# THE EFFECT OF SERVICE, PRODUCT QUALITY, AND PERCEIVED VALUE ON CUSTOMER PURCHASE INTENTION AND SATISFACTION

Dodi Iskandar<sup>\*)1</sup>, Rita Nurmalina<sup>\*\*)</sup>, and Etty Riani<sup>\*\*\*)</sup>

\*) PT Asuransi Multi Artha Guna, Tbk

Bank Panin Building Lt. 2, Jl. Pakuan No. 14 Baranangsiang, Bogor 16143 \*\*) Department of Agribusiness, Faculty of Economics and Management, Bogor Agricultural University Jl. Kamper, Wing 4 Level 5 Campus IPB Darmaga, Bogor 16680 \*\*\*) Department of Water Resource Management, Faculty of Fisheries and Marine Sciences, Bogor Agricultural University

Jl. Agatis Campus IPB, Level 3 Wing 7, Bogor 16680

## ABSTRACT

The research was conducted at Kedai Sop Durian Lodaya (KSDL) in Bogor on February 2015. The research objectives were 1) to identify the characteristics of KSDL consumer's behavior, 2) to analyze the factors influencing the consumer satisfaction and purchase intention of KSDL's consumers, 3) to analyze KSDL's consumer satisfaction level and purchase intention, 4) to formulate the managerial implications in order to increase consumer satisfaction and KSDL's purchase intention. The research was conducted by using descriptive methods through case study approach. Data was collected through questionnaires with non-probability sampling technique, using convenience sampling technique. Data was analyzed by using Structural Equation Modeling (SEM). The result shows that all of the satisfaction component variabels have significantly influenced consumer satisfaction and purchase intention. In sequence, the variables having the highest influence to the lowest influence are product quality, responsiveness, assurance, empathy, reliability, tangibility, and perceived value.

*Keywords: consumer satisfaction, service quality, product quality, purchase intention, SEM, kedai sop durian lodaya (KSDL)* 

#### ABSTRAK

Penelitian dilakukan di Kedai Sop Durian Lodaya (KSDL) di Bogor pada bulan Februari 2015. Tujuan dari penelitian ini adalah 1) mengidentifikasi karakteristik perilaku konsumen di KSDL, 2) menganalisis faktor-faktor yang mempengaruhi kepuasan dan purchase intention pada konsumen di KSDL, 3) menganalisis tingkat kepuasan dan purchase intention konsumen di KSDL, 4) merumuskan implikasi manajerial untuk meningkatkan kepuasan konsumen serta menimbulkan purchase intention konsumen di KSDL. Penelitian ini dilakukan dengan metode deskriptif melalui pendekatan studi kasus. Pengumpulan data dilakukan melalui pengisian kuesioner dengan teknik nonprobability sampling menggunakan metode convenience sampling. Data dianalisis dengan menggunakan structural equation modeling. Hasil analisis Structural Equation Modeling (SEM) menunjukkan bahwa semua variabel penyusun kepuasan berpengaruh signifikan terhadap kepuasan konsumen dan purchase intention. Secara berurutan pengaruh dari yang paling besar sampai yang terkecil adalah product quality, responsiveness, assurance, emphaty, reliability, tangible, dan perceived value.

Kata kunci: kepuasan konsumen, service quality, product quality, purchase intention, SEM,kedai sop durian lodaya (KSDL)

<sup>1</sup>Corresponding author: Email: dodi\_mma@yahoo.co.id

# INTRODUCTION

It is not hard to find durians in Indonesia. Because of its characteristics and easy growth in various kinds of environment, durians spread almost in all regions in Indonesia. However, the quality is different from one region to another (Rukmana, 1996). That is caused by the variation of soil nutrients in each regions. The level of durian consumption in Indonesia ranges from 1.5 kg to 2 kg per capita per year, or 3.75% to 5% of total volume of fruit consumption reaching about 40 kg per capita per year. BPS data in 2011 showed that during the period of 2002 to 2010, consumption of durian in Indonesia had increased more than 25.53% each year. In 2011, the consumption decreased by 66.67% compared to the previous year. Moreover, it had been predicted that from 2012 to 2013 the national durian consumption would fluctuate or even decline.

