

## Increase Brand Loyalty Through Customer Satisfaction at Restaurants

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### Abstract

The pattern of consumer behavior after making a purchase determines brand loyalty. This behavior tends to be committed to a particular product or brand and will continue to make repeated purchases. Accordingly, brand loyalty is a crucial component in ensuring business continuity. With the use of customer satisfaction, this study seeks to examine the impact of product and service quality on brand loyalty. Using customer satisfaction, this study seeks to examine the effect of product and service quality on brand loyalty at Bakso Lapangan Tembak Restaurant, one of the leading eateries in Jakarta and its surroundings by providing questionnaire tools to a total of 261 customers. Data was analyzed using SEM PLS with the assistance of Smart PLS software. The findings demonstrated how brand loyalty is directly impacted by customer satisfaction and service quality. This is due to the fact that satisfied customers and high-quality services encourage repeat business, which ultimately boosts brand loyalty. The findings demonstrated how brand loyalty is directly impacted by customer satisfaction and service quality. This is due to the fact that satisfied customers and high-quality services encourage repeat business, which ultimately boosts brand loyalty. Evidently, product quality has no direct impact on brand loyalty, in contrast to service quality and consumer happiness. The relationship between the quality of the brand and the quality of the product might be mediated through customer satisfaction.

**Keywords:** Product quality; service quality; customer satisfaction; brand loyalty

### Introduction

Consuming local food is tourists' important activities during their travelling. During a trip, travellers typically spend 25% of their overall budget on food and drink (Pezenka & Weismayer, 2020), providing business opportunities for restaurants' owners. To improve customers' willingness to return, restaurant management should continuously work to maximize the positive customer experience. Customer loyalty is reflected by a combination of attitudes and behaviors, including an intention to re-use or re-buy, a willingness to recommend to others, and show disinterest to alternative product or service (Farquhar, 2005). When using trust to strengthen the bond between satisfaction and customer satisfaction, newly established loyalty among the latter will grow more rapidly (Nainggolan et al., 2022). Brand loyalty demonstrates a consistent attitude toward purchasing a preferred brand and generates repeat purchases of a specific product or service. Customer retention can be an indicator of a company's financial success. Considering the potency of organizations' profit and business

sustainability, management should strive to foster customers' loyalty for securing a competitive edge in restaurant business. Identifying factors positively contribute to the increase of brand loyalty therefore plays an important role for restaurant business.

Food quality was mentioned as one of the crucial considerations for customers in choosing restaurants (Hyun, 2010). Numerous study findings revealed that food quality, taste, hygiene and safety, staff behavior, product price, restaurant's location and reputation are crucial determinants of consumers' decisions regarding where to dine when traveling (Kolanowski et al., 2021). While Vinish et al. (2021) mentioned stated additional important aspects that affect consumer satisfaction, these include order placement convenience, food quality, food availability, restaurant reviews and ratings, offers, and discounts. The qualified food products is one of the factors that can encourage visitors to have a good dining experience. Al-Tit (2015) and Ryu and Han (2010) highlighted that food quality is crucial determinant to measure satisfaction and retention of customers in the food business. However, a different viewpoint contends that consumers' purchasing decisions are not primarily influenced by the product's quality and taste (Chuenban et al., 2021).

Five aspects of food quality cover food freshness, delicious taste, nutritious, various menu items and the food's enticing smell (Al-Tit, 2015), mentioned that the most important factors in determining consumer satisfaction with meals are appearance and taste. Hyun (2010) and Knight et al. (2007) also related food quality with safety issue. Food safety enforce the customers' the trust- worthiness of a restaurant. A research of Namkung & Jang (2007) mentioned food quality has even emerged as the most significant antecedent of consumer loyalty in the choice of restaurants, playing a significant influence in determining the post-dining behavioral intentions of customers toward restaurants (Ryu & Han, 2009). According to a study on the Malaysian fast food business by Hanaysha et al. (2017) found that the qualified food has a significant positive impact on brand equity and its components, particularly the brand's image, preference, loyalty, and leadership. Understanding food quality attributes that significantly amplify customers' satisfaction will assist restaurant managers to improve the food quality development more effectively.

Previous empirical studies showed that service quality helps to identify areas for development as well as the gap between the customer's wishes and what they actually experience. Service quality is becoming increasingly important in terms of costs, customer satisfaction and retention, profitability, and service guarantee (Singh & Singhi, 2018). The study of Yang et al. (2018) demonstrated how service excellence affects brand loyalty. Brand service quality also becomes one of the crucial determinants of brand loyalty (Kresnanda & Jatra, 2019). The term "brand service quality" describes the standard of services offered by an specific brand that meet or surpass the expectations of a particular consumer (Chinomona et al., 2013; Heung & Gu, 2012). Abd Aziz et al. (2018), Chinomona et al. (2013) highlighted the importance of improving brand service quality attributes due to their influences on consumer satisfaction and to ensure that customers favor their brands, encourage repeat business from them, and finally become devoted to them.

