

# **THE INFLUENCE OF SERVICE QUALITY, RESTAURANT IMAGE, AND CUSTOMER PERCEIVED VALUE ON CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN RESTAURANT INDUSTRY**

**(Study Case on Customer of Natural Strawberry Land and Resto, Lembang)**

Chabsy Al'Riezal Mutaqien\*, Sri Palupi Prabandari

International Management Program, Faculty of Economic and Business, University of Brawijaya

\*alriezal.chabsy@yahoo.com

## **Abstract**

This study aims to examine the effect of Service Quality, Restaurant Image, and Customer Perceived Value on Customer Satisfaction and Customer Loyalty in Natural Strawberry Land and Resto, Lembang. The path analysis, were conducted in order to acknowledge the direct and indirect relationships among the exogenous variables (service quality, restaurant image, and customer service value) on endogenous variables (customer satisfaction and customer loyalty). This study is explanatory research, in accordance with its purpose to describe the causal relationship among variables through hypothesis testing. The samples and population of this study were the customers of Natural Strawberry Land and Resto, Lembang. In this study, the data collection method by distributing questionnaire. The sampling technique used is purposive sampling and the research instruments were tested using the validity test, reliability test, and classical assumption test and path analysis. The result of this study indicates that service quality, restaurant image, customer perceived value, and customer satisfaction significantly affect the customer loyalty. This study also shows that the customer considers getting the vacation that has high quality of service, a good value and a satisfactory experience. They also have quite a high intention to visit Natural Strawberry Land and Resto again in the future.

**Keywords:** *Service Quality, Restaurant Image, Customer Perceived Value, Customer Satisfaction, Customer Loyalty, Path analysis.*

## **Background of the study**

Tourism, according to the act number 10 of 2009 chapter I article 1, tourism is a traveling activity exercised by a person or a group of people visiting a particular place for recreation with the purpose of developing personality or studying unique tourist attractions. One of the tourist destinations in Indonesia is Bandung. Tourists usually visit Bandung to buy various kinds of clothes, to enjoy culinary adventure, and to visit cultural places, like natural attraction around Lembang.

Lembang Bandung is a high-altitude site that has many places to be visited by tourists. The mountainous view around Lembang is excellent, accompanied by its cool temperature. According to Bandung Tourism Department, around 4 million tourists had come to Bandung during 2012. To supporting the tourism object in Lembang, One of the supporting tourism factors is the food and beverage industry. It was recorded that the growth of food and beverage industry in Indonesia had been increasing from 2009 until 2013.

One of the food and beverage industries is the food service industry in forms of

restaurants or cafes. Restaurant is a type of business in the field of food located in one part or in all parts of a permanent building, equipped with tools for the process of making, storing, serving, and selling food and drink to public.

One of the restaurants in Lembang is the Natural Strawberry Land and Resto which was established in 2009. At first it only developed a strawberry farm; but, in 2010 it started its culinary business. It serves various delicious Sundanese dishes and some special dishes mixed with strawberries. Those dishes are very attractive and tempting for the customers. The customers will also get mountainous view surrounding the strawberry farm – a sensation that will make them feel like eating in the middle of a garden.

Every restaurant should implement appropriate strategies so that the business continues to grow and does not experience a loss due to its operational activities. Because of the rapid growth of restaurants in Bandung, 25-35% of the restaurants had to close its business after 4 years of their operation. It made business people in this field realized the importance of understanding the risks, challenges, and intricate details in opening, running, and, ultimately, making succes in food and baverage business.

A successful company is a company that focuses on its customers, and makes the customers as its loyal customer. To do this, companies must know what their customers want. For business restaurants, the desire of customers can be translated into their desire for good services. According to Lovelock and Wirtz (2007), the quality of service will directly affect customer satisfaction and trust; while,

customer satisfaction will create customer loyalty. A proper combination of these vital attributes should result in the customers' perceptions of high quality service of a restaurant, which in turn should enhance customer satisfaction and customer loyalty in the restaurant industry. However, only a little research has been conducted to investigate the influence of multiple components of restaurant service quality on outcome variables such as restaurant image and customer perceived value.

Therefore, there are three problems that are used as the base of this study: (1) Is there any positive influence of service quality, restaurant image, and customer perceived value on customer satisfaction in Natural Strawberry Land and Resto Lembang?; (2) Is there any positive influence of service quality, restaurant image, and customer perceived value on customer loyalty through customer satisfaction in Natural Strawberry Land and Resto Lembang?; And (3) Which element has the dominant influence to the customer satisfaction and customer loyalty in Natural Strawberry Land and Resto Lembang between elements of service quality, restaurant image, and customer perceived value?

## **Literature Review**

### ***Service Quality***

Service quality is a customer's judgment of the overall excellence or superiority of a service. Service can be defined as any activity or benefits that one party can offer to another that essentially intangibles and does not result in the ownership of anything (Kotler and Armstrong 2009).

Parasuraman, Zeithaml, and Berry (1988) introduced only five dimensions that are which led to the development of SERVQUAL model which consists of two words 'Service' and 'Quality'. Researchers agreed that these dimensions are appropriate to help in revealing customers' expectations and perceptions which are Reliability, Responsiveness, Assurance, Emphaty and Tangibility.