In order to get customer interest in consuming durians, we need to do some innovations and development to the products. One of the efforts that may be able to achieve this is diversification of refined products which is made from durian. Nowadays, we can easily find various durian's products, for instance durian surabi, durian ice, durian candy, durian bajigur, and the last is durian soup which is very popular recently. The lovers of durian soup varies from children to adults. Therefore, this business is quite promising in many regions in Indonesia, including Bogor. There are several durian soup outlets in Bogor like Sop Durian Lodaya, Sop Durian Rancamaya, Durian Medan Rafi, and Sop Durian Tegallega. It is not only sold by the durian soup outlet, but also by other food outlets. Moreover, this condition give effects on the tight competition among the durian soup owners.

Competition will encourage businessmen to do better, making them different from the others, and have special attraction. Therefore, it needs an appropriate marketing mix, so that the products can be accepted by customers. According to Kotler and Armstrong (1997) marketing mix is a set of tactical marketing tools that can be controlled (product, price, distribution, and promotion) and combined by the company to produce desired response in target market. Furthermore, if it is controlled properly, it will have an impact on business development, while distribution channels needs an effective way in order to make sure that resulted product will be well received by customers. This also can become a standard that manufacturer has already well serviced to customers. Product and quality service not only become the company's goals but also consumer's desires. Therefore, it encourages the company to improve competitiveness in terms of service to consumers by searching for the best marketing strategy.

Both product quality and service quality will make consumers loyal, so that the company can understand the needs and expectations of customers and will have an impact on consumer satisfaction, which is the most critical factor in marketing priority because it will cause consumers to revisit. In addition, it can also provide positive issues about the company, and indirectly will advertise the company's products. Therefore, the overall value of a cafe service is built by tangible aspects (food and physical facilities) and intangible aspects (employee and customer interaction). This is in accordance with the opinion of Ryu and Han (2012) stating that the right combination of tangible and intangible aspects will produce the perception of good quality service and lead to consumer satisfaction.

Superior service will lead to customer satisfaction and loyalty that eventually will bring a protection of company's sales and profits. In contrast, poor service will lead to consumer dissatisfaction, so that the consumer will not only revisit, but also ask other consumers to visit other cafes (Gilbert et al., 2004; Reichheld and Sasser, 1990; Berry and Parasuraman, 1991; Bowen and Chen, 2001). Basically, the costs to get new customers is greater than to maintain existing customers (Szmigin and Bourne 1998; Berry and Parasuraman, 1991). Therefore, it is very important for a company to understand the specific needs of consumers and be able to tackle the problems.

Some of the variables are studied to determine their effects on customer satisfaction, so that it can be known which variables need to be developed in order to improve customer satisfaction. Qin and Prybutok (2009) examined the aspects affecting the customer satisfaction in fast-food restaurants, the results showed that food quality, perceived value and service quality influenced the consumer satisfaction. While, Saidani's research (2012) also showed that the quality of products and services affected the customer satisfaction. Another factor that is able to create a customer satisfaction and loyalty is affordable products price. This is in accordance with the research conducted by Consuegra et al. (2007) that says the first thing needs to be considered in connecting between service price and loyalty is price fairness and price acceptance, so that the perceived value is in accordance with customer expectations. Based on the results of research conducted by Virlaite et al. (2009), it can be proved that there is a close relationship between the price fairness and consumer loyalty. Chiao and Bei (2001) also found similar results, that is the perception of price fairness has a positive relationship both directly and indirectly (through customer satisfaction to consumer loyalty).

There is a view that consumers who are satisfied with the products and services provided are expected to re-purchase (purchase intention), try other products or services offered by the company, recommend the strength of products and services to others (positive word of mouth), and tend to be loyal to the company (Anderson et al., 1994; Andreassen and Lindestad, 1998; Naser et al., 1999). This has already been proved on Cow Head Meatballs product (Hutama, 2013), Rice Bebel Ginyo (Adiningsih, 2013), fast food (Qin and Prybutok, 2008). Based on the results of various studies, there are several factors affecting the restaurant customer satisfaction, namely the types of restaurants and consumer characteristics.

The famous durian soup stall in Bogor is Kedai Sop Durian Lodaya (KSDL), located at Jl. Bangbarung, Bogor Municipality. The menu is not only durian ice, but also other menus such as a combination of green bean, durian soup and black rice, durian soup with brownies and strawberry, durian cendol ice, durian green bean porridge, and many more. The intense of competition in the field of culinary durian soup in Bogor motivates the owner of KSDL to create the stalls that become more convenient, not only a place to drink durian soup, but also a place to socialize among customers from different social levels. The opening of new branches has also been done by the owner of KSDL and now there are six branches in Bogor (Bangbarung street, Lodaya street, Pahlawan street, Siliwangi street, Gadog street, Ciomas street) and other branches located in Depok, Bekasi, Jakarta and Yogyakarta.

