INFLUENCE OF SERVICE QUALITY AND BRAND IMAGE ON CUSTOMER LOYALTY WITH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE

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Abstract

Background : Along with the progress of civilization, human life and culture as well as the development of globalization, there has been a shift in cultural values from social society to tend to be more individual. Busyness and high mobility make urban people need a place to unwind after doing their daily routines. **Method :** The method of data analysis used multiple regression analysis and path analysis with the SPSS 21 application. **Result :** The results showed that : 1) partially, there is no positive and significant influence between Service Quality on Customer Satisfaction. 2) There is no positive and significant influence between Brand Image and Consumer Satisfaction. 3) There is no positive and significant influence between customer satisfaction on customer loyalty. 4) There is a positive and significant influence between Service Quality on customer Loyalty. 5) There is a positive and significant influence between Brand Image and Customer Loyalty. **Conclusion :** There is a positive and significant effect of Service Quality on customer satisfaction of 0.251 with a significant level (0.066>0.05)..

Keywords: Service Quality, Brand Image, Customer Loyalty and Customer Satisfaction

INTRODUCTION

Along with the progress of civilization, human life and culture as well as the development of globalization, there has been a shift in cultural values from social society to tend to be more individual(Masdupi et al., 2018). Busyness and high mobility make urban people need a place to unwind after doing their daily routines. Activities carried out to relieve fatigue are usually by relaxing eating, drinking, listening to music or just gathering and chatting with relatives or friends in the community(Amalia, 2021). Seizing this opportunity and the shift in people's lifestyles that have become part of the necessities of life, Kupi Batigo is one of the new players in the cafe business in Padang, which is located at Jln. Rimbo Kluang No. 7, Gor H. Salim Complex, Padang City. This cafe, which is open every day from 08.00 WIB to 00.00 WIB, is a cafe that prioritizes the concept of running its business. to pay attention to customer satisfaction in order to survive and thrive in the industry(Luthfiah & Suherman, 2018). Kupi Batigo's presence is considered the most appropriate for the current urban trend and lifestyle, a comfortable café atmosphere, quality menu choices, affordable prices and attractive facilities are certainly the reasons for people to choose Kupi Batigo a place to refresh, hang out. , and get together with friends or relatives(Izzalqurny et al., 2019).

Service quality will encourage the realization of customer satisfaction (as internal customers). Employee satisfaction will encourage the growth of loyalty to the organization(Kadim et al., 2020). Furthermore, employee loyalty will lead to increased productivity. Productivity will create value for external services. Customer satisfaction is one of the determinants of customer loyalty, if customer loyalty is formed, the profitability and growth of company revenues will be guaranteed to increase so that production activities become continuous and consistent with the goal of service quality(Michael, 2019). One of the important marketing decisions in product strategy is the decision about the brand. If a brand is able to meet consumer expectations or even exceed consumer expectations and provide quality assurance on every occasion of its use, and the brand is produced by a reputable company, then consumers will be more confident in their choice and consumers will have confidence in the brand, like the brand, and consider the brand as a part of themselves. The use of customer loyalty is caused by the long-term effect of loyalty itself, with the hope that customers will continue to use the product continuously and repeatedly. Based on the benefits of customer loyalty, companies must develop how to provide good service in terms of quality and how to satisfy their customers. Service quality is an important factor in getting customer loyalty(Fadah et al., 2020).
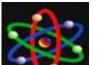
Defines service quality as a dynamic condition related to service products, people, processes and the environment that are able to meet and or exceed consumer expectations. Good service quality will give the company a competitive advantage in the same product or service(Chinedu Innocent et al., 2013).

Loyalty is a continuation of customer satisfaction. When the customer is satisfied, he will continue to buy the product regardless of the price offered by

the company and the products offered by competitors. Thus, customer loyalty can provide benefits for the company where the company does not need to add promotional costs to add new customers. (Widiaswara 2017:2).

Service quality and customer satisfaction are both closely related. Quality provides an impetus for customers to establish strong bonds with the company, this kind of bond in the long term allows companies to understand carefully customer expectations and their needs, thus the company can increase customer satisfaction where the company maximizes a pleasant customer experience and minimizes or eliminate unpleasant customer experiences. Customer satisfaction is determined by the quality of service desired by the customer, so that quality assurance becomes the main priority for the company itself (Toly et al., 2020).

