THE INFLUENCE OF PRODUCT QUALITY AND RESTAURANT ATMOSPHERE TOWARD CUSTOMER SATISFACTION AND CUSTOMER LOYALTY (SURVEY ON VISITOR IN KOREAN RESTAURANT AT WOLTERMONGONSIDI STREET, SOUTH JAKARTA)

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ABSTRACT

This study was conducted to determine the descriptive and empirical influence product quality, and atmospheric restaurants to customer satisfaction and customer loyalty as a mediator variable. Respondents of this research is customer Korean restaurant that ever came and ate three times or more than three times within a period of 3 months. The data collection is done by distributing questionnaires to 200 respondents and using a sampling technique is purposive sampling. This study uses analysis Structural Equation Modelling (SEM) analysis tool SPSS version 22 and LISREL version 8.7. The test results of descriptive explaining that product quality and atmosphere of the restaurant is good enough that can make customers be satisfied with a Korean restaurant, and is good enough to establish customer loyalty. Hypothesis testing results indicate that the quality of the product and the restaurant atmosphere positive and significant impact on customer satisfaction. Customer satisfaction and significant positive effect on customer loyalty. Product quality and atmospheric restaurant directly influence customer satisfaction. Product quality and atmospheric restaurant direct and indirect effect on customer loyalty. And customer satisfaction directly influence customer loyalty. Product quality and atmospheric restaurants indirect effect on consumer loyalty.

Keywords: product quality, atmospheric restaurant, customer satisfaction, customer loyalty, restaurants.

INTRODUCTION

Background Problem

Restaurant business continues to increase. There are many new restaurants with a diverse range of products and also the concept of restaurant burgeoning and exciting to enliven this industry. Including foreign restaurant that keeps popping up in Indonesia. Foreign restaurant, culinary business seemed to continue to rise. How not, many Indonesian people who love foreign cultures ranging from lifestyle, music, movies, trends dressed, especially the food of the foreign country.

Many restaurants now also offer a unique design and a diverse menu, not only traditional restaurants varied menu. Foreign restaurants in Indonesia, more diverse and visited by many people, including foreigners Korean restaurant. Korea became one of the culture is very popular in Indonesia. Beginning of the arrival of Korean culture in Indonesia, preceded by the rampant dramas ever become hits in Indonesia, namely Winter Sonata in the 2000s and others. Indonesia is regarded as one of the most important countries that became the purpose of spreading the culture of Korea. One reason is that many Indonesian workers who work in Korea and many Koreans are investing and living in Indonesia.

Currently the Korean culture not only in terms of entertainment of music or how to dress. Inevitably fever Korea (K-pop) are booming within the last 2 years. Automatic anything in Korea including culinary (K Food) increasingly have a place in the tongue of Asia, including in Indonesia.

Flavors of Korean cuisine (K Food) can not be thought before we feel it. Judging from the shape of Korean cuisine very appetizing meal. Because of Korean cuisine that is often dominated by the color red makes consumers really want to feel it.

One example of the most famous dishes is jajangmyeon, named jajangmyeon Korean food is usually served with soy sauce and pickled radish when it is still hot. Of course, black soybean paste noodles in a typical Korean food this one has a distinctive taste of Korean food was delicious and compulsory for taste. The second is Bibimbap. This food this one is a mixed rice but a typical mixed rice

of korea in which there are white rice and also a variety of side dishes and vegetables, do not forget the typical food korea named Bibimbap is also included a chili sauce that is very typical Korea. The third Kimchi, In recent years, this typical Korean food this one gets its own place in the hearts of fans of Korean food. The food was commonly called the Kimchi is a typical Korean food which is made from fermented vegetables mixed with various Korean spices. Korean Kimchi is usually presented in a variety of flavors such as sour and spicy suppose.

But there is also considered that the restaurants Korean food less preferred by customers as it feels portion that is not appropriate, taste does not match to the original, unique presentation but mediocre taste, menu that does not fit and their texture is less appropriate. In terms of atmosphere of Korean restaurants in the area Jl. Woltermonginsidi, Jakarta there are discrepancies interior, in terms of lighting where customers often to take pictures at the restaurant, which is not in accordance with the customer shadow. Both of these can affect customer dissatisfaction. If a dissatisfied customer will affect their loyalty to the Korean restaurant. The customers will not be able to return to the Korean restaurant, do not recommend to other customers.