Hyun (2010) claims that the relationship between service quality and brand loyalty can be moderated by customer satisfaction and trust. Satisfaction becomes a predictor the increased brand loyalty (Singh & Singhi, 2018). According to Kim et al. (2016), consumer satisfaction or dissatisfaction is described as their total emotional reaction to the complete brand experience following their most recent purchase. This reaction can be used to estimate future customer loyalty and business achievement (Johnson et al., 2001). When the perceived performance of brand products and services meets or exceeds expectations, consumers feel satisfied. Consumers' dissatisfaction emerges if their perception of brand product and service performance is lower.

Satisfied customers with a particular brand are more likely to purchase it and develop an attitude of brand loyalty. Customers' purchasing behavior, along with associated emotions and fulfillment, can gradually create brand attachment (Yang et al., 2018). As a result, efforts to ensure customer satisfaction are critical for business sustainability. Consumers often evaluate their intentions for future purchases based on the benefits of the relationship and the value they gained from prior interactions (Abdullah, 2022). In order to compete in today's increasingly competitive restaurant business, management must pay attention to gain customer satisfaction. High levels of customer satisfaction, however, may not always transfer into high levels of loyalty behavior (Chitturi et al., 2008). It agrees with (Chinomona et al., 2013) who said that the extent to which good brand service increases brand loyalty through brand satisfaction is unclear. (Jiang & Zhang, 2016) research on the airlines' business traveller also found that satisfactory service did not contribute positively to increase customer loyalty among business traveler. Therefore, more research is needed to verify the link between consumer happiness and brand loyalty. This study also aims to pinpoint how consumer satisfaction may be used to promote greater brand loyalty.

## **Literature review**

### ***Brand loyalty***

Because of the benefits obtained by the company, managers must understand the importance of brand loyalty when running a business. Brand loyalty can reduce marketing costs, because customers who already have brand loyalty to a certain product will still survive to use the product. Thus the company can retain old customers instead of trying to get new customers. To realize brand loyalty is usually preceded by a brand image. A person's beliefs, ideas, and impressions about a brand are referred to as their brand image (Faritzal et al., 2021). According to some research, brand image has the biggest impact on brand loyalty of all three factors, with brand impact and brand satisfaction also playing significant roles (Thai et al., 2020). Brand loyalty is a motivator for businesses that want to gain an advantage and a competitive advantage. Increased brand loyalty can lead to increased commerce. Furthermore, brand loyalty can be used to attract new customers based on previous users of the product. As a result, every company wishes to have strong brand loyalty (Thai et al., 2020).

### ***Product quality***

Product quality refers to a feature of an item or outcome that makes it meet the requirements of the intended usage. Consumers' perceptions of superior product quality will influence their purchasing decisions. However, if the product meets client expectations, it can be deemed to be of high quality. The majority of consumers weigh a product's quality against its price, brand, packaging, distribution, and promotion before making a purchase decision, indicating that there is a link between product quality and purchasing choices (Faritzal et al., 2021). Product quality, brand perception, and pricing perceptions all have a positive and significant impact on purchasing decisions (Steven et al., 2021). Customers can be satisfied by things such as offering high-quality goods, providing exceptional customer service, and enhancing the company's reputation. Previous research have demonstrated how customer happiness impacts company organizations, demonstrating that happy and pleased customers will repurchase goods and services frequently (Hossain et al., 2020). The success of the restaurant industry is thought to be significantly influenced by the quality of the food. In the management of restaurants, the quality of food and beverage products is considered an important factor to win the competition and the sustainability of the business (Javed et al., 2021). Taste, form, and other food quality characteristics influence customers' inclination to return to restaurants to make repeat purchases and act as a stimulant that eventually influences the customer's internal rating

(Konuk, 2019). The primary factor in ensuring customer satisfaction and having a significant bearing on both customer satisfaction and loyalty is the quality of the food offered (Trafialek et al., 2020). Some other aspects that are a reference for the quality of food are the way it is served, taste, diversity of the menu, freshness, and health of the food (Zhong & Moon, 2020). Product quality is the main determinant in a product-based industry (Kotler, 1989; Tran & Le, 2020)

### ***Customer satisfaction***

Customer satisfaction is a crucial factor in managing a business because it has an impact on the organization's long-term profitability (LE et al., 2020; Suchánek & Králová, 2018). Customer satisfaction is a psychological evaluation and a useful comparison between the price paid and the goods and services received to fulfil the expectations of the customer (Hossain et al., 2020), and is a type of customer evaluation that is subjective of a good or service (LE et al., 2020). In today's increasingly competitive marketplace, customer satisfaction is the key to boosting customer loyalty and ensuring corporate success (Xu et al., 2018). In order to increase customer satisfaction, it is essential for businesses to consistently endeavour to improve the quality of their products and services (Hassani & Taati, 2020). In managing an increasingly competitive restaurant business in the current era, management must pay attention to customer satisfaction, because it is a key element of business strategy to win the competition. To improve customers' motivation to return, restaurant management must constantly work to maximize the positive customer experience (Chun & Nyam-Ochir, 2020).

