The Effect of Service Quality and Product Attributes on Customer Loyalty

Abdul Haris

1 STIE Wira Bhakti Makassar
harisbima@gmail.com

ABSTRACT
This study aims to examine and analyze the effect of service quality and product attributes on customer loyalty (Study on KFC Pengayoman in Makassar). The population in this study are residents in Makassar who are KFC consumers. The sampling method used by the researchers in this study was the proportional Stratified Random Sampling method and a total sample of 70 people was obtained. The type of data used is primary data collected by distributing questionnaires to all respondents. The data in this study will be tested with several stages of testing, namely descriptive statistical tests, validity and reliability tests, classical assumption tests consisting of (normality test, heteroscedasticity test, multicollinearity test) as well as testing all hypotheses through a coefficient of determination test, partial test (test t) and simultaneous test (test f). The results of this study indicate that the service quality variable has no significant effect on customer loyalty at KFC Pengayoman in Makassar. While product attribute variables have a significant effect on customer loyalty at KFC Pengayoman in Makassar. And product attributes are the most dominant variable affecting customer loyalty at KFC Pengayoman Makassar because it has a higher coefficient value and a better significant level than other variables.

ARTICLE DETAILS

1. Introduction

Today's competition between companies is no longer oriented towards increasing sales volume, but is more oriented towards satisfying customer needs and creating loyalty. Marketing has a very important role in the company to create value for customers and build strong relationships with customers (Cora et al., 2017; Daikh, 2015). Marketing is an activity and process of creating, communicating, delivering and bringing together offers that are of value to customers, in this case the general public, in this modern era, customers do not only pay attention to how goods are marketed, but also consider additional things, products or product attributes and how is the quality of service in a company so as to make customers satisfied and create loyalty to a company (Rajab & Suprihhadi, 2016).

Kentucky Fried Chicken (KFC) is a Frenchise company in the form of a fast food restaurant that was first recognized by the people in the city of Makassar. However, over time, more and more Frenchise companies have entered the city of Makassar so that the level of competition is getting higher. The mindset changes from time to time, they don't only pay attention to taste and price, but also start to pay attention to the services provided by a company and also what are the things that can add value to a company's products. The problem that KFC Pengayoman is currently facing is the increasing number of fast food restaurants in the city of Makassar offering more competitive services in more varied ways (Cora et al., 2017). In
situations like this, KFC Pengayoman tries to get new customers and retain old customers. Recognizing the importance of customers and the influence of loyalty on profits, KFC Pengayoman tries to find ways to increase customer loyalty. This is realized by KFC Pengayoman which strives to continuously improve the quality of its services in order to maintain customer loyalty.

Customer service quality and product/service attributes have a large direct influence on consumer loyalty (Huang et al., 2019; Rajab, 2016). Service quality can be interpreted as an effort to fulfill consumer needs and desires as well as the accuracy of their delivery in balancing consumer expectations (Tjiptono, 2019). The service quality of KFC Pengayoman is considered not satisfactory. This can be seen from the many complaints about the provision of facilities that are less attractive, comfortable and satisfying and also because the waiting time to get an order is longer than other fast food restaurants. We can find out these complaints from direct interviews with customers at KFC Pengayoman.

With good service quality and product attributes, the desires and needs of consumers for a product or service will be fulfilled. If the quality of service quality and product attributes received is higher than expected, then the perceived service quality and product attributes will build consumer loyalty (Anggarawati, 2021; Chao et al., 2015; Starini, 2013).

Consumer loyalty has a close relationship with service quality and product attributes (Rajab & Suprihhadi, 2016). The occurrence of loyalty by consumers because of the influence of service quality and product attributes that occur continuously in addition to other things that affect consumer loyalty itself, for example to follow trends that occur from time to time and also because time is tight so that customers are more choose to buy fast food by not forgetting to pay attention to how the service from where they buy the product can exceed customer expectations or not. Consumer loyalty is also influenced by product attributes (Nugroho & and Sunarti, 2015). Product attributes can be used as a separate feature or differentiator of a product with other products so that it is easy for customers to remember, if customers are happy and have met their expectations then these product attributes will always be remembered by customers and customers will decide to purchase repeatedly in that place (Hartini, 2012; Puspaningrum, 2014).