According to Lovelock and Wirtz (2007) service quality can effect on customer satisfaction and directly to customer trust, while customer satisfaction can create customer loyalty. According to Parasuraman *et al.*, (1985). There is a significant and positive relationship between service quality and customer loyalty. The result of the study indicates that service quality can effects customer loyalty directly. For increasing customer loyalty, the corporate can be stimulated by managing service quality.

### ***Restaurant Image***

Restaurant image is the perception that different audiences have of an organization and result from the audience's interpretation of the cues presented by an organization. Kotler and Armstrong in Marketing (an Introduction 1990)

Restaurant image derives from customer's perception and capability as well as social responsibility. Restaurant capability refers to the company's expertise in delivering products and service offerings, such as effective innovation and high service quality, meanwhile corporate social responsibility refers to the company management of social issues. Restaurant image thus affect a customer's evaluation of service quality, satisfaction and loyalty.

### ***Customer Perceived Value***

Customer Value is the customer's overall assessment of the utility of a product based on perception of what is received and what is given (Zeithaml et al., 2006). Customer perception of value is influenced by the gap between monetary cost, nonmonetary cost, customer tastes, and customer characteristic. High external service value leads to customer satisfaction, which ultimately leads to service loyalty.

Attribute in the making of consumer satisfaction. The satisfaction of a consumer is rarely because of the quality in fact, but more because of the quality of the product, brand or service in their perception.

### ***Customer Satisfaction***

According to Zeithaml, Bitner & Gremler (2006) Customer satisfaction is influenced by specific products or service features, perception on service quality, and price. In addition, personal factors such as the customer's mood or emotional state and situational factors such as family members' opinions will also influence satisfaction.

Client satisfaction or dissatisfaction requires experience with the service, and is influenced by the perceived quality and the value of the service. When services are difficult to evaluate, corporate image is believed to be an important factor, influencing the perception of quality, customer's evaluation of satisfaction with the service, and customer loyalty.

### ***Customer Loyalty***

Loyal customer is not only essential for company future in long run since they

purchase the company's product repeatedly and continuously but also they are spreading the good word of mouth to the other customer as well as defending the company image whenever any competitor or other consumer who against the company or they who make a bad influence for the company. Customer loyalty can emerge from customer satisfaction. Therefore, keeping customer satisfied is beneficial for both customers and the company.

According to Zeithalm (2006), the ultimate goal the success of company strained relationship with its customer is to make a loyal customer.

### **Hypothesis**

Based on the literature and previous research, the hypotheses in this study are as follows :

- H<sub>1</sub>Service quality has a positive influence on customer satisfaction.
- H<sub>2</sub>Service quality has a positive influence on customer loyalty.
- H<sub>3</sub>Restaurant image has a positive influence on customer satisfaction.
- H<sub>4</sub>Restaurant image has a positive influence on customer loyalty.
- H<sub>5</sub>Customer perceived value has a positive influence on customer satisfaction.
- H<sub>6</sub>Customer perceived value has a positive influence on customer loyalty.
- H<sub>7</sub> The customer satisfaction has a positive influence on customer loyalty.
- H<sub>8</sub> The service quality, restaurant image, and customer perceived value has effect on

customer loyalty through customer satisfaction.

### **Research Metodology**

#### ***Type of Research***

Based on the formulation of the problem and research objectives, this study is using the quantitative approach, which emphasizes on hypotheses testing and the use of parametric data or measured data. This study is also categorized as explanatory research which is a research that describes the causal relationships between variables through hypothesis testing.

In the implementation explanatory research using the survey method, a method of research that attempt to explain or describe a social phenomenon by looking at the relationship of research variable.

To determine the number of samples, according to Naresh K Maholtra (1993) the number of sample size should be at least four or five times the number of attributes used in the study.

There are six attributes in this study, Service Quality (X<sub>1</sub>), Restaurant Image (X<sub>2</sub>), Customer Perceived Value (X<sub>3</sub>), Customer Satisfaction (Y) and Customer Loyalty (Z). Therefore, the 150 samples used in this study is deemed appropriately representing the population.

#### ***The Sampling Techniques***

The sampling technique in this study is non probability sampling. Non-probability sampling is a sampling of ways in which each element of the unknown probability of being selected to be the subject population samples (Sekaran, 2009).

According to Marzuki (2007) purposive sampling were selected based on consideration of the sample in accordance with the purposes and intent of the study.

### ***Research Variable***

According to Sugiyono (2008) the study variable is an attribute of an object or activity which may have particular variations set by the investigator to be learned and conclusions drawn. In this study the variables used are the Service Quality ( $X_1$ ), Restaurant Image ( $X_2$ ), Customer Perceived Value ( $X_3$ ) as independent variables; Customer satisfaction ( $Y$ ) as mediating or intervening variable and Customer Loyalty ( $Z$ ) as the dependent variable.

The independent variable in path analysis are affected only by factors outside of the model. There are four independent variables in this study, those are :

- a. Service Quality ( $X_1$ ), Reliability ( $X_{1.1}$ ), Responsiveness ( $X_{1.2}$ ), Assurance ( $X_{1.3}$ ), Empathy ( $X_{1.4}$ ), Tangibility ( $X_{1.5}$ )
- b. Restaurant Image ( $X_2$ ), High Integrity ( $X_{2.1}$ ), Innovative ( $X_{2.2}$ ), Friendly ( $X_{2.3}$ ), Knowledgeable ( $X_{2.4}$ ), Large ( $X_{2.5}$ )
- c. Customer Perceived Value ( $X_3$ ), Low Price ( $X_{3.1}$ ), "What I get for what I give" Value ( $X_{3.2}$ ), "everything I want in a service" Value ( $X_{3.3}$ ), "quality I get for price I pay" Value ( $X_{3.4}$ )

In this study, there is one mediating variable, Customer satisfaction ( $Y$ ) . Product and service features ( $Y_1$ ), Customer emotions ( $Y_2$ ), Attribution for service success or failure ( $Y_3$ ), Perceptions of equity or fairness ( $Y_4$ ), Other customer, family member, and coworkers ( $Y_5$ ).