According to the interviews with the management of KSDL, it is known that the consumer segments of KSDL consists of students, and employees whose age ranges between 15 and 30 years. The segmentation is decided by identifying the population of Bogor Municipality. Based on Central Statistics Agency (BPS, 2013), in 2012, population in Bogor was dominated by people

whose age ranges between 15 and 30 years, accounted for 271.580 inhabitants. An interviewee also states that the majority of consumer complaints are variation of menu, parking space, and the seats availability. Those are strengthened by the research conducted by Ramadhani in (2014), that regarding to quality services in soup durian stall XYZ, the most influential indicator in tangible variables was the availability of seats. Other results showed that the most influential indicator in product quality variable is variation of menu. Besides, the research related to particular topic has not been done in KSDL, so that in order to verify the validity of these problems, researchers need to conduct research on "The Effects of Service, Product Quality and Perceived Value on Consumer Satisfaction and Purchase Intention at Kedai Sop Durian Lodaya Bogor". The research scope is limited to KSDL consumers who have purchased the products in Bogor at least once within the last month. The research was conducted in KSDL located at Bangbarung Raya Street.

The analyses results on the level of satisfaction and purchase intention eventually will be able to give some reccomendations for managerial implications that can be applied on KSDL in order to increase consumer satisfaction, especially on the factors considered to be very important for consumers. Therefore, the identification of problems in this research are : 1) what the characteristics and behavior of consumers in KSDL look like, 2) what kind of factors influence the customer satisfaction and purchase intention in KSDL, 3) how big the level of customer satisfaction and purchase intention in KSDL is, and 4) what kind of managerial implications can be given to KSDL to improve customer satisfaction and lead to purchase intention on customer.

The research objectives are 1) to identify the characteristics of KSDL consumer's behavior, 2) to analyze the factors influencing the consumer satisfaction and purchase intention of KSDL's consumers, 3) to analyze KSDL's consumer satisfaction level and purchase intention, and 4) to formulate the managerial implications in order to increase consumer satisfaction and raise KSDL's purchase intention.

## **METHODS**

The research was conducted by using descriptive method through case study approach. Research

was carried out by field observation to analyze the company's operations, particularly in services quality, products, data collection, problems identification, alternatives and problem solving, as well as strategy and recommendations generated in terms of development and improvement in the future. Data was collected by distributing the questionnaires to 140 respondents using convenience sampling technique. The type of answer in questionnaire distributed to respondents is Likert scale with 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. The variables used in this research is exogenous latent variabel (X) and endogenous variables (Y). Exogenous latent variables consist of 28 indicators, whereas endogenous variables consist of five indicators. Strutural model in the research, as follows:

$$Y_{1} = X_{1i\,\alpha 1} + X_{2i\alpha 2} + X_{3i\alpha 3} + X_{4i\alpha 4} + X_{5i\alpha 5} + X_{6i\,\alpha 6} + X_{7i\alpha 7} + \zeta$$

Satisfaction = content amount of tangibility + content amount of reliability + content amount of responsiveness + content amount of assurance +

content amount of empathy + content amount of quality + content amount of percieved value + level of error. Specification:

- Yi : dependent variable consumer satisfaction to - i; i: 1,2,3,4,5, ....
- $X_{1i}$  : indicator independent variable (1)
- $\alpha_1 \quad : \quad \text{the amount of indicator independent variable} \\
  (1)$
- $\zeta$  : error level that occurs in the calculation of the variable Yi

Satisfaction level variable  $(\eta)$  is measured through the components:

- Y1 : Satisfied with durian soup served by KSDL
- Y2 : Satisfied with the services provided by KSDL
- Y3 : Satisfied with the facilities provided KSDL
- Y4 : Want to return to KSDL
- Y5 : Recommend KSDL to others

Conceptual framework of this research can be seen in Figure 1.

