it is still in a service industry. Increasing Service Quality may result in better Customer Satisfaction, that may enhance Brand Image.

• Programs to increase Customer Satisfaction should be created since Customer Satisfaction has relationship with the Brand Image.

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