The dependent variable or the endogenous variable in this study is the Customer Loyalty ( $Z$ ), Continue purchasing ( $Z_1$ ), Spreading good word of mouth ( $Z_2$ ), Influencing other people to come ( $Z_3$ ).

### ***Data Collection Method***

Data collection method used in this study are questionnaire and a preliminary interview to determine whether the person have visited Natural Strawberry Land and Resto, Lembang before.

### ***Data Analysis Technique***

Data obtained from questionnaires subsequently processed and analyzed in classical assumption test in order for the model used to provide a representative result, the classical assumption test conducted on a model to test the hypothesis. Model developed in this study must satisfy the basic assumption of normality and linearity.

### ***Data Analysis Method***

This study is using the path analysis to answer the problem formulated in the study. Path analysis is very useful to explain the causal relationship between variables, and is used to confirm or test a proposed model and not to develop a model (Riduwan and Kuncoro, 2008).

The path analysis has two types of effect. The first is the direct effect, and the second is the indirect effect. When the exogenous variable has an arrow directed towards the dependent variable, then it is said to be the direct effect. When an exogenous variable has an effect on the dependent variable, through the other exogenous variable, then it is said to be an indirect effect. To see the total effect of the exogenous variable,

we have to add the direct and indirect effect. One variable may not have a direct effect, but it may have an indirect effect as well.

The relationship between variables in this study are as follows:

- Service Quality (SQ) to Customer Satisfaction (CS) and Customer Loyalty (CL)
- Restaurant Image (RI) to Customer Satisfaction (CS) and Customer Loyalty (CL)
- Customer Perceived Value (VAL) to Customer Satisfaction (CS) and Customer Loyalty (CL)
- Service Quality (SQ), Restaurant Image (RI), Customer Perceived Value (VAL) directly to Customer Loyalty (CL)

### ***Path analysis***

According to Kuncoro (2008) there are several steps to follow in path analysis, they are (1) developing the model based on concept and theory, (2) integration with the base assumptions, (3) discovering the parameter (calculating the path coefficient), (4) validity test of the model and (5) model interpretation.

- a) Developing the model based on concept and theory

In developing the model, the first step to do is to design or create a hypothetical model based on concepts and theory. In this study, theoretically Service Quality (SQ), Restaurant Image (RI), Customer Perceived Value (CPV), Customer Satisfaction (CS), Customer Loyalty (CL).

- b) Integration with the base assumptions

Assumptions that are the base of path analysis are as follows:

- In a path analysis model, the relationship between variables are linear and additive. Only recursive model—one way causal relationship, are used in path analysis.
  - Endogenous variables data are minimal on interval scale.
  - Observed variables are measured without fault (measuring instruments are valid and reliable).
  - Analysed model are specified (identified) correctly based on relevant concepts and theories.
- c) Discovering the parameters (calculating the path coefficient)

Discovering the parameters are usually implemented in calculating path coefficient. There are three method in calculating path coefficients. The matrix correlation approach ( $p = R_x^{-1}R_y$ ), regression coefficient followed by a calculation process  $\{p_i = b_i (S_{xi}/ S_y)\}$ , and standardized regression coefficient.

On this study, the chosen method is the standardized regression coefficient, as this method are considered to be the simplest one. Beside that, the calculation of goodness of fit by coefficient of determination and the trimming theory can be done more practically. The calculation of standardized regression coefficient are done partially on every equation, because the model is a recursive model, the method used is ordinary least square (OLS) method.

- d) Validity test of the model

Validity test on path coefficient on every direct path equation are the same as in regression analysis, by using the p-value in t-value test, which is the partially standardized variables regression test. The non-significant path are eliminated so that there will be a model supported (confirmed) by empirical data.

#### e) Model interpretation

The last step in path analysis is interpreting the result of the analysis. First of all by observing the result of the model validity test and then followed by calculating the direct effect coefficient, the indirect effect coefficient and the total effect coefficient of all variables that have a causal relationship with the endogen variable.

#### ***Hypothesis Test***

The approach used in testing the variables affecting the dependent variable is by the significance test. Generally, significance test is a procedure to check whether a hypothesis is correct or not. The hypothesis test used in this study, both for the *direct effect* and *indirect effect* is using the t-value test. The t-value is referred to the *critical ratio* value produced from the calculation using SPSS 20.0.

#### **Findings and discussion**

##### ***Research Object***

The object in this study is one of restaurant in Lembang Bandung. Specifically Natural Strawberry Land and Resto which has the widest and the most qualified strawberry farm in Lembang, lying about 1,5 hectare in area.

##### ***Characteristic of respondent***

Respondent in this study is customer visiting for the second time or more which are present in Natural Strawberry Land and Resto, Lembang when this research is conducted. One hundred fifty samples were taken randomly. .