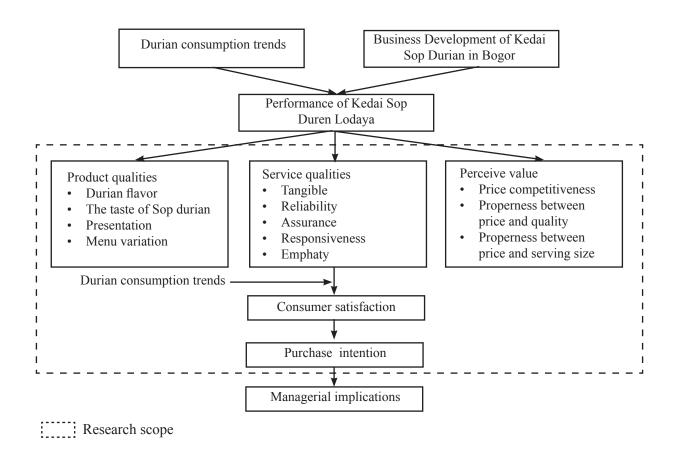


Figure 1. Conceptual framework of the research

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Method used to process data is Structural Equation Modeling (SEM) by using a software (LISREL) version 8.70. KSDL consumer satisfaction level can be seen through customer satisfaction index or the Customer Satisfaction Index (CSI) with the weight of each indicator. This method uses software (SPSS) version 21.

#### RESULTS

#### **Demography based on Respondent Characteristics**

The results show that the majority of KSDL consumers are females whose age group ranges between 20 and 30 years old, and those who are less than 20 years old, and their occupation is private employees. The average monthly income of the group is between IDR 2.000.000 and IDR3.000.000 with average monthly expenditure between IDR1.000.000 and IDR2.000.000. Most of KSDL consumers spend IDR50.000 to IDR75.000, in average visiting time just less than 60 minutes.

#### Validity and Reliability Test

According to Ghozali (2001), a questionnaire is considered valid if the questions are able to reveal things measured. Test of validity is done by using SPSS 21.0. The result of validity test is shown in Table 1. The tools is considered reliable if, when it is used many times in relatively similar conditions, it will generate the same data or slight variations (Supranto, 1999). The reliability level of research variables can be seen from the statistic Cronbach Alpha ( $\alpha$ ). A variable is reliable if the value of Cronbach Alpha > 0,7. The result shows that the questionnaire has met the standard in its validity and reliability in 95% of significance level, with the value of statistical significance = 0,000 and the value of Cronbach Alpha for 0,984 (cut-off value = 0,7).