Data obtained from the website Bps.go.id on the development condition of the restaurant in Jakarta that was obtained from an annual survey in 2013 to 2015. With a number of local restaurants 562, 551 foreign restaurants, and others with no place of origin of the restaurant by the number 68 restaurants, with the overall number of restaurants in 1181 restaurant in Jakarta. In 2013 a local restaurant with a percentage of 65.12% and foreign restaurants with a percentage of 34.88%. In 2014 the local restaurants 74.83% and 27.17% foreign. Local restaurants and 2015 by 47%, 47% foreign restaurants, and others 6%.

Table 1. ***Percentage of Number of Local and Foreign Restaurants***

	Lokal	Asing	Lainnya	Jumlah
2013	**65,12%**	**34,88%**	**-**	**100%**
2014	**74,83%**	**25,17%**	**-**	**100%**
2015	**47%**	**47%**	**6%**	**100%**

Source:http://www.bps.go.id/index.php/pencarian?searching=restoran&yt1=Cari

Data were also obtained from the website Bps.go.id about the many foreign restaurants based on food origin in Jakarta in 2015 in the capture of Bps.go.id website with the title "Company Directory / Business Restaurants / Eating 2015" with the number of restaurants American foreign origin / Europe 319, 123 Japanese foreign restaurants, Chinese restaurants 92, Korean restaurants 17, with the total number of foreign restaurants are 551 restaurants.

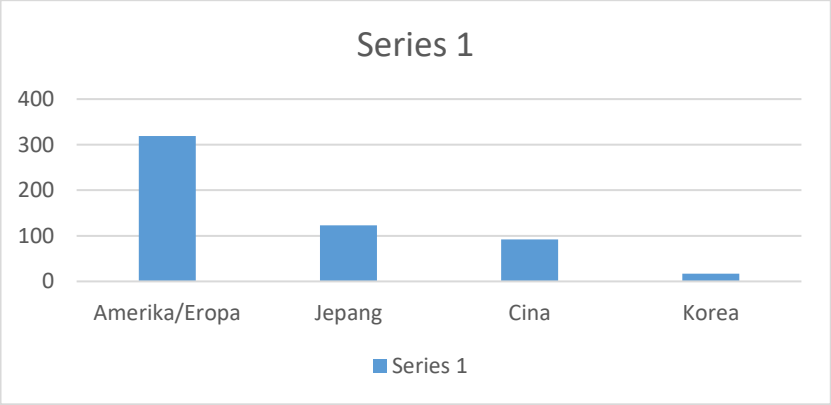

Figure 1. ***The number of Foreign Based Origin Food Restaurants in Jakarta***
Source:http://www.bps.go.id/index.php/pencarian?searching=restoran&yt1=Cari

Theoretical Studies

Product Quality

According to Kotler and Kaller (2008), the product quality is the product's ability to perform its functions in which these qualities include durability, reliability, strength, ease of use and repair products and other product attributes. Namkung, Jang (2007) in Jalal Hanaysha (2016) stated that the quality of the products has been largely recognized as important components of restaurant operations and, therefore, has a major impact on customer satisfaction and buying interest in the future.

According to Mullins, Orville, Larreche, and Boyd (2010), the dimensions of the product quality, namely:

1. *Performance*
2. *Durability*
3. *Conformance*

4. *Features*
5. *Reliability*
6. *Aesthetic*

Restaurant's Atmosphere

Heung and Gu (2012) in Petzer and Mackay (2014), described the atmosphere as the conscious design of a space to provide encouragement or emotional effect on the customer, to finally increase the willingness to buy a product or service. According to Levy and Weitz (2001) in Dian and Artanti (2013), the atmosphere was the creation of the atmosphere of the store through the visual, the arrangement of light, music and aromas to create a comfortable environment so that purchases can influence perceptions and emotions of consumers to make purchases.

Turley and Miliman (2000) in Nurrochmat et.al (2015), there are five dimensions of the atmosphere, namely:

1. *Exterior*
2. *General Interior*
3. *Store Layout*
4. *Interior Displays*
5. *Human Variabels*

Customer Satisfaction

Caruana (2002) in Haghighi et.al. (2012), customer satisfaction is the response of customers to evaluate the perceived difference between prior expectations and actual performance product that is felt after consumption. According to Kotler and Keller (2008), consumer satisfaction is the happy or disappointed feeling of someone which emerge after comparing the perception or impression of the performance or the result of a product and its expectations.

According Dutka (1994) in Sugiharto et.al. (2013), the three main dimensions of customer satisfaction consists of:

1. *Attributes related to product*

2. *Attributes related to service*
3. *Attributes related to purchase*

Customer Loyalty

Loyal customers is an asset to the company with his behavior as proposed by Oliver (2000) in Foster Bob (2009) that loyalty is a profound commitment to re-subscribe to the products or services that have been chosen in the future, despite situational influences and marketing efforts which has the potential to cause consumers to switch. Keningham et.al. (2007) in Haghighi et.al. (2012), said that customer loyalty is an important factor in the customer strategy of any organization. Increase customer loyalty has become a hot topic among managers, consultants, and academic scholars.