#### ***Validity and Reliability Test***

The validity of the instrument is a measure that shows the levels of validity and the authenticity of an instrument. It is said to be a valid instrument, able to measure or disclose the data of the studied variables appropriately.

Validity shows how far an instrument measure what its supposed to measure. The validity of the instrument is a measure that shows the level of validity and the authenticity of the an instrument. An instrument is considered valid by comparing the Pearson Product Moment Correlation index with a significance level of 5% (0,05) and r values (correlation coefficient). Variable is declared valid if the significance level is less than or  $< 5\%$  (0,05) and r values greater than  $> 0,3$ . For this research, the researcher uses 100 sample expecting that the sample represent the population. The critical value of r table with  $n=100$  and level of error tolerance (alpha) 5% is 0,195. The result is showing that all statement item above is valid.

A reliability testing is done to determine the level of comformability or a constant measuring tool. Reliability provides the correspondence between the result of the measurements. A reliable instrument means that the instrument is good enough to be able to uncover reliable data.

This test is used to determine the extent to which a person's answers are consistent or stable over time. Reliability shows in a sense that an instrument can be trusted enough to be used as an instrument collecting data because the instrument is proper.

In this study, the reliability testing is done using the formula of Cronbach Alpha ( $\alpha$ ). An item in the questionnaire can be considered highly reliable when the Cronbach Alpha value is bigger than 0,600 which is used as a comparison and can be considered as a high reliability scale and lower than 0,6 means that the variable have a low reliability. In this study, the test shows that all of the variables are reliable.

## Result of Clasical Assumption Test

### *Multicollinierity*

On multiple linear regressions, it is expected that there are no symptoms multicollinearity (linear relation between independent variable), that is Service Quality, Restaurant Image and Customer Perceived Value. To detect muticollinearity is by using the value of *Variance Inflation Factor (VIF)*. If the VIF value  $> 10$  then shows that there has been multicollinearity and on the otherwise if VIF value  $< 10$  then multicollinearity does not occur.

**Table 1**  
**Result of Multicollinearity Assumption Regression 1**

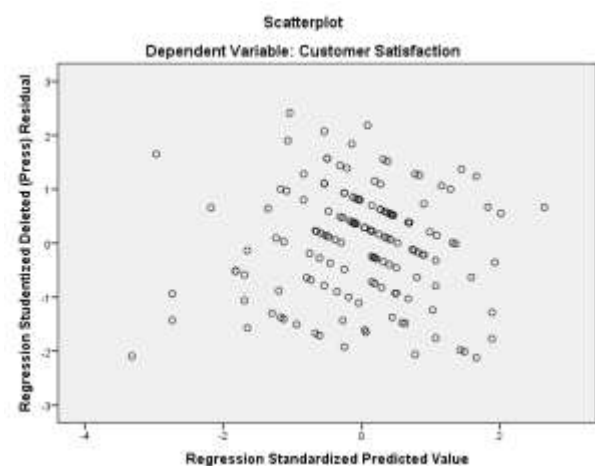
Variable	VIF	Explanation
Service Quality	1,1078	Non Multikolinier
Restaurant Image	1,0789	Non Multikolinier
Customer Percieved Value	1,1018	Non Multikolinier

*Source: primary data processed, 2014*

From Table above, each independent variable has show the value of VIF that no much of the value of 10, than be concluded that while assumption of non-multikolinierity have already been fulfilled.

### *Heteroscedactisity*

This test is used to see whether that regression model variable has same residual variance or not. A good regression model is the models which have homogenous residual variance. The way to testing homoscedasticity is by see the plot between predictive dependent variable value(ZPRED) with its residual (SDRESID).if there is specific pattern, as there are points that form a pattern of certain regular (wavy, wide and narrows clump together in a certain point) , then indicated there has been heteroscedasticity (the assumption is not fulfilled) .While , if there is no clear pattern , spread evenly and points above and below the 0 on the axis of Y , it is not occurring heteroscedasticity the assumption of nonheteroscedasticity is fulfilled.



### *Scatterplot Regression Equation 1*

From the result of scatterploton figure above, it shows the dots are spread either

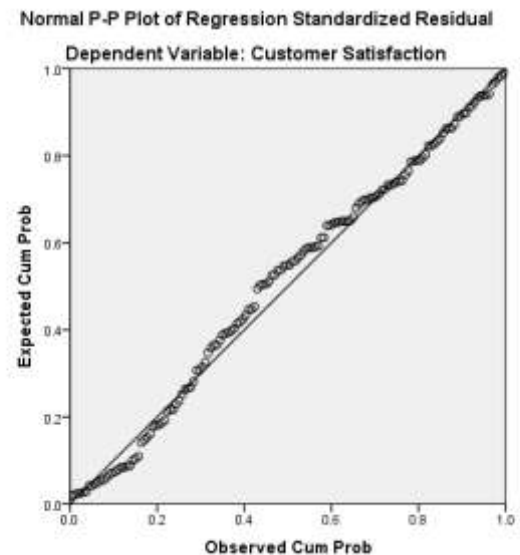
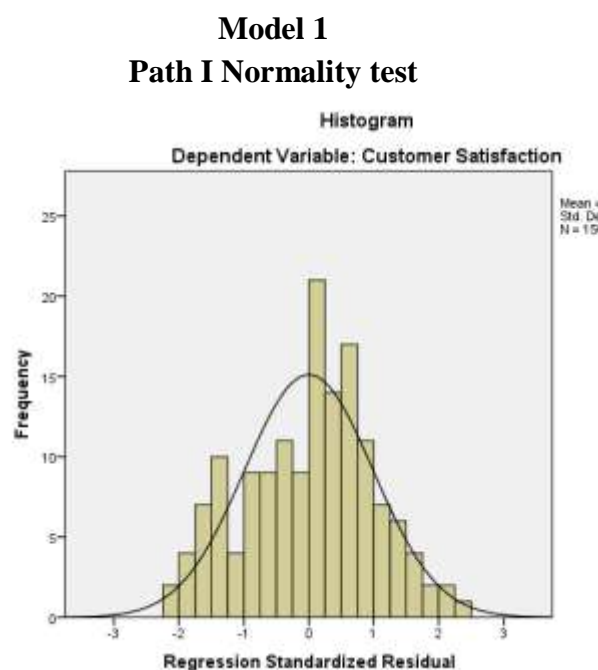