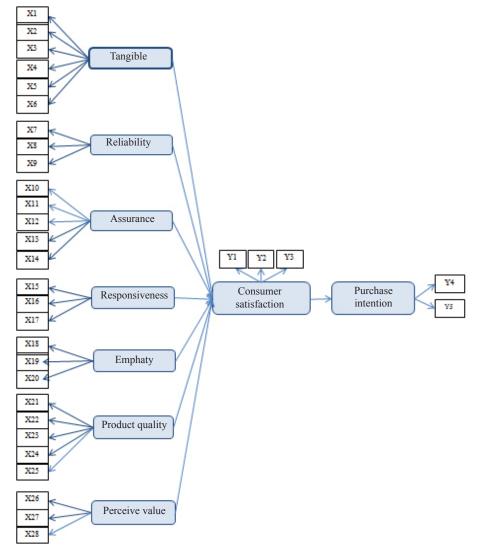


Figure 2. Structural model of consumer satisfaction

## Table 1. Validity Test

| Variables  | Scale mean if item deleted | Scale variance if item deleted | Corrected item-<br>total correlation |
|--|----------------------------|--------------------------------|--------------------------------------|
| Tangible   |                            |                                |                                      |
| X1. Shop cleanliness   | 111,8                      | 426,5                          | 0,79                                 |
| X2. Employee's appearance                                    | 111,9                      | 424,4                          | 0,84                                 |
| X3. Seat availability  | 112,6                      | 417,6                          | 0,70                                 |
| X4. Availability of parking lot                              | 113,4                      | 421,9                          | 0,62                                 |
| X5. Interior design and interesting accessories              | 112,1                      | 425,2                          | 0,72                                 |
| X6. Interesting menu list design                             | 111,9                      | 423,0                          | 0,80                                 |
| Reliability  |                            |                                |                                      |
| X7. Accuracy of services                                     | 112,1                      | 420,0                          | 0,83                                 |
| X8. Accuracy in calculating the number of transactions       | 112,0                      | 420,2                          | 0,83                                 |
| X9. Ease of payment method                                   | 111,9                      | 424,1                          | 0,82                                 |
| Assurance  |                            |                                |                                      |
| X10. Employee's competence in the field of services          | 112,0                      | 419,7                          | 0,88                                 |
| X11. Employee response in presenting orders                  | 112,3                      | 417,7                          | 0,88                                 |
| X12. Menu information and the prices are easy to understand  | 111,8                      | 422,2                          | 0,86                                 |
| X13. Employees friendliness in service                       | 112,0                      | 417,8                          | 0,88                                 |
| X14. Employees courtesy in service                           | 111,9                      | 420,1                          | 0,85                                 |
| Responsiveness   |                            |                                |                                      |
| X15. The ability of employees in responsing the complaints   | 112,3                      | 421,0                          | 0,87                                 |
| X16. The willingness of employees to help consumers          | 112,1                      | 420,1                          | 0,90                                 |
| X17. The ability of employees in solving consumer complaints | 112,1                      | 419,3                          | 0,89                                 |
| Emphaty  |                            |                                |                                      |
| X18. Concern for complaints                                  | 112,1                      | 426,7                          | 0,81                                 |
| X19. Concerning of consumers needs                           | 112,1                      | 424,3                          | 0,81                                 |
| X20. Employee's response to apologize when there is an error | 112,2                      | 420,4                          | 0,86                                 |
| Product Quality  |                            |                                |                                      |
| X21. Durian aroma fitting                                    | 111,7                      | 419,3                          | 0,88                                 |
| X22. Durian flavor consistent freshness                      | 111,7                      | 415,2                          | 0,91                                 |
| X23. The tasty combination of durian soup flavors            | 111,6                      | 421,4                          | 0,87                                 |
| X24. The appropriate combination of durian                   | 111,7                      | 414,6                          | 0,90                                 |
| X25. The variety of durian soup menu                         | 111,6                      | 416,8                          | 0,88                                 |
| Perceived Value  |                            |                                |                                      |
| X26. Competitive price                                       | 112,1                      | 431,1                          | 0,44                                 |
| X27. Suitability of price with quality                       | 112,1                      | 433,2                          | 0,42                                 |
| X28. Suitability of serving size with price                  | 112,1                      | 435,7                          | 0,36                                 |
| Consumers Satisfaction                                       |                            |                                |                                      |
| Y1. Satisfied with durian soup served                        | 111,7                      | 420,6                          | 0,90                                 |
| Y2. Satisfied with the services provided                     | 111,9                      | 418,7                          | 0,90                                 |
| Y3. Satisfied with the facilities provided                   | 112,2                      | 417,6                          | 0,89                                 |
| Purchase Intentions  |                            |                                |                                      |
| Y4. The desire to repurchase                                 | 111,7                      | 418,7                          | 0,91                                 |
| Y5. Recommend KSDL to others                                 | 111,7                      | 417,5                          | 0,92                                 |

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The test of significance uses a significance level of 0,05 or 95% of confidence level. Therefore, the T value of each structural equation coefficients must be greater than 1,96. T-test value smaller than 1,96 indicates the insignificant relationship and cannot explain the latent variables that are intended by the arrows. The influences between variables can be seen by the loading factor value or load factor from SEM analysis. The value of latent variables load factor having positive values will contribute positively to customer satisfaction. This has linear relationship, meaning that the greater the value of loading factor or load factor, the greater the influence on customer satisfaction. Recapitulation of SEM processing results can be seen in Table 2.

## **Contributions of Service Quality, Product Quality and Perceived Value Variables on Customer Satisfaction**

The dimension of service quality consists of tangibility, reliability, assurance, responsiveness, and empathy variables. The analysis shows that the overall indicator on exogenous latent variable has T- value greater than the critical value (critical value = 1,96 for alpha = 5 %). This means that all exogenous latent variables significantly affect the customer satisfaction. The detailed results can be seen in Table 3. SEM analysis results show that all satisfaction constituent variables significantly influence the customer satisfaction. In sequence, the variables having the highest influence to the lowest influence are product quality, responsiveness, assurance, empathy, reliability, tangibility, and perceived value. The results of calculations can be seen in Figure 3.

## **Indicator Contributions on Product Quality**

The T-count value of all indicators forming the quality of products is above 1,96. This means that all the indicators have a significant influence on shaping the quality of products. Indicators of the variety of durian soup menu (X25) has the highest contribution because of the highest value of loading factor (0,95) and the T-count value equal to 36,40. This means that the variety of menu (X25) has the strongest influence in shaping the variable quality of products. Indicators having the smallest contribution are tasty combination of durian soup flavors (X23) with load factor value of 0,91 and T-count value accounted for 35,23. This means that the indicator has the smallest effect on shaping the quality of products.

#### **Indicator Contributions on Responsiveness**

All of the indicators forming the variable of responsiveness have the T-count value above 1,.96 meaning that the entire indicators have significant influence on shaping the variable. Indicator of variables having the greatest contribution is the ability of employees in solving consumer complaints (X17) with value of load factor is 0,94 and T-count value of 24,68. Indicator willingness of employees to help consumers has the lowest contribution (X16) with load factor of 0,92 and the T-count value equal to 27,40.