### ***Service quality***

Many industries feel the important role of service quality in satisfying and retaining customers to provide more great profits, win competition, and maintain the sustainability of the business that is run and even continues to grow. According to various research, there is a favorable correlation between customer satisfaction and service quality (Hassani & Taati, 2020). By enhancing customer service, businesses can gain a competitive edge and guarantee that their clients are satisfied with the goods or services they receive (Hapsari et al., 2016; Sakyi, 2020), is also a crucial component of providing services to clients because higher service quality increases the customer's perception of value (Hossain et al., 2020). Since it helps a business increase earnings, as well as satisfy and keep consumers, service quality has gained widespread recognition as a crucial problem in many industries. Customers' expectations and opinions of the quality of the services they receive continue to be crucial to the success and survival of businesses. Based on the description above, the following hypothesis is proposed.

*H1: Product quality has a positive effect on brand loyalty.*

Additionally, it was demonstrated that when employed as a highly focused promotional message for fostering brand loyalty, product quality had a considerable impact on consumer preference. Therefore, it was suggested that the consumer be highly impacted by the product's quality level. Therefore, strict maintenance and development are needed. Because it will greatly affect client choices for the food and beverage goods presented, restaurant management must constantly maintain and improve product quality.. Product quality is an important element to make customers repurchase continuously (Grunert, 2003) and ultimately encourage the formation of brand loyalty (Kiss, 2022). Despite the fact that social value has a less impact on consumer loyalty to health food brands, product quality should be given priority because it is a trend that consumers want.(Emperatriz et al., 2022).If the company improves product quality,

it is expected to have an increasing impact on brand loyalty through consumer emotion (Lee & Jin, 2019).

*H2: Service quality has a positive effect on brand loyalty*

It takes time and effort to build brand loyalty, especially when it comes to the caliber of the goods or services provided. One of these components is the manager's high standard of customer service. Because of the intense competition, managers must improve the level of services to ensure competitive advantage, have quality improvement, and give the company a competitive edge (Chen et al., 2021). Khan et al. (2016) find a positive relationship between the food, the service, and the brand loyalty base in restaurants. Also, find a positive relationship between the food, the service, and the brand loyalty base. Service Quality: Physical Quality SQ:PQ and Lifestyle Congruence LC were able to fully mediate with brand loyalty, while Service Quality: Staff Behavior SQ:SB, Ideal Self Congruence IS C and Brand Identification BI were not able to mediate on brand loyalty (Polat, 2021). The other conclusion demonstrates that while brand trust has a considerable indirect impact on behavioral loyalty, service quality has no direct impact on behavioral loyalty (Liu et al., 2017).

*H3: Customer satisfaction has a positive effect on brand loyalty*

In order to increase customer loyalty, a company's primary objective in doing business is to raise customer satisfaction. This is one of the most important factors that might lead to a rise in a company's sales. The expectancy disconfirmation theory states that the quality of the services provided determines consumer satisfaction. Customers will be satisfied and likely make a subsequent purchase if the sales staff's service matches their needs (Hossain et al., 2020). Customer satisfaction is the goal of a company in doing business because it can lead customers to their loyalty. Customer satisfaction comes from the quality of service. If the services provided meet customer expectations, it will provide satisfaction leading to the next purchase which will ultimately provide benefits for the company and increase its competitive advantage (Uzir et al., 2020). Providing the most effective service and ensuring customer satisfaction becomes one unit in the process of supporting success for the achievement of company goals (Eviana et al., 2022), but usually customer satisfaction can affect brand loyalty if brand image and value have been designed (Thai et al., 2020).

*H4: Product quality has a positive effect on customer satisfaction*

One of the key factors influencing the degree of client happiness is product quality (Mittal & Gupta, 2021). In order to boost consumer satisfaction and trust in product quality, a number of different techniques can be used, such as enhancing the product's manufacturing process quality, continuously improving the shape, and minimizing deviations (Mittal & Gupta, 2021). Researchers have suggested that boosting customer happiness involves significant worker training as part of successful strategic management and have regarded it as a measure of product quality (Bilanakos et al., 2018). Currently the tendency to improve product quality in a sustainable manner is important because it aims to increase customer satisfaction (Krejci et al., 2019). The dominant factor for organizational success is product development that focuses on customer satisfaction (Siwec & Pacana, 2021). One of the elements that positively and significantly affects consumer satisfaction is perceived product quality (Ali & Naushad, 2021). To maintain customer satisfaction, management must maintain product quality that meets customer needs (Midor & Wilkowski, 2021).