2. Literature Review

The term behavior is closely related to the object whose study is directed at human problems. Consumer behavior is an action that is directly involved in obtaining, consuming and spending products or services, including the decision processes that precede and follow these actions (Putra & Ngatno, 2017). Consumer behavior is dynamic. That means that the behavior of a consumer, consumer group, or the wider community is always changing and moving all the time. This has implications for the study of consumer behavior. In this case the study of consumer behavior, one of the implications is that the generalization of consumer behavior is usually limited to a certain period of time, products and certain individuals or groups. From this definition, there are three important ideas, namely (1) consumer behavior is dynamic, (2) it involves interactions between affection and cognition, behavior and events around them; (3) it involves exchange.

Service is any activity or benefit offered by another party and is essentially intangible and does not result in the ownership of anything. There are four special characteristics of services that differentiate them from goods according to (Kotler & Keller, 2009), namely: 1. The characteristics of these services are intangible (intangibility). Services are intangible, they cannot be seen, tasted, smelled, heard or touched before being purchased. So one cannot
judge the quality of a service before that person feels or consumes it himself. 2. Services are inseparable (inseparability). In general, services are produced and consumed simultaneously, unlike physical products which are produced and stored as stock, distributed through sellers and then consumed. 3. Services vary (variability). Services are very volatile, because services are very dependent on who is serving them, when and where they are served. Service buyers are very concerned with high variability and often they ask for the opinions of others before deciding to buy. 4. Services are not durable (perishability). Services are perishable commodities and cannot be stored. The imperishability of these services will not be a result if demand is constant but in reality consumer demand for services generally varies greatly and is influenced by seasonal factors.

The service quality of a company must be continuously maintained because customers expect to get a good service even beyond what they expect so that they feel satisfied with the company's services. The definition of quality itself according to Tjiptono (2014) is a dynamic condition related to products, services, people, processes, and the environment that meet or exceed expectations.

According to Kolter (2009), there are five dimensions that determine service quality, namely: 1. Reliability: the ability to provide services in accordance with the promises offered. 2. Responsiveness: The response or alertness of employees in assisting consumers in serving consumers, the speed of employees in handling transactions and handling complaints submitted by consumers. 3. Assurance (certainty/guarantee): includes employees' ability to know products/services appropriately, quality of hospitality, attention and courtesy in providing services, skills in providing security in utilizing the services offered and ability to instill consumer trust in the company. 4. Empathy: individual attention given by the company to consumers such as the ease of contacting the company, the ability of employees to communicate with consumers, and the company's efforts to understand the wants and needs of its consumers. 5. Tangibles (tangible, direct evidence), which include the appearance of physical facilities such as front office buildings and rooms, available parking lots, cleanliness, tidiness and comfort of the room, employee appearance.

Products according to Kotler & Keller (2009) are anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, people, places, property, organizations, information and ideas. What needs to be considered is that consumers do not only buy the physical product but also the benefits or value of the product, especially in service products that we know do not cause a transfer of ownership from producers to consumers. For example, consumers who buy food, also enjoy good service and a comfortable atmosphere.

According to (Kolter, 2008; Bulan, 2016) states that product attributes are the development of a product or service involving determining the benefits to be provided. Yuen (2010), "Product attributes are something that complements the main benefits of the product so that it can satisfy consumers more". Product attributes include brands, packaging, labels, guarantees or warranties, and additional products (service). Attributes can be viewed objectively (physical product) or subjectively (consumer view). Product attributes are product elements that are considered important by consumers and are used as the basis for making purchasing decisions. According to (Tjiptono 2008; Fattah et al., 2021) product attributes include: (1) Brand is a name, sign, symbol/symbol, design, color, motion or a combination of other product attributes that are expected to provide identity and differentiation from competitors' products (2) Packaging is a process related to designing and manufacturing a container or wrapper for one product (3) Labeling is part of a product that conveys information regarding products and sellers (4) Supplementary services (5) Warranty is a promise that is the
obligation of the producer for his product to consumers where consumers will be compensated if the product cannot function as expected or promised.