In addition, Griffin (2002) in Bob Foster (2009) show that there are two dimensions of loyalty they are:

1. *Attitudinal*
2. *Behavioral*

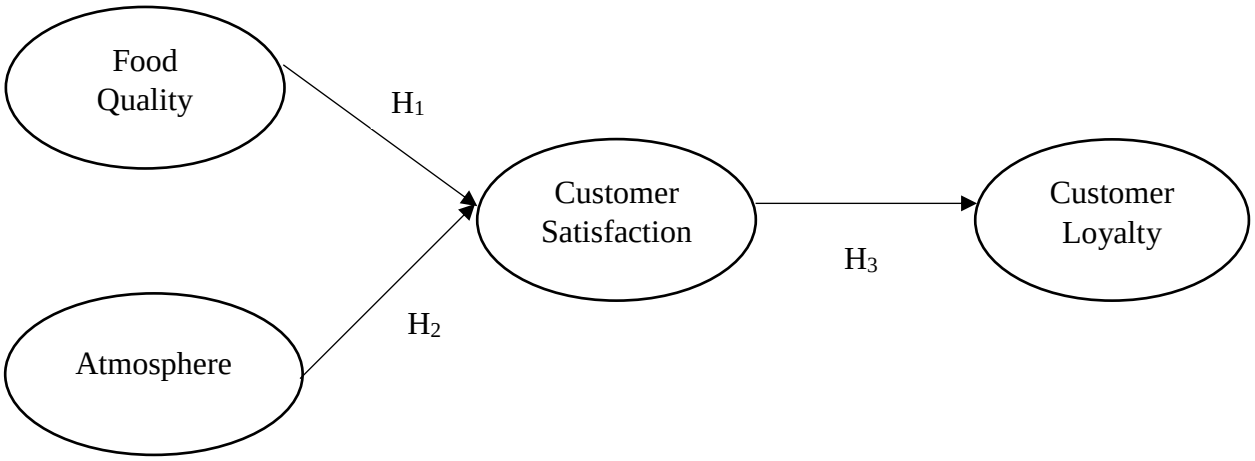

Figure 2. Model Research
Source: Adapted by the researcher (2016)

H1: Product Quality positive and significant effect on customer satisfaction in the product of Korean restaurant Jl. Woltermonginsidi, Jakarta
H2: Atmosphere restaurant positive and significant effect on customer satisfaction in the product of Korean restaurant Jl. Woltermonginsidi, Jakarta.
H3: Customer satisfaction positive and significant effect on customer loyalty in the product of Korean restaurant Jl. Woltermonginsidi, Jakarta.

RESEARCH METHODOLOGY

Population and Sample

According sekaran and Bougie (2009), population refers to a whole group of people, events, or it interests you want in the investigation of researchers. The population in the study refers to groups that come in and eat at the Korean restaurant.

According to Malhotra (2010) sampling is a subgroup of the elements of the selected population are selected to participate in this study. The samples in this study followed the conditions stipulated by Hair et al. According to Hair et al. (2010), the minimum number of samples taken is five times the number of parameters used in the study. Sampling models used in this research is purposive sampling. According sekaran and Bougie (2009), purposive sampling that researchers obtained information from the most prepared and meet some of the criteria required in providing information. The reason for using purposive sampling is expected in the sample to be taken really meets the criteria according to research to be conducted. Limitations in purposive sampling method is a group of people who come and eat at a Korean restaurant.

Then the sampling will be used in this study will be adjusted based on the above Hair et al theory. That suggest on the first point of the provisions of a sample size of 100-200 for technical estimation of maximum likelihood (ML).

Data collection

In this study, collecting data using questionnaires given directly to respondents to obtain information about the variables examined in this study. These data were collected by researchers through the distribution of questionnaires to 200 people who come and eat at a Korean restaurant.

This study uses a Likert scale as a research tool for measuring the statements listed on the questionnaire. Likert scale designed to assess how strong the subject agree or disagree with statements on a 5 point scale.

Table 2. *Skala Likert*

Kriteria Jawaban	Skor	Kode
Sangat Tidak Setuju	1	STS
Tidak Setuju	2	TS
Biasa Saja	3	BS
Setuju	4	S
Sangat Setuju	5	SS

Source: Uma Sekaran, Metodologi Penelitian Untuk Bisnis. (Jakarta : Salemba Empat. 2007) p. 32

Research methods

This study will use the software SPSS version 24 and SEM (Structural Equation Modeling) of a statistical package LISREL 8.70 to process and analyze the research data. Through SEM software, not only causality (direct and indirect) in the observed variables or constructs that can be detected, but the components that contribute to the formation of the construct itself can be determined magnitude. So that a causal relationship between the variables or constructs to be more informative, complete, and accurate.