above or below the 0 on Y-axis Y, and there is no clear pattern. So concluded that not happened so that the assumption of non heterosdastisity fulfilled.

### Normality Test

Normality test is needed to make sure whether the distributions of the researched data are normally distributed or not. The normality test are done by using SPSS. The purpose of test data by testing the normality of the distribution of residuals to see if the data are normally distributed, the data distribution is bell shaped.

In the model 1 below, which is the model for the direct effect of X1, X2, and to Y, have a residual histogram which is bellshaped and have a diagonal line shape in a normal PP-plot graphic. Therefore, it can be concluded that the residual regression on path model 1 is normally distributed.



The same thing also applies on the model 2 below, which is the model for the direct effect between X1, X2, X3, X4 and Y to Z, also have a residual histogram that is bell shaped and a diagonal line in the PP-plot graphic. Therefore it can be concluded that the residual regression on path model 2 is normally distributed.

### Multicollinearity

**Table 2**

#### Result of Multicollinearity Assumption Regression 2

Variable	VIF	Explanation
Service Quality	1,1865	Non Multikolinier
Restaurant Image	1,1765	Non Multikolinier
Customer PercievedValue	1,1648	Non Multikolinier
Customer Satisfaction	1,3476	Non Multikolinier

Source: primary data processed, 2014

From the table above,each independent variable has show the value of VIF that no much of the value of 10, than be concluded that while assumption of non-

multikolinierity have already been fulfilled.

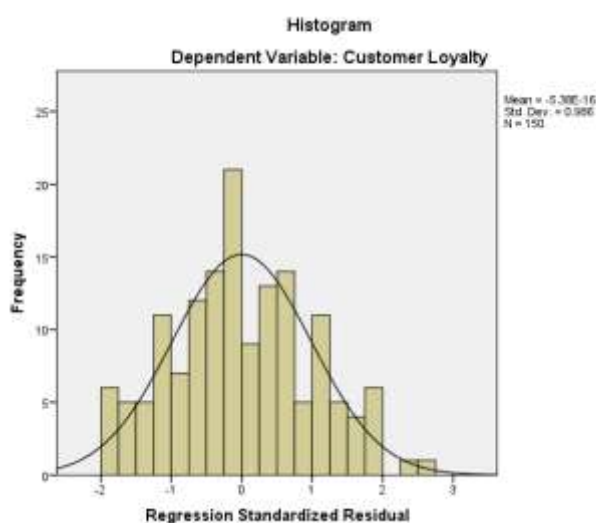
### ***Heteroscedastisity***



***Scatterplot Regression Equation 2***

From the result of scatterplot on figure above., it shows the dots are spread either above or below the 0 on Y-axis Y, and there is no clear pattern. So concluded that not happened so that the assumption of non heterosdastisity fulfilled.

### **Model 2 Normality test**



In other word, the normality assumption for path analysis has met the requirement.

### ***Path Analysis***

On this study the analysis used to test the hypotheses proposed between the variable in the hypotheses is by using path analysis. This analysis is used to know the level of influence in a causal relationship with data gathered from the sample surveyed.

- a) Developing the model based on concept and theory

A theoretical model is developed in this study is by scientifically exploring variables and the relationship between them that is already observed in theories and in the result of previous research.

- b) Calculation of path coefficient

The calculation of the path coefficient this study is by using the standardized regression analysis by seeing the simultaneous and partial influence on each of the equations. The method used is the *ordinary least square* (OLS) which is the least square method which is calculated by using SPSS 20.0 software :

a. Direct effect of  $X_1$ ,  $X_2$ ,  $X_3$  and  $X_4$  to  $Y$

The result of the standardized regression are presented in Table 3 below:

**Table 3**  
**Result of Path Analysis for  $X_1$ ,  $X_2$ , and  $X_3$  to  $Y$**

Variable	Beta	T	Sig	Explanation
Service Quality	0,2416	3,2203	0,0016	Significant
Restaurant Image	0,2691	3,6341	0,0004	Significant
Customer Perceived Value	0,2163	2,8908	0,0044	Significant
$t_{table} = 1,967$				
Adjusted R Square = 0,243				

Source: primary data processed, 2014

Some statements can be created from the data in the table above, as follows :

- 1) The adjusted R-square number is calculated to be 0,243 or 24,3%. It is mean that Customer Satisfaction ( $Y_1$ ) is influenced by as much as 24,3% by Service Quality ( $X_1$ ), Restaurant Image ( $X_2$ ), dan Customer Perceived Value ( $X_3$ ). The rest 75,7% are influenced by other variables outside the independent variables in this study.