Customer loyalty is a customer’s commitment to a brand, based on a very positive attitude and is reflected in consistent repeat purchases (Tjiptono, 2012; Behnam et al., 2020). Companies that have old customers who remain loyal, don't need to carry out an educational process to convince them to buy or use our products, but what we need to do is inform them when there are new products that suit their needs and maintain the business relationships that have been created. Companies in an effort to retain customers must get a greater priority than getting new customers.

According to (Hasan, 2008; Chao et al., 2015), customer loyalty based on pure and continuous satisfaction is one of the greatest assets that may be obtained by a company according to (Hasan, 2008; Chao et al., 2015), loyalty develops following four stages, namely: 1. Cognitive loyalty: consumers have stage loyalty it uses an information base that forces one brand to point to another, loyalty is only based on cognitive aspects. 2. Affective Loyalty: Loyalty at this stage is based on the affective aspect of the consumer. Attitude is a function of cognition (expectations) in the initial purchase period (pre-consumption period) and is a function of previous attitudes plus satisfaction in the following period (post-consumption period). 3. Conative loyalty: the conative dimension (women do) which is influenced by affective changes to the brand. The conative shows an intention or commitment to do something for a certain purpose. 4. Action Loyalty: even though repurchasing is a very important thing for marketers, interpreting loyalty only in repeat purchases is not enough, because customers who repurchase do not necessarily have a positive attitude towards the goods or services purchased. Repeat purchases are made not because they are satisfied, but maybe because they are forced or other factors, this does not include the loyal dimension.

According to (Griffin, 2004; Somantri, 2016) there are seven stages of a person’s growth to become a loyal customer, namely: 1. Someone who has a potential buyer (Suspect). Everyone has the possibility to buy the product or service that is produced. 2. Someone has the potential to become a consumer (Prospect) Someone who has a need for goods and has a need to buy from a company and someone has recommended about the company, read about the company, prospects may know who the company is, and what the company sells but still haven’t bought from the company. 3. Someone who has potential but does not become a consumer (Disqualified). Prospects the company has studied enough and they don't need or don't have the ability to buy the company's products. 4. New customers (First Time Customers). Those who are buying from the company for the first time. They may be customers of the company but are still customers of the company's competitors. 5. Customers who make repeated purchases (Repeat Customers) Those who first bought from the company two or more times, they may have bought the same product or bought two different products on two or more occasions. 6. Partners (Client), a client buys everything that the company sells maybe he can use. This person buys regularly. The company must continue to strive to create relationships that will make it disinterested in competitors. 7. Customers who promote (Advocate), Like partners, an advocate buys everything the company sells that he might use and buys regularly. In addition, an advocate will try to be someone else to buy from the company. An advocate talks to the company, does marketing for the company and brings customers to the company.

Seven key steps to realizing and maintaining customer loyalty according to (Tjiptono, 2000; Su'ud, 2018), namely: 1. Top management commitment and involvement. However, top management plays an important role in organizational strategic decisions. The support, commitment, leadership, and active participation of top managers are needed in order to
transform the organizational culture, work structure, and HR management practices from the traditional paradigm to the customer paradigm. 2. Internal benchmarks. If the commitment to realize and maintain customer loyalty has been achieved, the next step is to conduct an internal benchmark study to find out the status or the most recent position. The internal benchmarking process includes measuring and assessing the company’s management, human resources, organization, systems, marketing and support services. 3. Identify customer requirements. Identification of customer requirements can be carried out using several cutting-edge methods such as value research, customer windows models, sensitivity analysis, multi-attribute evaluation, and QFD (Quality Function Deployment). 4. Assessing competitive capability, to win the competition, competitive capability must be identified and assessed carefully. 5. Measuring customer satisfaction and loyalty. Customer satisfaction concerns what the customer says, while customer loyalty relates to what the customer does. Therefore, the parameter of customer satisfaction is difficult to measure. 6. Analyze feedback from customers, former customers, non-customers, and competitors. The scope of company analysis needs to be expanded by involving former customers and non-customers, apart from that of course current customers and competitors, so that companies can better understand the factors that support customer satisfaction and loyalty, as well as negative factors that have the potential to cause customer defects. 7. Continuous improvement, customer loyalty is a journey that has no end. There is no guarantee that if it materializes then it can last by itself. In principle, companies must always actively seek various innovations and breakthroughs in responding to any changes.