## **Indicator Contributions on Assurance**

All of the indicators forming the variable of assurance have the T-count value above 1,96. It means that the entire indicators have significant influence on shaping the variable. Indicator of menu information and prices that are easy to understand (X12) have the biggest load factor value of 0,93 with the T-count value of 32,0. Indicators of employee's response in presenting order (X11) have the smallest contribution to the assurance variable, with load factor of 0,85 and T-count value equal to 16,67

## **Indicator Contributions on Emphaty**

All of the indicators forming the variable of empathy have T-count value above 1,96, meaning that the entire indicators have significant influence on shaping the empathy. Indicator having the highest contribution is employee's response to apologize when there is an error (X20). The load factor value of this indicator is 0,99 and the T-count value of 31,04. The lowest contribution indicator is concerned with complaints (X18) with a load factor of 0,88 and the T-count value of 17,82.

## Indicator Contributions on Reliability

All of the indicators have the T-count value greater than 1,.96, meaning that all variables forming the variable of reliability have significant influence on shaping the consumer satisfaction. The most influencing indicators on consumer satisfaction is accuracy in calculating the number of transactions (X8) with a load factor value of 0,94 and the T-count value of 20,19. The least influencing indicator is the accuracy of services (X7) with load factor of 0,88 and T-count value of 28,4.

## Table 2. Results of SEM processing

| Variables  | Loading factor<br>(lambda) | The value of t | Significance |
|--|----------------------------|----------------|--------------|
| Tangible   |                            |                |              |
| X1. Shop cleanliness   | 0,98                       | 22,08          | Significant  |
| X2. Employee's appearance                                    | 0,97                       | 23,36          | Significant  |
| X3. Seat availability  | 0,74                       | 17,14          | Significant  |
| X4. Availability of parking spaces                           | 0,68                       | 12,66          | Significant  |
| X5. Interior design and interesting accessories              | 0,78                       | 18,59          | Significant  |
| X6. Interesting menu list design                             | 0,98                       | 18,35          | Significant  |
| Reliability  |                            |                |              |
| X7. Accuracy of service                                      | 0,88                       | 28,49          | Significant  |
| X8. Accuracy in calculating the number of transactions       | 0,94                       | 20,19          | Significant  |
| X9. Ease of payment method                                   | 0,89                       | 19,67          | Significant  |
| Assurance  |                            |                |              |
| X10. Employee's competence in the field of services          | 0,87                       | 17,58          | Significant  |
| X11. Employee response in presenting orders                  | 0,85                       | 16,67          | Significant  |
| X12. Menu information and the prices are easy to understand  | 0,93                       | 32,09          | Significant  |
| X13. Employees friendliness in service                       | 0,89                       | 16,87          | Significant  |
| X14. Employees courtesy in service                           | 0,89                       | 32,41          | Significant  |
| Responsiveness   |                            |                |              |
| X15. The ability of employees in responsing the complaints   | 0,92                       | 30,74          | Significant  |
| X16. The willingness of employees to help consumers          | 0,92                       | 27,40          | Significant  |
| X17. The ability of employees in solving consumer complaints | 0,94                       | 24,68          | Significant  |
| Emphaty  |                            |                |              |
| X18. Concern for complaints                                  | 0,88                       | 17,82          | Significant  |
| X19. Concerning of consumers needs                           | 0,89                       | 19,38          | Significant  |
| X20. Employee's response to apologize when there is an error | 0,99                       | 31,04          | Significant  |
| Product Quality  |                            |                |              |
| X21. Durian aroma fitting                                    | 0,91                       | 36,70          | Significant  |
| X22. Durian flavor consistent freshness                      | 0,93                       | 23,41          | Significant  |
| X23. The tasty combination of durian soup flavors            | 0,91                       | 35,23          | Significant  |
| X24. The appropriate combination of durian                   | 0,94                       | 18,53          | Significant  |
| X25. The variety of durian soup menu                         | 0,95                       | 36,40          | Significant  |
| Perceived Value  |                            |                |              |
| X26. Competitive price                                       | 0,93                       | 18,77          | Significant  |
| X27. Suitability of price with the quality                   | 0,88                       | 17,64          | Significant  |
| X28. Suitability of serving size with price                  | 0,79                       | 20,13          | Significant  |
| Customer Satisfaction  |                            |                |              |
| Y1. Satisfied with durian soup served                        | 0,93                       | Significant    | Significant  |
| Y2. Satisfied with the services provided                     | 0,91                       | 48,10          | Significant  |
| Y3. Satisfied with the facilities provided                   | 0,89                       | 47,00          | Significant  |
| Purchase Intention   |                            |                |              |
| Y4. The desire to repurchase                                 | 0,98                       | Significant    | Significant  |
| Y5. Recommend KSDL to others                                 | 0,97                       | 46,11          | Significant  |