2) Standardize regression equation

Equation sub-structure 1:

$$Z_Y = 0,2416 Z_{X1} + 0,2691 Z_{X2} + 0,2163 Z_{X3}$$

b. The direct effect of  $X_1$ ,  $X_2$ ,  $X_3$ , and  $Y$  to  $Z$

The result of the standardized regression are presented in Table 4 below:

**Table 4**  
**Result of Path Analysis for  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$  and  $Y$  to  $Z$**

Variabel	Beta	T	Sig	Explanation
Service Quality	0,3635	5,1191	0,000	Significant
Restaurant Image	0,1399	1,9785	0,0498	Significant
Customer Perceived Value	0,2128	3,0241	0,0030	Significant
Customer Satisfaction	0,1658	2,1911	0,030	Significant
$t_{table} = 1,967$				
Adjusted R Square = 0,367				

Source: primary data processed, 2014

Some statements can be created from the data in the table above, as follows :

- 1) The adjusted R-square number is calculated to be 0,367 atau 36,7%. It is mean that Customer Loyalty ( $Z_1$ ) is influenced by as much as 36,7% by Service Quality ( $X_1$ ), Restaurant Image ( $X_2$ ), Customer Perceived Value ( $X_3$ ) and Customer Satisfaction ( $Y_1$ ). The rest 63,3% are influenced by other variables outside the independent variables in this study.

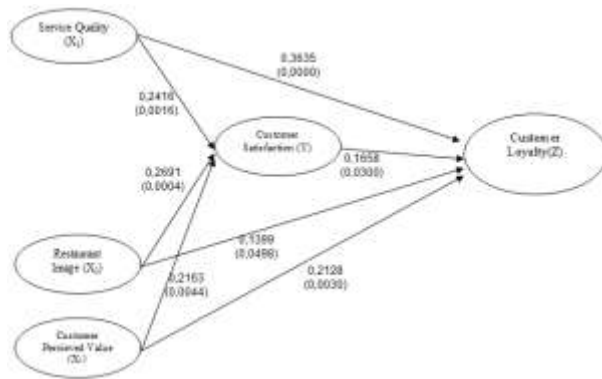
2) Standardize regression equation

Equation sub-structure 2:

$$Z_Z = 0,3635 Z_{X1} + 0,1399 Z_{X2} + 0,2128 Z_{X3} + 0,1658 Z_Y$$

c. Path Model Interpretation

## Result of Path Diagram Analysis



The total variances of the data that can be explained by the model are measured with the formula below:

$$R^2_m = 1 - P^2_{e1} P^2_{e2} \dots P^2_{ep}$$

$$P^2_{e1} = 1 - R^2_1$$

$$P^2_{e2} = 1 - R^2_2$$

$R^2_1$  is the adjusted *R square* for equation 1 is as much as 0,243 and  $R^2_2$  is the adjusted *R square* for equation 2 is as much as 0,367. Therefore,

$$P^2_{e1} = 1 - 0,243 = 0,757$$

$$P^2_{e2} = 1 - 0,367 = 0,633$$

The total determination coefficient, thus are as follows:

$$R^2_m = 1 - (0,757 \times 0,633) = 0,5208$$

or 52,08%

The result of the calculation of  $R^2_m$  indicates a varsiety of data which can be explained by the model is as much as 52,08%, or in other words, the information concluded in the data 52,08% can be explained by the model. The remaining 47,92% shows the varsiety that is explained by other variables that are not included in the model. Overall, the model of this research is devided into 7 direct effects and 3 indirect effects.

This table is shows the result of the testing direct, indirect, and total effect:

**Table 5**  
**Hypothesis Testing Result Direct Effect, Indirect Effect, and Total Effect**

Depende n Variable	Direct Effect				Indirect Effect
	Y <sub>1</sub>		Z <sub>1</sub>		Z <sub>1</sub>
Indepen dent Variable	Path Koeffic ient	Sig.	Path Koeffic ient	Sig.	Path Koefficie nt
X <sub>1</sub>	0,2416	0,0016	0,3635	0,0000	0,2416 × 0,1658 = 0,0400
X <sub>2</sub>	0,2691	0,0004	0,1399	0,0498	0,2691 × 0,1658 = 0,0446
X <sub>3</sub>	0,2163	0,0044	0,2128	0,0030	0,2163 × 0,1658 = 0,0359
Y <sub>1</sub>	-	-	0,1658	0,0300	-
<b>Total Effect</b>	<b>R<sup>2</sup><sub>m</sub></b>	<b>0,5208</b>			

Source: primary data processed, 2014

## Direct Effect Hypothesis

Direct Effect between Service Quality (X<sub>1</sub>), Restaurant Image (X<sub>2</sub>) dan Customer Perceived Value (X<sub>3</sub>) to Customer Satisfaction (Y<sub>1</sub>), that got from standardize regression equation:  $Z_Y = 0,2416 Z_{X1} + 0,2691 Z_{X2} + 0,2163 Z_{X3}$ . Direct Effect Service Quality (X<sub>1</sub>) to Customer Satisfaction (Y) is 0,2416 and the effect is significant. Direct Effect Restaurant (X<sub>2</sub>) to Customer Satisfaction (Y) is 0,2691 and the effect is significant. Direct Effect Customer Perceived Value (X<sub>3</sub>) to Customer Satisfaction (Y) is 0,2163 and the effect is significant.