*H5: Service quality has a positive effect on customer satisfaction.*

One of the elements that positively and significantly affects consumer satisfaction is perceived product quality. They demonstrated a strong correlation between client satisfaction and perceived service quality, with perceived service quality serving as a precondition for satisfaction (Cuesta-Valiño et al., 2021). With an emphasis on the institutional and personal components of trust or reliability, trust has been examined across a variety of disciplines. In the world of business, trust is regarded as one of the essential elements of strong bonds. Trust is the consumer's conviction that the other party's actions will always meet his or her needs. As a result of the other party's actions containing the conviction that the business would keep its promises, trust is also a representation of enduring beliefs (Cuesta-Valiño et al., 2021). Service quality continues to be a key factor in determining a company's profitability because it has a favourable impact on customer satisfaction (Chen et al., 2021), improved service quality might improve the number of people using businesses' services. Customer satisfaction may be a result of service quality, which was positively correlated with employee satisfaction, suggesting service quality's mediating function in the relationship between employee satisfaction and customer satisfaction (Sohail & Jang, 2017)

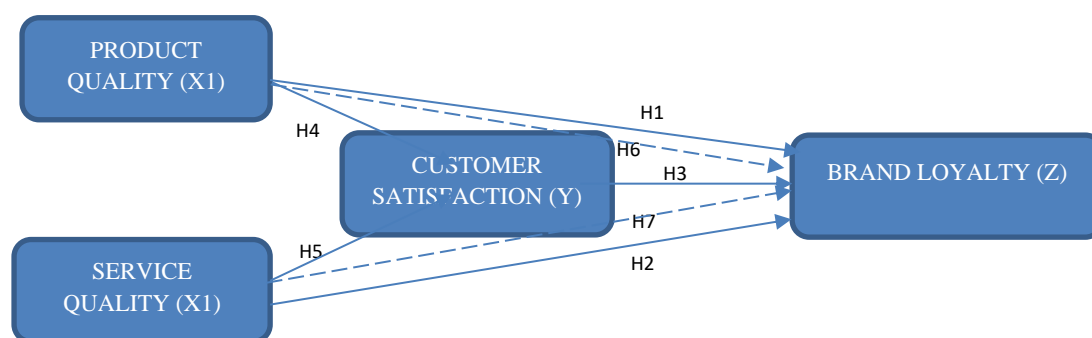
*H6: Product quality positively affects brand loyalty through customer satisfaction.*

Perceived product quality affects customer satisfaction (Ali & Naushad, 2021). When a customer is willing to spend more for a brand, brand loyalty is described as his or her good feelings toward that brand. (Thai et al., 2020). While consumer satisfaction has a significant impact on product quality, it has a far smaller impact on brand loyalty. Customer satisfaction can reduce the negative effects of external variables on repeat business.

*H7: Service quality positively affects brand loyalty through customer satisfaction.*

Service quality may impact loyalty through satisfaction (Cuesta-Valiño et al., 2021). A company's success or failure has long been determined by how satisfied its customers are. Consumer impressions of society, competition, and other consumers are impacted by customer satisfaction. The quality of the services offered has a significant impact on customer satisfaction (Ali & Naushad, 2021). Customer satisfaction and brand loyalty are strongly correlated, with service quality having a major impact on both. Customer satisfaction can reduce the negative effects of external variables on repeat business.

Based on this framework, once explained, the researcher develops a research hypothesis model as follows:



**Figure 1: Hypothetical model**



## Research methodology

The study used a quantitative methodology to examine how leadership affects employee engagement and satisfaction., with research locus at Bakso Lapangan Tembak Senayan Restaurant Jakarta, one of the famous restaurants that provide traditional Indonesian cuisine. The research uses survey methods with questionnaires as a data-gathering tool. The Likert measurement scale was applied with continuum values from intensely disagree (=score 1) to strongly agree (=score 5). About 261 customers of Bakso Lapangan Tembak Senayan restaurant participated as respondents. According to Hair et al. (2017), calculations 10 times the number of the largest formative indicators used to measure a construct can be used to estimate the number of study samples. The data was then analysed using SEM PLS using Smart PLS software to test the research model.

## Results and discussion

### *Descriptive analysis results*

The demographic profile shown in table 1 is derived from the questionnaire that was completed by 261 respondents.