| Table 3. Effect of an | exogenous latent | variables (a | alpha = 5% |
|-----------------------|------------------|--------------|------------|
| Tuble J. Effect of un | enogenous intent | variables (c | upna 570)  |

| Between variables influence                  | T-calculate | Information |
|--|-------------|-------------|
| Product quality —> satisfaction              | 54,33       | Significant |
| Responsiveness —> satisfaction               | 40,07       | Significant |
| Assurance —> satisfaction                    | 49,69       | Significant |
| Empathy —> satisfaction                      | 36,61       | Significant |
| Reliability —> satisfaction                  | 36,65       | Significant |
| Tangible —> satisfaction                     | 46,54       | Significant |
| Perceived value —> satisfaction              | 23,53       | Significant |
| Consumers satisfaction —> purchase intention | 50,18       | Significant |

Description: When the T-count> T-table (1,96) then significant influence

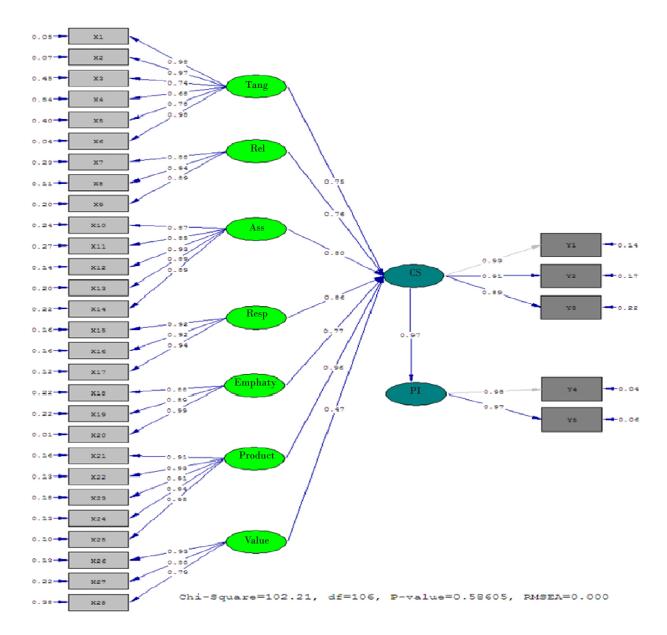


Figure 3. Standardized loading factor models

#### **Indicator Contributions on Tangible**

The calculation shows that the entire indicators forming tangible variables have T-test value more than 1,96. This means that all indicators have significant influence on shaping consumer satisfaction. The indicator having the highest contribution in forming the tangible variables is Shop cleanliness (X1) with a load factor of 0,98 and the T-count value of 22,08. The lowest contribution indicator is availability of parking lot (X4) with load factor of 0,8 and the T-count value of 12,66.

## **Indicator Contributions on Perceived Value**

All of the indicators have T-count value more than 1,96. This means that all indicators have significant influence in shaping the perceived value variables. The indicators having the highest impact on consumer satisfaction is competitive price (X26) with load factor of 0,93 and the T-count value of 18,77. The lowest influencing indicator is suitability of serving size with price (X28) with load factor of 0,93 and the T-count value of 18,77.

#### **Indicator Contributions on Customer Satisfaction**

All of the indicators forming the customer satisfaction variable have the T-count value above 1,96. This means that all of the indicators have significant influence on shaping consumer satisfaction. The most influencing indicator is satisfied with durian soup served (Y1) with load factor value of 0,93 and the T-count value of 47,10. The lowest influencing indicator is satisfied with the facilities provided (Y3) with load factor of 0,89 and the T-count value equal to 47,00.

## **Indicator Contributions on Purchase Intention**

All of the indicators forming the variable of purchase intention have significant influence. It can be seen from the T-count value above 1,96. The most influencing indicator is desire to repurchase (Y4) with a load factor of 0,98 and the T-count value of 47,00. Indicator of recommend KSDL to others (Y5) has small effect, with load factor value of 0,97 and the T-count value of 46,11.