Direct effect between Service Quality (X<sub>1</sub>), Restaurant Image (X<sub>2</sub>), Customer Perceived Value (X<sub>3</sub>), and Customer Satisfaction (Y) on Customer Loyalty (Z),

that got from standardize regression equation:  $Z_Z = 0,3635 Z_{X_1} + 0,1399 Z_{X_2} + 0,2128 Z_{X_3} + 0,1658 Z_Y$ . Direct Effect Service Quality ( $X_1$ ) to Customer Loyalty (Z) is 0,3635 and the effect is significant. Direct Effect Restaurant Image ( $X_2$ ) to Customer Loyalty (Z) is 0,1399 and the effect is significant. Direct Effect Customer Perceived Value ( $X_3$ ) to Customer Loyalty (Z) is 0,2128 and the effect is significant. Meanwhile, Direct Effect Customer Satisfaction (Y) to Customer Loyalty (Z) is 0,1658 and the effect is significant.

### ***Indirect Effect Hypothesis***

Indirect effect between Service Quality ( $X_1$ ) on Customer Loyalty (Z) through Customer Satisfaction (Y), obtained from result of times the direct effect between Service Quality ( $X_1$ ) to Customer Satisfaction (Y) and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z), so indirect effect as much as  $0,2416 \times 0,1658 = 0,0400$ . Because of direct effect between Service Quality ( $X_1$ ) to Customer Satisfaction (Y) is significant and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z) is significant, so indirect effect between Service Quality ( $X_1$ ) to Customer Loyalty (Z) through Customer Satisfaction (Y) is significant.

Indirect effect between Restaurant Image ( $X_2$ ) on Customer Loyalty (Z) through Customer Satisfaction (Y), obtained from result of times the direct effect between Restaurant Image ( $X_2$ ) to Customer Satisfaction (Y) and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z), so indirect effect as much as  $0,2691 \times 0,1658 = 0,0446$ . Because of direct effect between Restaurant Image

( $X_2$ ) to Customer Satisfaction (Y) is significant and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z) is significant, so indirect effect between Restaurant Image ( $X_2$ ) to Customer Loyalty (Z) through Customer Satisfaction (Y) is significant.

Indirect effect between Customer Perceived Value ( $X_3$ ) on Customer Loyalty (Z) through Customer Satisfaction (Y), obtained from result of times the direct effect between Customer Perceived Value ( $X_3$ ) to Customer Satisfaction (Y) and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z), so indirect effect as much as  $0,2163 \times 0,1658 = 0,0359$ . Because of direct effect between Customer Perceived Value ( $X_3$ ) to Customer Satisfaction (Y) is significant and direct effect between Customer Satisfaction (Y) to Customer Loyalty (Z) is significant, so indirect effect between Customer Perceived Value ( $X_3$ ) to Customer Loyalty (Z) through Customer Satisfaction (Y) is significant.

### ***Discussion***

Based on these result, the problem of this study can be answered. For the first problem, service quality, restaurant image, and customer perceived value does have a positive influence to satisfaction of customer in Natural Strawberry Land and Resto, Lembang. However service quality, restaurant image, and customer perceived value does have a positive influence customer satisfaction significantly. Out of those three, the most dominant variable that is affecting satisfaction is restaurant image.

Restaurant image is the most dominant variable that positively and significantly

affecting satisfaction. By becoming the most dominant variable that positively and significantly influences satisfaction, Restaurant image can be defined as sifiers that influence the perception on company's activities. Positive image become the protectors over small mistakes, technical quality or functional while negative image enlarge the mistakes. The combination of the good integrity in providing service and the innovation of the restaurant is able to fulfill their expectation.

Customer Perceived Value become the variable that has the smallest effect on satisfaction. Customer perceived value can be defined as the customer assessment whether the restaurant can meet a specific customer needs. Perceived value itself can be defined as cognitive evaluation of the time or money invested in a culinary vacation in a comparison to the customer experiences that were gained. Even being the smallest effect on influencing satisfaction, perceived value has a significant contribution creating satisfaction in Natural Strawberry Land and Resto, Lembang.

The second problem of the study is also answered in the result, service quality, restaurant image, and customer perceived value does have a positive influence to customer loyalty through customer satisfaction of customer in Natural Strawberry Land and Resto, Lembang. The direct effect of service quality, restaurant image, customer perceived value, and customer satisfaction to customer loyalty have the significant influence to customer loyalty. The direct effect result also show that service quality is the most dominant variable that is affecting

customer loyalty followed by customer perceived value, customer satisfaction and restaurant image. While in the indirect effect, the service quality, restaurant image, and customer perceived value are all positively and significant influencing customer loyalty through satisfaction. The indirect effect result also shows that restaurant image is the most dominant variable that is affecting customer loyalty through satisfaction followed by service quality and customer perceived value.

The path model shows that customer loyalty can be positively influence by service quality, restaurant image, and customer perceived value variables directly without through to customer satisfaction. Service quality is the most dominant variable that positively and significantly affecting customer loyalty. By becoming the most dominant variable that positive and significantly influence customer loyalty, this is the same with the result of previous result of Parasuraman *et al.*, (1996). There is a significant and positive relationship between service quality and customer loyalty. The result of the study indicates that service quality can effects customer loyalty directly. For increasing customer loyalty, the corporate can stimulate by managing service quality.