**Table 1: Demographic profile of respondents**

No.	Profile	Category	Frequency	(N=261) Percentage (%)
1	Gender	Male	80	30,7
		Female	181	69,3
2	Age	< 25 years old	155	59,4
		25-35 years old	28	10,7
		36-45 years old	31	11,9
		> 46 years old	47	18
3	Number of visits	2 times	141	54
		3-4 times	64	24,5
		> 5 times	56	21,5
4	Occupation	Housewife	15	5,7
		Student	154	59,0
		Private employees	51	19,5
		Government employees	13	5,0
		Self-employed	12	4,6
		Other	16	6,1

Based on the demographic table of respondents, of the 261 survey respondents, 69.3% were women, and 30.7% were men, with the age group < 25 years having the highest percentage of 59.4%. About the number of visits to the Bakso Lapangan Tembak Senayan Restaurant, the largest percentage is visitors who visited the restaurant twice at 54%. Visitors with a student background were the most visitors at 59%.

### *Assessment of measurement model*

The data entered into the model construct on SmartPLS is then calculated (running) to determine its validity and reliability. This process can be done repeatedly until the results of the loading factor value of all indicators are above the validity requirement of 0.70 (Hair et al., 2017). Meanwhile, indicators that have a loading factor value below 0.70 must be eliminated so that the validity and reliability of this model can be improved. SmartPLS calculation results that have met the requirements for validity and reliability as shown in the following Figure 2 and table 2.

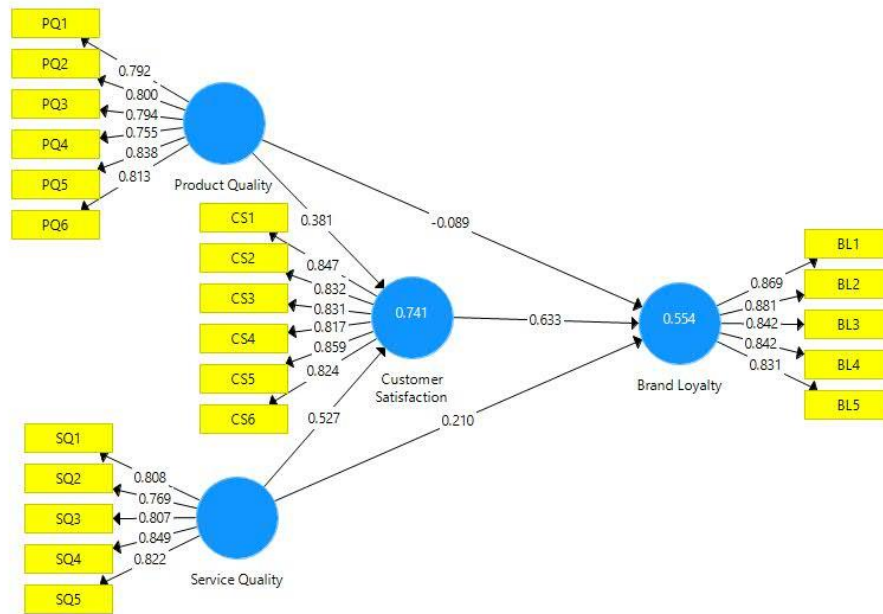


Figure 2: Structural model

Table 2 displays the loading factor values following data processing with SmartPLS 3.0.

Table 2: Convergent measurement items, reliability and validity

Variabe	Indikator	Loading Factor	Cronbach Alpha	Reliability Composite	AVE	Conclusion
Product Quality (X <sub>1</sub> )	PQ1	0,792	0,887	0,914	0,639	Good
	PQ2	0,800				
	PQ3	0,794				
	PQ4	0,755				
	PQ5	0,838				
	PQ6	0,813				
	PQ1	0,792				
Service Quality (X <sub>2</sub> )	0,808	0,808	0,870	0,906	0,658	Good
	0,769	0,769				
	0,807	0,807				
	0,849	0,849				
	0,822	0,822				
Customer Satisfaction (Y)	CS1	0,847	0,913	0,933	0,698	Good
	CS2	0,832				
	CS3	0,831				
	CS4	0,817				
	CS5	0,859				
	CS6	0,824				
Brand Loyalty (Z)	BL1	0,869	0,907	0,930	0,728	Good
	BL2	0,881				
	BL3	0,842				
	BL4	0,842				
	BL5	0,831				

The reliability item (validity indicator) given by the loading factor value determines convergent validity. The loading factor, which is a numerical value, represents the relationship between a question item's score and the score of the indicator contract indicator, which computes the contract. A valid loading factor is one that is more than 0.7. However, a loading factor of approximately 0.3 is deemed to have satisfied the least threshold for the initial assessment of the loading factor matrix, and a loading factor of about 0.4 is thought to be superior, according





to Hair et al. (2017). A loading factor larger than 0.5 is typically regarded as significant. The maximum loading factor applied in this investigation was 0.7.

