The Influence of Customer Satisfaction Factors and Impact on Loyalty: Sajiku Brand Instant Seasoning Products in North Jakarta

Ririn Wulandari[1], Moh Soleh[2], Mochamad Mukti Ali[3]
{ririn.wulandari@mercubuana.ac.id[1], solehsfs@gmail.com[2], mukti_gte@yahoo.com[3]}

Universitas Mercu Buana, Jakarta, Indonesia[123]

Abstract. This research is motivated by the phenomenon of indication of an increase in brand image in the instant seasoning of one brand according to Frontier Research (Top Brand Award) but there is a decrease in the product's performance its. The research objective was to determine and examine the factors that influence consumer satisfaction and their implications for consumer loyalty to consumers of the Sajiku brand of instant seasoning products in North Jakarta. The method used in this research is a quantitative descriptive method. The population of this study was all users of the Sajiku brand instant seasoning in North Jakarta. The sample was determined to be 198 respondents, based on the Loehlin theory. The method used in sampling is a nonprobability sampling. The method used in analyzing the data is the Structural Equation Model (SEM) method. The tool used as a software in using SEM is Lisrel 8.80. The results showed that product quality, price fairness, and brand image had a significant effect on consumer loyalty, mediated by consumer satisfaction. However, price variables have the strongest influence compared to variables of product quality and brand image, both on consumer loyalty and on consumer satisfaction.

Keywords: quality product, price fairness, brand image, satisfaction, loyalty

1 Introduction

Sajiku brand instant seasoning serves instant spices including fried rice with flavors such as chicken and spicy flavors, fried chicken, fried fish, rendang, sayur asem, sayur soto, chicken soup, vegetable capcay. From 2015 to 2019 there has been an increase, ranking second in the Frontier Research survey [1] in similar industries. The first order dominates, Racik brand instant seasoning. In terms of the cheapest price, The Sajiku brand instant seasoning is also second. At first glance, this shows that there is a relationship between price and its position in the fast-food industry.

Although the overall performance of Sajiku brand instant seasoning has increased quite significantly, the performance of Sajiku brand instant seasoning in North Jakarta is in contrast to this condition, from 2015 to 2019 its performance has decreased. Based on this, it is necessary to do research on the factors from the consumer side that can improve the performance of Sajiku brand instant seasoning. These factors are about consumer behavior so that they make repeated purchases, do not change to other products, because they are satisfied with the Sajiku brand instant seasoning.

Previous research has produced findings that indicate several factors that influence customer satisfaction and consumer loyalty. Ali et al., researched, 2019 found that image has a positive effect on purchasing decisions [2], and then, in research, Angraini & Harwani, 2020, purchasing decisions are also influenced by product quality, price perceptions, promotions [3], service quality, price [Anggita & Ali, 2017] [4], and location [Brata, Husani, and Ali, 2017] [5]. Meanwhile, other studies are [Rusmahafi and Wulandari, 2020] [6]; [Nasirudin, Yuliasetiarini, and Suroso, 2018] [7]; [Al-Msallam, 2015] [8]; [Wu, et al., 2011] [9] that brand image has a positive effect on consumer satisfaction. In addition to brand image affecting consumer satisfaction, the brand image also affects consumer loyalty [Horaga, Ozora, and Stiefanie, 2012] [10]. In Khadka and Maharjan, 2017, in general, the main factors that influence consumer satisfaction and loyalty are quality, price, influence, empathy, and consumer perception or brand image. In Khadka and Maharjan's research, 2017, satisfaction is a variable that has a significant effect on loyalty [11]. Product pricing affects repeat purchase decisions, which consumers perceive as one of satisfaction [Khoironi, Syah, and Dongoran, 2018] [12]; [Wu, et al., 2011] [9].