This condition shows that to create a satisfied and loyal customer, Natural Strawberry Land and Resto needs to fulfill the needs and wants of customers by managing the strategy and combination of service quality, restaurant image, and customer perceived value. which in turn will be affecting the customers become loyal to the restaurant. Therefore, it is assumed that satisfaction is the key to maintain the loyal customers to repurchase

the product in order to keep the profit in condition of decreased market share. Fully satisfied customers have more willingness to repurchase the products and become loyal customers.

## Conclusion

1. The variable service quality, restaurant image, and customer perceived value does have a positive influence on customer satisfaction significantly. The most dominant variable that influences a customer satisfaction is restaurant image, that the restaurant has a good integrity in providing service and the innovation by differentiating the restaurant with the other restaurant to fulfill their expectation.
2. The variable service quality, restaurant image, customer perceived value and customer satisfaction does show positive influence on the customer's customer loyalty. The most dominant variable that influences a customer loyalty is service quality, that can be conclude by giving a good service, the customer become loyal to the restaurant.
3. The variable service quality, restaurant image, customer perceived value and customer satisfaction are have positively influence directly and indirectly to the customer loyalty.

## BIBLIOGRAPHY

- Alhaq, Faizal Muhammad. 2013. *The Effect of Service Quality, Customer Value and Corporate Image on Customers' Satisfaction (Study on Customers of PT. Pos Indonesia, Malang Branch)*. Minor Thesis Unpublished. Marketing Management, Economic and Business Faculty, Brawijaya University, Malang.
- Arikunto, Suharsimi, 2002. *Prosedur Penelitian Suatu Pendekatan Praktek*. Rineka Cipta, Jakarta.
- Ferrell, O. C., Hartline, M. D., 2008. *Marketing strategy 4th edition*. Thomson South Western, USA.
- Fill, C. 2009. *Marketing Communication Interactivity, Communities and Content (5th Edition)*. England. Prentice Hall.
- Fornell, C. and Wernerfet, B., 1987. Defensive marketing strategy by customer complaint management : a theoretical analysis. *Journal of Marketing*, pp 337-46.
- Fraenkel, J. & Wallen, N. 1993. *How to Design and Evaluate Research in Education, 2nd ed*. New York. McGraw-Hill Inc.
- Ghazali I., 2007. *Aplikasi Analisis Multivariate dengan Program SPSS*. Universitas Diponegoro, Semarang.
- Gronroos, C. 2001. *The Perceived Service Quality Concept – a Mistake? Volume 11. No.3. pp.150 - 153*. MCB University Press.
- Kline, R. B, 1991. Latent variable path analysis in clinical research: A beginner's tour guide. *Journal of Clinical Psychology*, 47(4), 471-484.
- Kotler, P. & Armstrong, G., 1990. *Marketing, an introduction*. New Jersey. Prentice Hall.
- Kotler, P. & Armstrong, G., 2009. *Marketing, an introduction*. New Jersey. Prentice Hall.
- Kuncoro, A. E., Riduwan, 2008. *Cara Menggunakan dan Memaknai Analisis Jalur (Path Analysis)*. Alfabeta, Bandung.

- Lovelock, C. & Wirtz, J. 2007. *Service Marketing*. United States of America. Pearson Prentice Hall.
- Marzuki, 2007. *Metodologi Riset*. Pustaka Pelajar, Yogyakarta.
- Maholtra, Naresh K, 1993. Marketing research: an applied orientation. Prentice Hall, Eaglewood Cliffs NJ.
- Mudie, Peter and Parie , Angela.2006. *Service Marketing Management, Third Edition*. Elsevier Ltd. United States of America.Parasuraman, Zeithalm V.A., and Berry L (1996). *The Behavioral Consequences of Service Quality*, International Journal of Retailing.
- Nasution. 2003. *Metode Research*. Jakarta. PT. Bumi Aksara
- Nickels, William and McHugh, James *Understanding Business 9th Edition*. McGraw-Hill/Irwin. United State of America
- Parasuraman, A., Zeithaml, V. and Berry, L., 1985. A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), pp. 41-50.
- Ramadhani, Merzelinda Fairuz. 2013. *Determinants of Tourist Revisit Intention: An Evidance from Kota Batu*. Minor Thesis Unpublished. Marketing Management, Economic and Business Faculty, Brawijaya University, Malang.
- Ryu, K. Rin Lee, Hye and Gon Kim, Woo. (2011). *The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions*, International Journal of Hospitality Management.
- Schiffman, Leon G. and Kanuk, 2007. *Consumer Behavior, Ninth Edition*. Pearson Education, Inc, Singapore.
- Sekaran, Uma and Bougie, Roger. 2010. *Research Method for Business, a Skill-Building Approach, Fifth Edition*. John Wiley and Son, Great Britain.Sugiyono, 2008. *Metode Penelitian Bisnis*. Alfabeta, Bandung.
- Winner, R. S., 2007. *Marketing Management (3rd Edition)*. New Jersey. Pearson International.
- Zeithaml, V. A., Bitner, M. J. & Gremler, D. D., 2006. *Service Marketing, Integrating Customer Focus across the Firm, 4th Edition*. New York. McGraw Hill.
- Zeithaml, V., 1988. Consumer perceptions of price, quality and value: a means-end model and synthesis of evidence, *Journal of Marketing*, 52,