3. Research Method and Materials

This type of research is quantitative research with a survey approach. The population in this research is KFC Pengayoman fast food restaurant customers in Makassar. The sampling method used by the researchers in this study was a proportional Stratified Random Sampling method so that the number of samples for each stratum could be determined. Based on the theoretical calculation of the Sample Determination Table formula developed by Isaac and Michael, the number of samples in this study was 70 people. The data in this study used primary data collected by distributing questionnaires to all respondents filled in with several statements with five answer options which would be weighted with a score such as answers (Strongly Agree=5, Agree=4, Simply Agree=3, Disagree=2, Strongly Disagree = 1). The data that has been collected will be analyzed through four stages of testing. The first stage is to perform descriptive statistical tests. The second stage is the research instrument test which consists of (validity test, reliability test). The third stage is the classical assumption test which consists of (normality test, heteroscedasticity test, multicollinearity test). The fourth stage is to test all the hypotheses proposed in this study and will be proven through the coefficient of determination test, partial test (t test) and simultaneous test (f test).

4. Results and Discussion

Based on the questionnaire distributed to KFC Pengayoman Makassar customers, totaling 70 people, the characteristics of the respondents can be presented based on gender, age, length of time being a KFC customer and intensity of buying KFC within 1 month. There were 21 customers with male gender and 49 female customers. This means that the dominant customer filling out the questionnaire is a female customer. Based on age, customers aged below 20 years were 15 people, aged 21-35 years were 18 people, aged 36-45 years were 20 people and aged over 46 years were 7 people. This could mean that the dominant customers
who filled out the questionnaire were customers aged 21-35 years. Based on the length of time they have been KFC customers, customers who have been KFC Pengayoman customers for less than 3 months are 6 people, around 6 months are 7 people, about 1 year are 12 people and more than 1 year are 45 people. This means that the dominant customers filling out the questionnaire are customers who have been KFC customers for more than 1 year. Based on intensity, the intensity of customers buying KFC at least 2 times in one month is 12 people or 17.1%, 3 times in 1 month is 23 people or 32.9%, 4 times in 1 month is 25 people or 35.7% and more than 4 times, namely 10 people or 14.3%. This means that the dominant customers who fill out the questionnaire are customers who buy KFC more than 4 times in 1 month.

The second stage to be carried out is to test the research instruments which consist of a validity test and a reliability test. Validity and reliability tests aim to see how far the accuracy and accuracy of a measuring instrument performs the function of its measurement. The validity test has meaning if it moves from 0.00 to 1.00 and the minimum collation coefficient is considered satisfactory if it exceeds 0.30. All questions used to measure the variables used in this study have a correlation coefficient of more than 0.30 so that all questions are valid. And the results of the reliability test showed that the variables from the study had a fairly large alpha value of 0.784 so that it could be said that all the measurement concepts for each variable from the questionnaire were reliable. Because the alpha value of 0.784 is greater than 0.6, henceforth the concept of this variable is feasible to use as a measuring tool.

The third stage, namely the classic assumption test aims to see whether there is a classic deviation from the research variable data, including the normality test. The Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. Normality can be detected by looking at the spread of data (points) on the diagonal axis of the graph. The normal probability plot graph shows that the data spreads around the diagonal line and follows the direction of the diagonal line, so the regression model meets the assumption of normality.

The results of the heteroscedasticity test show that the dots do not form a specific pattern or there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, so what happens is homoscedasticity and heteroscedasticity does not occur.