In addition, other research results indicate that brand, price, and promotion have an effect on sales [Sudaryanto et. al., 2019] [13]. The main factors that influence customer satisfaction and loyalty are quality, price, reliability, empathy, and consumer perceptions or brand image [Khadka and Maharjan, 2017] [11]. Product Quality, Brand Image, and Pricing affect consumer satisfaction, then customer satisfaction affects consumer loyalty [Khoironi, Syah, and Dongoran, 2018] [12] [Wu, et al., 2011] [9]. The results of previous research indicate that product quality, service quality, price fairness, and promotional strategies have a positive and significant effect on switching brand selection behavior [Elete, 2018] [14]. On the other hand, price fairness does not have a significant effect on consumer satisfaction [Nasirudin, Yuliasetiarini, and Suroso, 2018] [7]; [Wu, et al., 2011] [9]. Other studies have shown that company image, product quality, and consumer value have an effect on customer satisfaction, as well as affect customer loyalty [Ishaq et al., 2014] [15]. In addition, product quality, service quality, physical environment, and cleanliness have an effect on business continuity, where business continuity affects consumer satisfaction [Kumar and Bhatnagar, 2017] [16].

Based on previous studies, the phenomenon that occurs is the mismatch between the overall performance of Sajiku brand instant seasoning and the performance in North Jakarta, as well as the factors that are considered in determining the ranking in the instant seasoning industry, variables that affect customer satisfaction and consumer loyalty, are determined to improve and improve Sajiku brand instants seasoning performance in North Jakarta. Thus, this study aims to determine and examine the effect of each variable on product quality, price reasonableness, and brand image variables on customer satisfaction and its implications for consumer loyalty.

The definition of the variables tested is as follows, consumer loyalty is a consumer behavior to maintain, make repeat purchases, recommend products, and not switch to other products. Customer satisfaction is the response of consumers to products that have been used in relation to satisfaction. Product quality is the overall features and characteristics inherent in a product that are in accordance with consumer desires or product quality standards, relating to raw materials, production processes, packaging, and taste. Fairness is the consumer's perception of the product as desired regarding the affordability of the price, the perception of expensive, the price according to quality, and the benefits of the product. Brand image is the perception and belief of consumers about memorability, conformity of

perception and understanding, and product uniqueness. Furthermore, the research framework is presented, as follows:

Fig 1. Framework

2 Research Method

This research is descriptive quantitative research. The population of this study was all users of the Sajiku brand instant seasoning in North Jakarta. The sample represents the population, the number is determined using the theory of Betler and Chou theory which states that the number of samples that must be met for SEM estimation is at least five times the parameter to be estimated, and on the Loehlin theory [Latan, 2013] [17]. The research indicators amounted to 29 so that the sample of this study was 198 respondents. A nonprobability sampling method is used to collect sample data. The method used in analyzing data is the method of the Structural Equation Model (SEM). The tool used as a software in the use of SEM is Lisrel 8.80.

3 Results and Discussion

The number of respondents was 198 samples. Of that number, the number of women is more dominant, namely 82.8% and the number of men is 17.8%, with the status of married being married at 72.2%, unmarried 21.7%, and widows/widowers 6.1%. The age range of respondents aged 31-40 years was 43.4%, 21-30 years old was 40.4%, aged 41-50 years 11.6%.
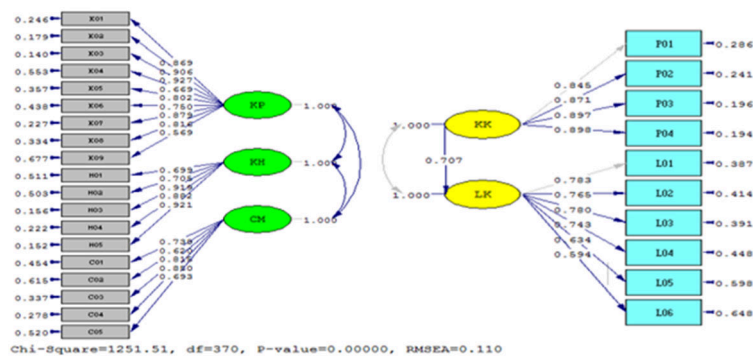

Chi-Square=1251.51, df=370, P-value=0.00000, RMSEA=0.110

Fig 2. Validity test

The loading factor value on the product quality variable shows all indicators have a loading factor value ≥ 0.5. Thus, all indicators on the variable product quality, price fairness and brand image are valid and can be used to measure the structural equation modeling (SEM) model (Figure 2, Table 1).