RESEARCH METHODS

The method used in explaining the influence between the independent variables (Service Quality, Brand Image and Customer Satisfaction) and the dependent variable (Customer Loyalty) uses multiple regression analysis, the analysis used to determine the influence between the independent variables (Service Quality, Brand Image and Customer Satisfaction).) with the dependent variable (Customer Loyalty).
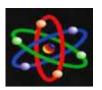
The mathematical formula of multiple regression used in this study is:

Model 1: $Z = a + b_1 X_1 + b_2 X_2 + e$

Model 2: $Y = a + b_3 X_1 + b_4 X_2 + b_5 Z + e$

Information :

Y = Customer Loyalty

Z = Customer Satisfaction

a = constant

b1 = Regression coefficient between Service Quality and Customer Satisfaction

b2 = Regression coefficient between Brand image and Customer Satisfaction

b3 = Regression coefficient between Service Quality and Customer Loyalty

b4 = Regression coefficient between Brand Image and Customer Loyalty

X1 = Service Quality

X2 = Brand Image

e = standard error

RESULTS AND DISCUSSION

To determine the effect of Service Quality and Brand Image on Customer Satisfaction, multiple linear regression analysis is used, where the independent variables are Service Quality (X1) and Brand Image (X2) and the dependent variable is Customer Satisfaction (Z).

	Coefficients[a]				
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	25.670	3.147		8.157	.000
X1	.214	.115	.251	1.856	.066

X2	.001	.115	.001	.004	.997

a. Dependent Variable: Z1

Table 1. Multiple Linear Regression Test Results

1. The constant value is 25,670: it means that if Service Quality (X1) and Brand Image (X2) are ignored (0), then Customer Satisfaction (Z) value is 25,670 units of weight.
2. The regression coefficient of the Service Quality variable is 0.214 if the Service Quality is increased by one unit of weight with the assumption that the Brand Image (X2) is omitted or has a value of 0 then there will be an increase in Customer Satisfaction (Z) of 0.001.

Regression coefficient of Brand Image variable is 0.001 if Brenad Image is increased by one unit weight with the assumption that Service Quality (X1) is omitted or is 0, then there will be an increase in Customer Satisfaction (Z) of 0.001.

To determine the effect of Service Quality, Brand Image and Customer Satisfaction on Customer Loyalty, multiple linear regression analysis is used, then multiple linear regression analysis is used, where the independent variables are Service Quality (X1), Brand Image (X2) and Customer Satisfaction (Z). and the dependent variable is Customer Loyalty (Y). The following regression test was carried out.

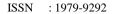| **Coefficients**[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	25.670	3.147		8.157	.000
1 X1	.214	.115	.251	1.856	.066
X2	.001	.115	.001	.004	.997

a. Dependent Variable: Z1

Table 2. Multiple Linear Regression Test Results

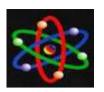Based on the table above, it can be seen that the regression equation is:

$$Y = 31.036 + -0.393 X_1 + 0.338 X_2 + 0.301 Z + e$$

1. The constant value is 31,036: meaning that if Service Quality (X1), Brand Image (X2) and Customer Satisfaction (Z) are ignored (0), Customer Loyalty (Y) the value is 31,036 units of weight.
2. The regression coefficient of the Service Quality variable is -0.393 if Service Quality is increased by one unit of weight with the assumption that Brand Image (X2) and Customer Satisfaction (Z) are eliminated or are 0 then it will experience a decrease in Customer Loyalty (Y) by -0.393
3. The regression coefficient of the Brand Image variable is 0.338 if the Brand Image is increased by one unit of weight with the assumption that Service Quality (X1) and Customer Satisfaction (Z) are omitted or are 0 then there will be an increase in Customer Loyalty (Y) of 0.338
4. The regression coefficient of the Customer Satisfaction variable is 0.301 if Customer Satisfaction is increased by one unit of weight with the assumption that Service Quality (X1) and Brand Image (X2) are omitted or has a value of 0 then