Furthermore, a multicollinearity test was carried out which aims to test whether the regression model found a correlation between the independent variables (independent variables). A good regression model should not have a correlation between the independent variables.

The results of the calculation of the variance inflation factor (VIF) value from the multicollinearity test table, show that the VIF value of service quality is 6.732 and the VIF value of product attributes is 6.732. This shows that there is not a single independent variable that has a VIF greater than 10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model. The calculation results also show the tolerance value of each variable, namely service quality of 0.149 and product attributes of 0.149. This means that there is no independent variable that has a tolerance value of less than 0.1. So according to the Tolerance value there is no multicollinearity in the regression model. This is in accordance with the conditions commonly used to assess multicollinearity if VIF $\leq 10$ or tolerance $\geq 0.1$.

After the results of the classical assumption test have been carried out and the overall results show that the regression model meets the classical assumptions, the fourth stage is to evaluate and interpret the multiple regression model. From the results of the regression analysis, the regression equation is obtained as follows.
The multiple regression equation can be explained that 1.172 is a constant number indicating that customer loyalty (Y) at KFC Pengayoman Makassar does not change if the service quality variable (X1) and product attributes (X2) are in a constant position or do not change. 0.060 indicates that if service quality (X1) is increased, customer loyalty (Y) at KFC Pengayoman Makassar will increase by 6%. And 0.488 indicates that if the product attribute (X2) is increased, customer loyalty (Y) at KFC Pengayoman Makassar will increase by 48.8%. The presentation of the results of the analysis is intended to present the multiple regression equation obtained and show that the independent variables, namely service quality (X1) and product attributes (X2), have a positive effect on the dependent variable, namely customer loyalty (Y).

Then tested the correlation coefficient (R) and the coefficient of determination (R²). From the results of the analysis, the value of the correlation coefficient (R) indicates a relationship between variable X and variable Y. The value of R = 0.846 or 84.6% indicates that variable X and variable Y have a close or strong relationship. And the value of R² = 0.716, this means that the variable X (quality of service and product attributes) simultaneously influences the variable Y (customer loyalty) by 71.6% and the other effect of 28.4% is influenced by other factors outside the model.

Simultaneous testing (F test) was conducted to determine whether the service quality variable (X1) and product attributes (X2) simultaneously have a positive and significant influence on customer loyalty (Y) at KFC Pengayoman Makassar F ratio is 84.378 with a significant value of -0.000 <0.05 (α = 5%) this means that the variable service quality (X1) and product attributes (X2) together have an effect (positive (significant) and significant) on customer loyalty (Y) at KFC Pengayoman in Makassar. Furthermore t-test was carried out to find out whether each independent variable, namely service quality (X1) and product attributes (X2) has a significant effect on customer loyalty (Y). Partially all analysis variables have positive values and have different significant levels The tcount value of each independent variable consisting of service quality (X1) and product attributes (X2) has an effect on the independent variable, namely customer loyalty bro (Y) at KFC Pengayoman in Makassar. Service Quality variable Significance Level (X1): Sig X1 = 0.594 > 0.05 (α = 0.05) is considered insignificant and product attribute significance level (X2): Sig X2 = 0.000 < 0.05 (α = 0.05 ) is considered significant.