Reliability test

Table 1. Value of loading factor indicator and variable reliability test results

Construct	CFA Validity		Loading Factor	C.R	AVE	Conclusion
QP	9 Valid Indicator	K01	0,869	0,943	0,650	Good Reliability
		K02	0,906			
		K03	0,927			
		K04	0,669			
		K05	0,802			
		K06	0,750			
		K07	0,879			
		K08	0,816			
		K09	0,569			
PF	5 Valid Indicator	H01	0,699	0,917	0,691	Good Reliability
		H02	0,705			
		H03	0,919			
		H04	0,882			
		H05	0,921			
BI	5 Valid Indicator	C01	0,739	0,863	0,559	Good Reliability
		C02	0,62			
		C03	0,815			
		C04	0,85			
		C05	0,693			
CS	4 Valid Indicator	P01	0,845	0,931	0,771	Good Reliability
		P02	0,871			
		P03	0,897			
		P04	0,898			
CL	6 Valid Indicator	L01	0,783	0,865	0,519	Good Reliability
		L02	0,765			
		L03	0,780			
		L04	0,743			
		L05	0,634			
		L06	0,594			

Latent variables have construct reliability coefficient values that are greater than or equal to the critical value (CR ≥ 0.7) and the critical value (AVE ≥ 0.5). This shows that the five variables have a good level of reliability. So that based on the validity test and reliability test, the results of the questionnaire can be used in this study.

Model fit test

Table 2. Structural model fit evaluation

	measure Goodness of Fit	Target Match Rate	Estimation Results	Match Rate
1	Chi-Square	p-value > 0.05	0.000	Bad fit
2	RMSEA	RMSEA < 0.08	0.110	Bad fit
3	ECVI	ECVI < ECVI Saturated dan ECVI Independence	7.013	Bad fit
		- ECVI Saturated	4.416	
		- ECVI Independence	99.664	
4	AIC	AIC < AIC Saturated dan AIC Independence	1.381.515	Bad fit
		- AIC Saturated	870.000	
		- AIC Independence	19.633.830	
5	NFI	NFI ≥ 0.90	0.939	Good fit
6	CFI	CFI ≥ 0.90	0.957	Good fit
7	NNFI	NNFI ≥ 0.90	0.953	Good fit
8	IFI	IFI ≥ 0.90	0.957	Good fit
9	RFI	RFI ≥ 0.90	0.933	Good fit
10	GFI	GFI ≥ 0.90	0.695	Bad fit
11	AGFI	AGFI ≥ 0.90	0.642	Bad fit
12	PGFI	PGFI ≥ 0.60	0.591	Bad fit
13	PNFI	PNFI > 0.90	0.856	Bad fit
14	SRMR	Standardized RMR < 0.05	0.076	Bad fit
15	CN	Critical N (CN) < N	73.354	Good fit

Structural model

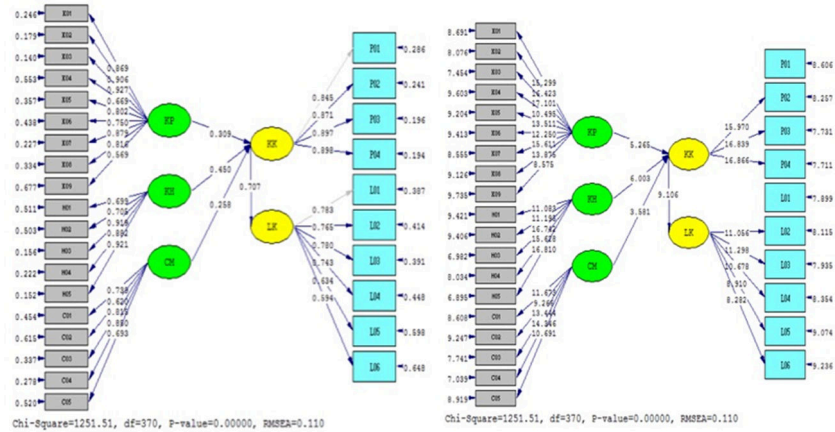Chi-Square=1251.51, df=370, P-value=0.00000, RMSEA=0.110

Fig 3. Image estimation results standardized coefficient and estimation results t-values