According to the results of data processing with SmartPLS, which are displayed in Table 2, all indicators on each variable in this study that have a loading factor value more than 0.70 are regarded as valid to meet the convergent validity criterion. Discriminant Validity is assessed by looking at the cross-loading value of the contract measurement. The intensity of the correlation between each contract's indicators, those of other block contractors, and its own indicators is shown by the cross-loading value. A measurement model has good discriminant validity if the correlation between the contract and the indicator is higher than the correlation with indicators from other block contractors. The results of cross-loading the following data are shown in Table 3.

**Table 3: Discriminant validity test with cross loading criteria**

	Brand Loyalty	Customer Satisfaction	Product Quality	Service Quality
<b>BL1</b>	<b>0,869</b>	0,656	0,529	0,630
<b>BL2</b>	<b>0,881</b>	0,597	0,480	0,531
<b>BL3</b>	<b>0,842</b>	0,635	0,512	0,527
<b>BL4</b>	<b>0,842</b>	0,541	0,402	0,492
<b>BL5</b>	<b>0,831</b>	0,688	0,540	0,629
<b>CS1</b>	0,594	<b>0,847</b>	0,687	0,707
<b>CS2</b>	0,573	<b>0,832</b>	0,661	0,670
<b>CS3</b>	0,607	<b>0,831</b>	0,656	0,740
<b>CS4</b>	0,663	<b>0,817</b>	0,638	0,681
<b>CS5</b>	0,627	<b>0,859</b>	0,710	0,692
<b>CS6</b>	0,622	<b>0,824</b>	0,644	0,660
<b>PQ1</b>	0,540	0,651	<b>0,792</b>	0,584
<b>PQ2</b>	0,447	0,634	<b>0,800</b>	0,612
<b>PQ3</b>	0,428	0,590	<b>0,794</b>	0,614
<b>PQ4</b>	0,459	0,600	<b>0,755</b>	0,560
<b>PQ5</b>	0,447	0,691	<b>0,838</b>	0,722
<b>PQ6</b>	0,463	0,652	<b>0,813</b>	0,696
<b>SQ1</b>	0,548	0,648	0,588	<b>0,808</b>
<b>SQ2</b>	0,531	0,611	0,587	<b>0,769</b>
<b>SQ3</b>	0,544	0,705	0,702	<b>0,807</b>
<b>SQ4</b>	0,568	0,704	0,669	<b>0,849</b>
<b>SQ5</b>	0,502	0,687	0,657	<b>0,822</b>

The cross-loading results in Table 3 show that the contract's correlation value with the indicator is greater than the correlation value with other contractors. According to Table 3's cross-loading findings, there is a stronger association between the contract and the indicator than there is between it and other contractors. As a result, all latent or contract variables already have strong discriminant validity, with the contract indicator block's indicators being superior than those in other blocks. In addition to measuring the convergent validity and discriminant validity of the outer models, composite reliability and Cronbach's alpha values can also be used to evaluate the dependability of the contract or latent variables. If the Cronbach Alpha and composite reliability scores are more than 0.7, the contract is deemed reliable (Sarstedt, Ringle and Hair, 2017). According to Table 2's SmartPLS output results, the composite reliability value for all contractors is greater than 0.70. All contractors have good dependability by the limit of the required drinking value thanks to the resultant value.

### *Assessment of structural model*

After testing the outer model that has been met, the inner model (structural model) testing is then carried out. Inner models can be evaluated by looking at multicollinearity, r-square

(reliability of indicators), size of an effect or f-squared, size of effect Q2, model fit, and hypothesis testing.

**Table 4: Analysis results inner VIF value**

	Brand Loyalty	Customer Satisfaction	Product Quality	Service Quality
Brand Loyalty				
Customer Satisfaction	3,854			
Product Quality	3,230	2,671		
Service Quality	3,742	2,671		

The assumption that must be met in the outer model analysis is that there is no problem of multicollinearity. Multicollinearity is a problem with an intercorrelation or strong correlation between indicators. The limitation is the correlation value of  $> 0.9$ , which is usually characterized by the variance inflating factor (VIF) values in the indicator level  $> 5$ . According to the Smart PLS results in Table 4, the correlation between the variables is good (VIF 5.00), indicating that multicollinearity is not a problem in the model. Because a VIF number more than 5 implies the presence of collinearities between constructs, the VIF value must be less than 5 (Sarstedt et al., 2017).