**Discussion**

Based on the results of multiple linear regression tests and with calculations using SPSS, it can be seen that service quality has a positive but not significant effect on customer loyalty. Factors that might affect the service quality variable so that it is not significant could be influenced by the research object itself, namely the quality of service which is indeed not optimal, there is no children's playground that can help parents who want to take a weekend vacation with their children so they can play and eat at the same place, Drive Thru service, longer waiting time for customers to get their orders. In addition, the emergence of a more dominant product attribute variable can further influence the significant level of service quality variables. Service quality encourages customers to commit to a company's products and services so that it has an impact on increasing the market share of a product. Service quality is very crucial in retaining customers for a long time.
The first factor affecting customer loyalty is service quality. According to (Supranto, 2006; Putra & Ngatno, 2017), service quality is a word that for service providers is something that must be done well. When tangible products cannot be easily distinguished, the key to competitive success lies in adding value to good service and improving product quality. The differentiator of services that can be enjoyed by consumers is the ease of ordering, delivery, installation or installation, consumer training, consumer consultation, and maintenance and repair (Month, 2016). Service quality is the main factor influencing customer loyalty because customers who are satisfied with their personal values and experience a positive mood towards service will have high loyalty to the company. Customers are often disloyal due to poor service or lower service quality than the customer expects. The quality of service provided to consumers must function to provide maximum satisfaction, therefore in order to provide services it must be carried out in accordance with the service function. The quality of service provided by each company certainly has a purpose. In general, the purpose of providing services is for consumers to feel satisfied and the impact on the company will be to obtain maximum profits. The results of this study support previous research conducted by (Starini, 2013) regarding the effect of service quality on customer loyalty with satisfaction as a mediating variable (study at Basuki Jaya Yogyakarta Store). The results showed that service quality has a positive influence on customer loyalty.

Based on the results of multiple linear regression tests and with calculations using SPSS, it is known that product attributes have a positive effect on customer loyalty. These results show that the better the product attributes used by KFC Pengayoman, the higher consumer loyalty will be. According to (Nugroho & Sunarti, 2015), states that the attributes attached to a product that influence consumers in making consumer decisions to make purchases. Product attribute is the development of a product or service involves determining the benefits provided. Product attributes are product elements that are considered important by consumers and are used as the basis for making purchasing decisions. It can be concluded that customer loyalty will be created by the existence of product attributes which include product quality, brand and design.

Loyalty is evidence of a strongly held commitment to repurchase or re-subscribe for a particular product in the future despite situational influences and marketing efforts that have the potential to cause a shift in behavior. Customer loyalty to a particular product depends on several factors, namely: the cost of switching to another product, the similarity in quality, quality or service from the type of substitute product, the risk of changes in costs due to substitute products and changes in the level of satisfaction obtained from new products compared to experience with previous products. Customers in fulfilling their needs and desires, will buy products with certain attributes. If the product that the consumer chooses can satisfy their needs and desires, then the consumer will have a deep memory of the product. Under these circumstances consumer loyalty will begin to arise and develop. The results of this study are consistent with the results of research (Bahrudin & Zuhro, 2016) which states that customer satisfaction influences buying behavior, where satisfied customers tend to be loyal customers, but loyal customers do not need to be satisfied. Customer loyalty means the company's ability to position its products in the minds of customers, where the company tries to position customers as partners by strengthening customer confidence, always interacting, if necessary developing for the sake of mutual progress. In addition, the results of this study are also in line with research (Hartini, 2012; Nugroho & Sunarti, 2015) which concluded that product attributes affect customer loyalty. Thus it can be concluded that with good product attributes, customers will be loyal to KFC Pengayoman products.
From the simultaneous test results it can also be seen that simultaneously the service quality variables and product attributes have a significant effect on customer loyalty. In addition, between the two service quality and product attributes, there are variables that are believed to have a more dominant effect on customer loyalty. The variable that is more dominant is the product attribute variable because it has a coefficient and significant value that is greater than the service quality variable.

5. Conclusion

Based on the results of the research and discussion that have been described, it can be concluded that the service quality variable has a positive but not significant effect on customer loyalty at KFC Pengayoman in Makassar. While product attribute variables have a positive and significant effect on customer loyalty at KFC Pengayoman in Makassar. And product attributes are the most dominant variable influencing customer loyalty at KFC Pengayoman Makassar because it has a higher coefficient value and a better significant level than other variables.

As for the advice that researchers can give to KFC Pengayoman Makassar, namely, KFC Pengayoman Makassar should always handle and improve product attributes that are oriented to the interests of customers so that its image as the number 1 fast food restaurant is maintained. And in the future, KFC will still face the threat of competition with the entry of more similar companies in the city of Makassar. It is advisable to continue to update or innovate its services, products, and product attributes by keeping up with developments in an increasingly modern era.

6. References


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