Table 3. Estimation result of direct effect

Influence	Standardized Loading Factor	t-value	conclusion	R^2
H_1 : QP-> CS	0.309	5.265	Significant	
H_2 : PF -> CS	0.450	6.003	Significant	0.840
H_3 : BI -> SC	0.258	3.581	Significant	
H_4 : CS -> CL	0.707	9.106	Significant	0.500

Based on Table 3, results of the loading factor analysis, the equation model is presented as follows:

$$CS = 0.309 \, QP + 0.450 \, PF + 0.258 \, BI$$
$$CS = 0.707 \, CL$$

The results of testing the direct effect are presented in table 3, the significant testing criteria in SEM are based on a critical point value of 1.96 for an error of 5% where the t-value is greater than or equal to the critical point (t-value $\geq$ 1.96) indicates that the parameter value is statistically significant. Thus, the results of this study indicate that the variables of product quality, price fairness, and brand image have a significant effect on customer satisfaction, as well as have a significant effect on consumer loyalty, mediated by customer satisfaction, and consumer satisfaction have a significant effect on consumer loyalty, because of the influence of variables. independent and dependent, either directly or indirectly, the t-count is more than the t-table (1.94) (table 3).

While the R2 column (table 3) contains the values of the coefficient of determination. R2 for the influence of the independent variables (consumer quality, price fairness, and brand image) on consumer satisfaction by 84%. This means that 84% of customer satisfaction is influenced by product quality, price fairness, and brand image, while the remaining 16% is influenced by other factors not observed in this study. R2 for the influence of consumer satisfaction variables on consumer loyalty by 50%. This means that 50% of the consumer loyalty variable is influenced by customer satisfaction, while the remaining 50% is influenced by other factors that are not observed in this study.

This equation can be judged that variable product quality affects consumers with a path coefficient value of 0.309, variable price fairness affects consumer satisfaction with a path coefficient value of 0.450 and image variables affect consumer satisfaction with a path coefficient value of 0.258. From this it can be seen that variables/independent (product quality, price fairness, and image) have a positive effect, thus the result is an increase in the value of product quality, price fairness and brand image, better (increase) customer satisfaction, thus otherwise. This equation can be conveyed that influence of consumer satisfaction on loyalty is 70.7% positively. This means that it happened because of increase in customer satisfaction by 100%, then there was an increase in customer loyalty by 70.7%.

Product quality has a positive effect on consumer satisfaction by 30.9% (table 3, figure 3), meaning that if there is an increase in product quality by 100%, there is an increase in satisfaction by 30.9%. The results of this study, among others, show that product quality affects consumer satisfaction in accordance with the opinion of previous researchers [Nasirudin, Yuliasetiarini, and Suroso, 2018] [7], [Khadka and Maharjan, 2017] [11], [Khoironi, Syah, and Dongoran, 2018] [12], [Ishaq et al., 2014] [15], [Kumar & Bhatnagar, 2017] [16], [Hanaysha, 2016] [19], [Susanty & Kenny, 2015] [20], [Kumar & Babu, 2013] [21], [Syarifah & Ali, 2020] [22], [Setya & Soni, 2018] [23].

The correlation value of the variable consumer quality indicator on consumer satisfaction is an indicator produced by a hygienic process (K03) (figure 3). Thus, to increase consumer satisfaction in North Jakarta, Sajiku brand instant seasoning management needs to convince consumers that Sajiku brand instant seasoning is produced according to health standards. This information can be done through advertisements, as well as repairing packaging which represents a guarantee that Sajiku is processed according to standards.

The positive effect of price fairness on consumer satisfaction is 45% (Table 3, figure 3). This can be explained that if there is an increase in the fairness of the price by 100%, there will be an increase in satisfaction by 45%. The results of this study, which shows that price reasonableness of consumer satisfaction, is in accordance with the opinion of previous studies [Al-Msallam, 2015] [8], [Khoironi, Syah, and Dongoran, 2018] [12], [Sudaryanto et. al., 2019] [13], [Elete, 2018] [14], [Hanaysha, 2016] [19], [Kumar & Babu, 2013] [21]. Other studies have produced findings that are contrary to the results of this study that price has no effect on consumer satisfaction [Nasirudin, Yuliasetiarini, and Suroso, 2018] [7], [Wu, et al., 2011] [9].