there will be an increase in Customer Loyalty (Y) of 0.301

The test results with SPSS obtained t-count for the variable Quality of Service (X1) -0.712, which is greater than t-table 1.985. By using a significant limit of 0.05, the significance value of Service Quality (X1) is 0.478, then Ho is rejected and Ha is accepted. Thus, the first hypothesis is accepted. Test results with SPSS obtained t-count for the variable Product Quality (X2) 1.221 is greater than t-table 1.985. By using a significant limit of 0.05, the significance value of Product Quality (X2) is 0.225, then Ho is rejected and Ha is accepted. Thus, the second hypothesis is accepted. The results of testing with SPSS obtained t-count for the variable Customer Satisfaction (Z) 0.771 is greater than t-table 1.985. By using a significant limit of 0.05, the significance value of Customer Satisfaction (Z) is 0.442, then Ho is rejected and Ha is accepted. Thus, the third hypothesis is accepted.

ANOVA[a]					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	85.784	2	42.892	3.280	.042[b]
Residual	1268.326	97	13.076		
Total	1354.110	99			

a. Dependent Variable: Z1

b. Predictors: (Constant), X2, X1

Table 3. Hypothesis Testing All Variables Simultaneously

Testing the effect of independent variables together on the dependent variable was carried out using the F test. The results of statistical calculations showed the value of Fcount = 3.280 greater than Ftable 3.09

with a significance of 0.042 <0.05. This means that together Service Quality (X1) and Brand Image (X2) have a positive and significant influence on Consumer Satisfaction (Z).

ANOVA[a]					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	244.244	3	81.415	3.279	.004[b]
Residual	3429.066	96	35.719		
Total	3673.310	99			

a. Dependent Variable: Y1

b. Predictors: (Constant), Z1, X2, X1

Table 4. Hypothesis Testing All Variables Simultaneously

Testing the effect of independent variables together on the dependent variable was carried out using the F test. The results of statistical calculations showed the value of Fcount = 3.279 which was greater than Ftable 2.70 with a significance of 0.004 > 0.05. This means that together Service Quality (X1) and Brand Image (X2) have a positive and significant influence on Consumer Satisfaction (Z). Service Quality (X1), Brand Image (X2) and Consumer Satisfaction (Z) on Customer Loyalty (Y).

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.252[a]	.63	.44	3.616

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Z1

Table 5. Coefficient of Determination of Service Quality Variables (X1) and Barand Image (X2) and Customer Satisfaction (Z)

Based on the table above, the R Square number is 0.63 or 63%, this shows that the percentage of the contribution of the independent variable Service Quality (X1) and Brand Image (X2) to the dependent variable Customer satisfaction (Z) is 0.44 or 44% . While the rest is 0.66 or 66% influenced by other variables outside of this study.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.258[a]	.66	.37	5.97657

a. Predictors: (Constant), Z1, X2, X1

b. Dependent Variable: Y1

Table . Coefficient of Determination of Service Quality Variables (X1), Brand Image (X2), Customer Satisfaction (Z) and Customer Loyalty (Y)

Based on the table above, the R Square number is 0.66 or 66%, this shows that the percentage of the contribution of the independent variables of Service Quality (X1), Brand Image (X2) and Customer Satisfaction (Z) to the dependent variable Customer Loyalty (Y) is equal to 0.37 or 37%. While the rest is 0.63 or 63% influenced by other variables outside this study.

CONCLUSION

From the results of the study entitled The Effect of Service Quality and Brand Image on Customer Loyalty with Customer Satisfaction as an Intervening Variable for Kupi Batigo Customers, Gor H. Agus Salim Padang Complex, it can be concluded as follows:

There is a positive and significant effect of Service Quality on customer satisfaction of 0.251 with a significant level (0.066>0.05). There is a positive and significant effect of Brand Image on customer satisfaction of 0.001 with a significant level (0.997>0.05). There is a positive and significant effect of Service Quality on Loyalty of -0.279 with a significant level (0.045 <0.05).There is a positive and significant effect of Brand Image on Customer Loyalty of 0.241 with a significant level (0.079 <0.05). There is a positive and significant effect of customer satisfaction on customer loyalty of 0.183 with a significant level (0.076 <0.05). Brand image has an indirect relationship to brand switching through consumer satisfaction of (0.251 x 0.183 = 0.046). Product quality has an indirect relationship to brand switching through consumer satisfaction of (0.001 x 0.183 = 0.001).

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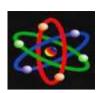
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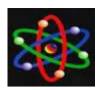
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