RESULTS AND DISCUSSION

Validity Test

Validity test is used to determine the feasibility of the items in a list of questions to define a variable. To test the validity of research instruments is done by exploratory factor analysis. The data is processed by exploratory factor analysis using SPSS analysis tools version 22. But first things you should do first is to determine the value of KMO (Kaiser-Meyer-Olkin), the goal is to determine whether the number of samples used in the study is feasible to test accuracy factor analysis. Besides KMO validity test was performed using bivariate Pearson correlations were processed with SPSS software version 22 with a level of significance of 0.05 (5%).

Table 3. Test Results of Research Variables KMO

No.	Variabels Name	KMO Value
1.	*Product Quality*	0.665
2.	*Restaurant Atmosphere*	0.801
3.	*Customer Satisfaction*	0.651
4.	*Customer Loyalty*	0.583

Source: Adapted by the researcher (2017)

Test Reliability

A questionnaire said to be reliable if such instruments remain consistent or stable at relatively the same result even if the measurement is repeated. For testing typically use such restrictions as 0.6. The reliability of less than 0.6 can be said to be poor, while 0.7 and 0.8 are acceptable can be said to be good.

Table 4. Reliability Test Results

No.	Variable	Dimension	*Combrach's Alpha Value*	Ket
1	*Product Quality*	*Performance*	0,976	Reliabel
		Durability	0,958	Reliabel
		Conformance	0,928	Reliabel
		Feature	0,894	Reliabel
		Reliability	0,945	Reliabel
		Aesthetics	0,996	Reliabel
2	*Restaurant Atmosphere*	*Exterior*	0,848	Reliabel
		General Interior	0,898	Reliabel
		Store Layout	0,756	Reliabel
		Interior	0,870	Reliabel
3	Kepuasan Pelanggan	*Attribute Related to Product*	0,727	Reliabel
		Attribute Related to Service	0,879	Reliabel

		Attribute Related to Purchase	0,621	Reliabel
4	Loyalitas Pelanggan	*Attitudinal*	0,886	Reliabel
		Behavioral	0,812	Reliabel

Source: Adapted by the researcher (2017)

Fit Model

Fit Model SEM is the result of modifications to suit the full model goodness of fit index criteria in order to get a good fitness model.

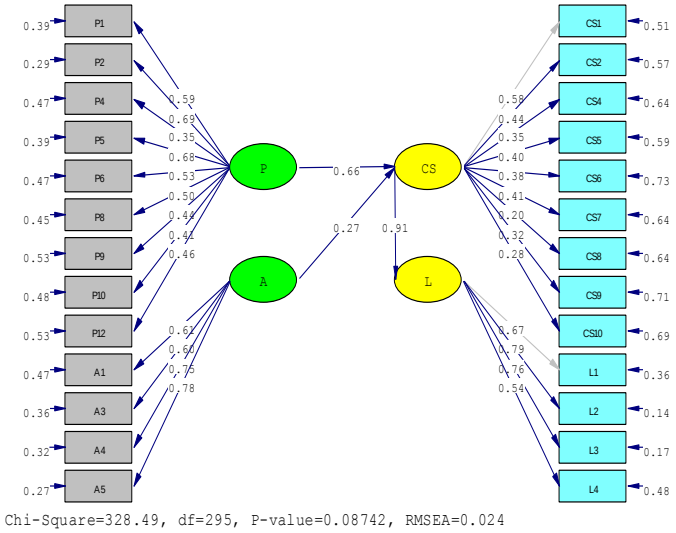

Figure 3. Fit Model SEM
Source: Adapted by the researcher (2017)

Furthermore, the test results of model fit (goodness of fit test) to see the values on predetermined criteria to determine whether a full model SEM is fit or not. RMSEA value for 0024, amounting to 0.90 GFI, CFI 0,99, CMIN / DF at 1:11, RMR of 0041, and amounted to 0.87 AGFI. Based on the results of the six models of the gauge (P, RMSEA, GFI, CFI, RMR, and AGFI) showed good numbers in accordance with the criteria of the index, indicating that the model was fit to the data.