**Table 5: R Square and adjusted r square analysis results, prediction accuracy analysis results**

	R Square	R Square Adjusted	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Brand Loyalty (BL)	0,554	0,548	1305,000	792,547	0,393
Customer Satisfaction (CS)	0,741	0,739	1566,000	768,098	0,510

Variant analysis (R2) or Determination Test is carried out to determine the magnitude of the influence of independent variables on these dependent variables and the value of the coefficient of determination. Based on Table 5, the variable BL can be explained by the variables QP, SQ, and CS of 55.4%, while other factors explain 44.6%. Furthermore, the CS variable can be explained by the QP and SQ variables of 74.1%, while other factors explain the 25.9%. The criterion of R-square values of 0.75, 0.50, or 0.25 is depicted with substantial, medium, and weak values (Hair et al., 2017). Then the value R-square indicates if the model has medium strength.

**Table 6: F square analysis results**

Variable	f <sup>2</sup>	Information
Customer Satisfaction (CS) -> Brand Loyalty (BL)	0,233	Medium
Product Quality (PQ) -> Brand Loyalty (BL)	0,005	Tidak ada pengaruh
Product Quality (PQ) -> Customer Satisfaction (CS)	0,209	Medium
Service Quality (SQ) -> Brand Loyalty (BL)	0,026	Small
Service Quality (SQ) -> Customer Satisfaction (CS)	0,401	Big

Researchers should utilize effect measures or f-squares to determine the amount of effects between variables in addition to determining whether there is a significant association between the variables (Kwong and Wong, 2013). The f2 values are tiny (0.02), medium (0.15), and large (0.35). Values below 0.02 can be disregarded or thought to have no impact (Sarstedt et al., 2017). Based on Table 6, a measure of the influence of the PQ variable on BL  $< 0.005$  indicates no influence. The variable CS against BL is 0.223 indicating a moderate influence. The magnitude of the PQ variable f2 to CS of 0.209 indicates a moderate effect. The magnitude of the SQ variable f2 against CS of 0.401 indicates a great influence. Based on the magnitude of the f2 value, it can be explained that the influence of SQ on CS is a big influence.

The size of the Q2 effect is determined based on the assessment of the contribution of the exogenous structure to the Q2 value of the endogenous latent variable (Hair et al., 2017).

The value of Q2, as an indicator of the predictive relevance of the model for the latent variable endogenous model, is obtained by performing a blindfolding procedure. The values were all positive and above zero (CS=0.510; BL: 0.393), which confirms the predictive relevance of the model for the two endogenous constructions. In the SEM model, a Q2 value greater than zero for a reflective endogenous construct indicates the predictive relevance of the path model for that construct (Hair et al., 2014).

**Table 7: Fit model analysis results**

	Saturated Model	Estimated Model
SRMR	0,055	0,055

Model Fit or Model Accuracy with Data is a degree that indicates how capable the developed model is in explaining the data. Testing the fit model, based on the results of the PLS model estimate, the Standardized Root Mean Square (SRMR) for the structural model is 0.005, which is less than the threshold of 0.8 (Henseler et al., 2014). Thus, the current PLS line modeling has an appropriate overall fit.

### Hypothesis test

On the basis of the parameter coefficient and t-statistic test results for the Inner Model (structural model), hypothesis testing is done. By paying attention to the significance levels between constructs, t-statistics, and p-values, among other things, one can determine whether a hypothesis can be accepted or rejected. Using the SmartPLS (Partial Least Square) 3.0 software, the study's hypotheses were tested. The outcomes of bootstrapping show these values. T-statistics >1.96 with a p-value significance threshold of 0.05 (5%) and a positive beta coefficient were the general guidelines applied in this investigation. The findings of this research model may be described as shown in Figure 3 and the hypothesis testing.

**Table 8: Hypothesis test**

Influence Between Variables	Original Sample (O)	Sample Mean	STDEV	T Statistics O/STDEV	P Values	Conclusion
<b>Direct Effects</b>						
Product Quality (PQ) -> Brand Loyalty (BL)	-0,089	-0,088	0,076	1,176	0,24	Not significant
Service Quality (SQ) -> Brand Loyalty (BL)	0,21	0,21	0,081	2,594	0,01	Significant
Customer Satisfaction (CS) -> Brand Loyalty (BL)	0,633	0,629	0,079	8,034	0,00	Significant
Product Quality (PQ) -> Customer Satisfaction (CS)	0,381	0,379	0,065	5,818	0,00	Significant
Service Quality (SQ)-> Customer Satisfaction (CS)	0,527	0,528	0,061	8,572	0,00	Significant
<b>Indirect Effects</b>						
Product Quality (PQ) -> Customer Satisfaction (CS) -> Brand Loyalty (BL)	0,241	0,238	0,05	4,857	0,00	Significant
Service Quality (SQ -> Customer Satisfaction (CS) -> Brand Loyalty (BL)	0,334	0,333	0,058	5,722	0,00	Significant