Based on the loading factor indicator value according to Figure 3 about Image estimation results standardized coefficient, the correlation value of the indicator of price fairness to consumer satisfaction is the price indicator is in accordance with the benefits (H05). Thus, to increase consumer satisfaction in North Jakarta, the Company needs to convince consumers that prices are in accordance with benefits, and needs to develop and evaluate a special pricing strategy for the North Jakarta area. This can be done by providing promotions and discounts. In addition, in order to improve price compatibility and its benefits, product quality needs to be maintained, even if necessary, and improved.

Brand image has a positive effect on consumer satisfaction by 25.8% (Table 3, Figure 3). It can be explained that if there is an increase in the brand image by 100%, there is an increase in customer satisfaction by 25.8%. One of the results of this study, which shows that brand image affects consumer satisfaction, is in accordance with the opinion of previous studies [Rusmahafi and Wulandari, 2020] [6], [Nasirudin, Yuliasetiarini, and Suroso, 2018] [7], [Al-Msallam, 2015] [8], [Wu, et al., 2011] [9], [Horaga, Ozora, and Stiefanie, 2012] [10], [Khadka and Maharjan, 2017] [11], [Khoironi, Syah, and Dongoran, 2018] [12], [Ishaq et al., 2014] [15], [Kumar & Babu, 2013] [21], [Setya & Soni, 2018] [23].

Based on the loading factor indicator value according to Figure 3 about Image estimation results standardized coefficient, the greatest value of the correlation of the brand image variable indicator on consumer satisfaction is that the brand indicator is indicator of understanding how to use (C04), so, that the Sajiku brand instant seasoning is known to consumers because there is an understanding of how to use it, especially the fried rice variant, which suits their taste. Therefore, the Sajiku company needs to improve its brand image by involving wider consumers so that the Sajiku brand is better known to the public and cooking demonstrations on how to use other flavor variant applications besides fried rice.

Customer satisfaction has a positive effect on customer loyalty by 70% (Table 3, Figure 3). This can be explained that if there is an increase in customer satisfaction by 100%, there will be an increase in loyalty by 70%. The results of this study indicate that consumer satisfaction with consumer loyalty is in accordance with the opinion of previous studies [Al-Msallam, 2015] [8], [Wu, et al., 2011] [9], [Horaga, Ozora, and Stiefanie, 2012] [10], [Khadka and Maharjan, 2017] [11], [Khoironi, Syah, and Dongoran, 2018] [12], [Ishaq et al., 2014] [15], [Syarifah & Ali, 2020] [22], [Djumarno, Anjani, & Djamaluddin, 2018] [24].

Based on the loading factor indicator value according to Figure 3 about Image estimation results standardized coefficient, the correlation value of the indicator of consumer satisfaction towards consumer loyalty is an indicator of distinctive taste (P03) and flavor variant (more focused on the flavor variant of fried rice) (P04). Therefore, to increase consumer loyalty in North Jakarta, the Company needs to increase the thick taste compared to competitors (this applies to variants other than fried rice), and needs to develop products (create new flavor variants) and evaluate these strategies. In addition, to improve product quality, if not, then maintain the quality of the product.

4 Conclusions

The variable of price fairness has the most influence on consumer satisfaction, as well as the most influential on consumer loyalty, mediated by customer satisfaction, compared to the variables of product quality and brand image. An indicator whose value is strongly correlated with consumer satisfaction is an indicator of inexpensive prices. Thus, the problem of decreasing Sajiku's brand of instant seasoning performance in North Jakarta can be anticipated by determining the fairness of prices that can compete in terms of not expensive. Determining the fairness of prices can be done by providing special promotions and discounts in the North Jakarta.

However, even though the influence of brand image variables is the lowest on consumer satisfaction, it needs attention, especially so that Sajiku brand instant seasoning can be more widely known so that it can improve the performance of Sajiku brand instant seasoning, especially in North Jakarta. Because the indicator with the highest correlation value is connected to consumer satisfaction and consumer loyalty is a widely recognized brand. Two things that are needed in improving and maintaining product quality are a production process that is clean according to standards and the packaging is not easily damaged. The two things are related because the packaging is the front page that can explain whether the production process is carried out according to hygiene standards or not. Packaging that is neat and not easily damaged can reflect a production process that can be accounted for in terms of hygiene.

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