Table 1. Fit Model SEM

Index	*Cut Off Value*	Result	Evaluation Model
RMSEA	≤ 0,08	0,024	*Fitted*
GFI	≥ 0,90	0,90	*Fitted*
CFI	≥ 0,95	0,99	*Fitted*
CMIN/DF	≤ 2,00	1,11	*Fitted*

RMR	≤ 0,05	0,041	*Fitted*
AGFI	≥ 0,90	0,90	*Fitted*
P-Value	≥ 0.05	0,08	*Fitted*

Source: Adapted by the researcher (2017)

Direct and Indirect Influence

The test results Effect of Direct and Indirect is as follows:

Table 6. ***Direct and Indirect Influence***

Independent Varible		Dependent Variable	Direct	Indirect
Product Quality	→	Customer Satisfaction	0,66	-
Restaurant Atmosphere	→	Customer Satisfaction	0,27	-
Customer Satisfaction	→	Customer Loyalty	0,91	-
Product Quality	→	Customer Loyalty	-	0,60
Restaurant Atmosphere	→	Customer Loyalty	-	0,24

Source: Adapted by the researcher (2017)

Test the effect of direct and indirect done to know is there any direct or indirect influence of the independent variables affect the dependent variable. Based on the analysis of data can be seen directly influence the variable product quality to customer satisfaction has the effect of 0.66, the direct influence of atmospheric restaurants to customer satisfaction of 0.27, variable direct influence of customer satisfaction on customer loyalty of 0.91.

While there are indirect effect on the relationship variable quality products to the consumer loyalty of 0.60 and indirect influence on atmospheric restaurant on consumer loyalty of 0.24.

Hypothesis Testing

If the t-value on the results of the structural equation model is greater than 1.96, then there is a significant difference between variables. According to Yamin and Kurniawan (2009), in testing the structural model commonly used test is testing a two-way, ie using statistical t value limit of 1.96. Whereas, if the t-value less than 1.96, then the influence between variables were not significant.

Table 7. ***Hypothesis Test Results***

Hypothesis	Dependent Variable		Independent Variable	*t-value*	*Standardize total effects*	Interpretation
H1	Customer Satisfaction	←	Product Quality	6,93	0,66	Accepted
H2	Customer Satisfaction	←	Restaurant Atmosphere	3,59	0,27	Accepted
H3	Customer Loyalty	←	Customer Satisfaction	7,90	0,91	Accepted

Source: Adapted by the researcher (2017)

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

1. H1 declares the variable quality of the product has a positive and significant correlation to customer satisfaction. Showed that the positive effect on the product quality of customer satisfaction with the value of the sign in front of a positive 0.66. This can be known from the value of the t-value is significant (t-value 6.39> 1.96). Therefore H1 accepted
2. H2 declares the variable restaurant atmosphere has a positive and significant correlation to customer satisfaction. Showed that the atmospheric restaurant positive effect on customer satisfaction with the value of the sign in front of a positive 0.27. This can be known from the value of the t-value is significant (t-value 3.59> 1.96). Therefore, H2 is accepted.
3. H3 declares customer satisfaction variables have positive and significant relationship on consumer loyalty. Shows that customer satisfaction has positive influence on customer loyalty with a 0.91 mark in front of positive values. This can be known from the value of the t-value is significant (t-value of 7.90> 1.96). Therefore H3 is received.

Recommendations

Korean restaurant improve hygienic and safety to ingredients that are prepared to make Korean restaurant food. So that customers are satisfied with the clean and safe ingredients. A Korean restaurant should conduct periodic checks of the food thoroughly before served to customers, the materials should be no damage

before it is processed. Korean restaurants must also consider whether all the flavors and ingredients are correct and appropriate for the consumer wants to taste the food which has the same flavor as its original. And it is more acceptable to the people of Indonesia. Parties must also consider the restaurant portion is in accordance with the consumers want so that portions can offer satisfactory. Because the people of Indonesia are very happy with the big portion.

Korean restaurants have to see also the layout of benches and tables so that it can arrange the room that provide quite benches and tables at a Korean restaurant so that when there are many consumers, the consumers will not wait too long, pay more attention to the unique design of the restaurant, because the unique Korean culture become a trend of Indonesian society, the lighting is also very important, the music of Korea becomes very important, the music can be selected directly by the customer becomes an interesting thing. Parties of restaurants can also add a special bench for the waiting list so that when a consumer must wait it still create a cozy atmosphere of the restaurant.

Korean restaurants should improve the quality of their products in terms of taste, variants of the menu, and the portions the ingredients should be hygienic, the unique design the layout of tables and benches, the comfort of the restaurant should be better so that customers are satisfied with the whole things in the Korean restaurant.The improving of quality food, the improving of the presentation of food to cunsomer, and the unique and comfortable restaurant desaign can make customers loyal and want to come continuously to a Korean restaurant.

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