## **Consumer Satisfaction Index (CSI)**

In order to obtain the level of customer satisfaction in KSDL, the weighing is done to each indicator objectively. According to the processing LISREL, the result is 8,70, and the loading factor results from each indicator to the variables with variable coefficients in forming customer satisfaction

CSI analysis result shows that the customer satisfaction index score is 69,118%, meaning that CSI in KSDL included in satisfied category. The indicator having the highest CSI value is constituent indicator in the variable of product quality, in which the variety of durian soup menu (X25) with satisfaction level of 77,571% and satisfaction index accounted for 2,479%. The lowest satisfaction index value is the availability of parking lot (X4) on tangible variables with 41,429% of satisfaction level and satisfaction index of 0,948%.

## **Purchase Intention**

The research shows that 50,714% of respondents agree to return to KSDL and 17,142% strongly agree to come back to KSDL. Only 0,714% of respondents who do not agree and 2,857% less agree to return to KSDL, while the rest of respondents (28,571%) is neutral. It is also known that 45,714% respondents agree and 19,285% of respondents strongly agree to recommend KSDL to others. The number of respondents who are less agree to recommend only 4,285% and 30,714% of respondents are neutral. Analysis of the purchase intention also shows that all of the respondents agree to recommend KSDL to others. Therefore, KSDL has already had loyal customers, and thus they can be called as customers of KSDL.

## **Managerial Implications**

The main variable that is the most influencing in shaping consumer satisfaction is product quality. On the other hand, the most influencing indicator in shaping product quality variable is the variety of durian soup menu (X25). Therefore, the change of menu variety should be concerned by KSDL management. The addition of durian soup combination with various types of suitable ingredients is also needed. Besides, KSDL management can also provide a special menu, different from the main menu that has been provided, in which it is chosen by the consumers. These will give positive impacts. First of all, the consumers will enjoy their own combinations. Secondly, it will also positively give an impact on the management, for example the management can do research related to the variety of menu. Management still can do the research in terms of the increase of menu's variety by involving consumers. It means that consumers will still keep paying for their own menu's whether it is delicious or not. Another advantage is creating new menu variations derived from the most frequent combination menu created by consumers. However, management has to evaluate the new menu in order to keep the taste. By increasing the menu's variety, it is expected that revisiting level to KSDL will increase as well. Besides, KSDL also need to add other main courses apart from durian ingredients, so that consumers can still be served if they want to order other kinds of foods.

Another indicator that should be considered in the variable of tangibility is the availability of parking lot (X4), because it has the lowest CSI value among all of the constituent indicators of satisfaction variable. The parking space provided by KSDL is very narrow, so the management should expand parking lot in order to increase customer satisfaction. According to the research result, the seats availability (X3) has the second lowest CSI value after the availability of parking lot (X4). Therefore, it should be considered by management through the addition of seats capacity. Moreover, it is hoped that the number of queues will decrease significantly and consumers' convenience will increase.

## CONCLUSION AND RECOMMENDATIONS

## Conclussion

The results show that the majority of KSDL consumers is females whose age group ranges between 20 and 30 years old and those who are less than 20 years old, and their occupation is private employees. The average monthly income of the group is between IDR2.000.000 to IDR3.000.000 with average monthly expenditure between IDR1.000.000 to IDR2.000.000. Most of KSDL consumers spend IDR50.000 to IDR75.000 with average visiting time in just less than 60 minutes. According to consumers purchasing behaviour, most of KSDL consumers have never visited to other durian soup stalls. SEM analysis results show that all satisfaction constituent variables significantly influence the customer satisfaction. In sequence, the variables having the highest influence to the lowest influence are product quality, responsiveness, assurance, empathy, reliability, tangibility, and perceived value. It is different from the research conducted by Febriana and Aryani in 2010 which showed the sequence of variables from the strongest influence to the weakest, namely reliability, responsiveness, assurence, empathy, and tangibility. The CSI results show that the level of consumer satisfaction in KSDL is 69,118% and included in satisfied category. The significant influence of customer satisfaction on the purchase intention will be able to increase the consumer satisfaction level. It can be seen from the consumer's willingness to repurchase and to recommend KSDL to others.

## Recommendations

Some suggestions that can be used as a reference for subsequent scientific writings related to the consumer satisfaction are as follows: (1) further research should be conducted by adding the number of variables derived from other theories, such as the use of 7P in marketing (product, price, place, promotion, people, process, and physical evidence), so that it will be able to broaden the results scope and strengthen the research results. (2) KSDL management should increase the variety of menu by combining the various flavors, extend the parking lot, and increase seats capacity.

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