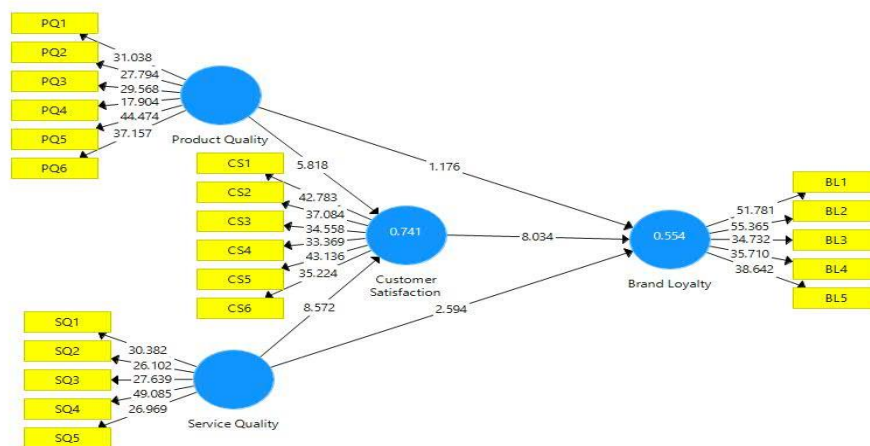


Figure 3. Hypothesis model

The first hypothesis examines whether PQ has a favorable impact on BL. The first hypothesis was disproved based on the test results, which indicated a PQ beta coefficient against BL of -0.089, a t-statistic of 1.1761.96, and a P-value of 0.240 > 0.05. This demonstrates that PQ does not have a favourable affect on BL. The second hypothesis tests whether SQ positively affects BL. The test results showed the value of the SQ beta coefficient against BL of 0.210, the t-statistic of 2.594, and the P-Value of 0.010. From these results are stated significant t-statistics 2.594 > 1.96 with a p-value of 0.010 < 0.05, so the second hypothesis is accepted. This proves that SQ is proven to have a positive influence on BL. The third hypothesis investigates whether CS has a favorable impact on BL. According to the test results, the CS to BL beta coefficient was 0.633, the t-statistic was 8.034, and the P-Values were 0.000. The third hypothesis is accepted as a result of the significant t-statistics that are reported from these findings because > 1.96 and a p-value of 0.05. This demonstrates that CS has a good impact on BL. The fourth hypothesis investigates whether PQ has a beneficial impact on CS. The test findings showed a t-statistic of 5.818 and a P-Value of 0.000, as well as a PQ beta coefficient versus CS of 0.381. The fourth hypothesis is accepted because the findings show significant t-statistics since > 1.96 with a p-value of 0.05. This demonstrates that PQ is known to have a favourable impact on CS.

The fifth hypothesis examines whether SQ has a beneficial impact on CS. The test results showed that the P-Values were 0.000, the t-statistic was 8.572, and the beta coefficient SQ to CS was 0.527. Significant t-statistics are reported from these findings. The fifth hypothesis is supported because > 1.96 with a P-value of 0.05. This demonstrates that SQ has a beneficial impact on CS. The sixth hypothesis examines whether PQ influences BL favorably via CS. The test's findings included a t-statistic of 4.857, a P-Value of 0.000, and a PQ beta coefficient versus BL through CS of 0.241. The sixth hypothesis is accepted since the data show significant t-statistics > 1.96 with a P-Value of 0.05. This demonstrates that PQ is shown to positively impact BL through CS. The seventh hypothesis examines whether SQ influences BL favourably via CS. The test findings showed a t-statistic of 5.722, a beta coefficient of SQ to BL through CS of 0.334, and a P-Value of 0.000. The seventh hypothesis is accepted based on the significant t-statistics from these data, which state that 5.772 > 1.96 with a P-Value of 0.0000. This demonstrates that SQ is shown to positively affect BL through CS.

## Conclusion

The findings of this study demonstrate that high-quality products and excellent services positively raise consumer happiness. Customer happiness and high-quality services have a big impact on brand loyalty. Product quality, after being mediated by consumer satisfaction,

positively influences brand loyalty. It can be explained that satisfaction as a mediator variable has a very important role to create brand loyalty for customers. Based on this, the restaurant managers must prioritize customers' satisfaction if they want to maintain their competitive advantage and get sustainability of their business. The steps that managers can take are for example by serving a varied menu, serving food and drinks with consistent tastes, providing fast service, the appearance of the waiter is clean and tidy, and others. In general, companies in running their business need to always maintain and increase customer satisfaction because satisfied customers encourage them to loyalty towards the company's brand. Brand loyalty is important to help increase sales figures so that the company gets more revenue. These advantages will help in maintaining the continuity of the company and winning the competition. This study has a limited number of variables. For further research, various other related variables such as price, product variations, and others can be developed. Subsequent research can also expand the object of research for other restaurants.

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