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# THE EFFECT OF PRODUCT QUALITY ON CONSUMER LOYALTY WITH CUSTOMER SATISFACTION AS MEDIATING VARIABLES IN AMPALU RAYA PADANG

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#### Abstract

This research was conducted to know the effects of product quality on consumer customer satisfaction as mediating variable in Ampalu Raya Padang Restaurant. The sample was determined by using simple random sampling with criteria, (a) Respondents live in the city of Padang, (b) Know the restaurant, (c) ever visited the restauran at least two times. This study used a sample size of 150 respondents obtained from the Hair method. This study used quantitative methods and survey methods in collecting data about attitudes, feelings, past behavioral beliefs and planned behaviors that was analyzed by using SEM-PLS 3 software. The results of this study revealed that product quality has no significant effect on consumer loyalty at Ampalu Raya restaurant, product quality has a significant effect on customer satisfaction in Ampalu Raya restaurant, consumer satisfaction has a significant effect on consumer loyalty in Ampalu Raya restaurant, customer satisfaction has a full mediatiom to product quality towards consumer loyalty at Ampalu Raya restaurant. From  $R^2$  score of customer satisfaction variables can be explained by product quality variables, for the rest 54.7 percent explained by other variables that are not examined, consumer loyalty variables can be explained by product quality variables and customer satisfaction by 56.3 percent, the rest explained by variables other variables not examined.

Key Words: Product Quality, Consumer Satisfaction, Consumer Loyalty

#### A. INTRODUCTION

Food business is one of the businesses with the most demand and also the most favourite thing, because it isnot only as the basic need of humankind, buat also it is a profitable business. The logic is simply that if someone's stomach is hungry then the food will be rushed to be fulfilled, so people will find food to maintain the survival of life. Moreover, there is a shift in the pattern of community life, where the community has begun to open and have begun to get used to making eating outside the house as a means of refreshing and gathering with family and relatives. One way that is easy and more practical is to come to Padang Restaurant, because of the diversity of types of menus, the consumer has many choices in deciding whether to eat what they want.

Table 1.1
Data on Per Capita Expenditures in the City of Padang toward Food and Beverage

	Year	Per capita
		expenditure
		(thousand)
The same of	2012	97,743
	2013	104,143
11	2014	107,445
	2015	122,330
/	2016	150,213

Source: Padang Central Statistics Agency (2019)

It can be seen from the data above, that public spending on food and beverages in the city of Padang increases every year, so it can be seen an increase in community welfare in the city of Padang. Of course this increase affects the lifestyle and behavior patterns of the people of the city of Padang. Especially in terms of making purchases of basic needs. This can happen because people are busy with work or who are busy doing activities outside the home, both men and women so they will look for something that is practical and instant in fulfilling their daily needs. One way is to look for food and drinks outside in order to meet their food needs.

It also can be seen from the results of an initial survey conducted by researchers, where researchers asked 30 consumers about product quality problems in the Ampalu Raya restaurant. The results was about 60% of consumers chose "satisfied" with the packaging used by Ampalu Raya restaurants and around 40% of consumers chose "not satisfied", and for the second question around 83% of consumers chose "satisfied" with the dishes served by the Ampalu Raya restaurant at meal times and around 16% of consumers chose "Dissatisfied", and for the last question about 93% of consumers choose "satisfied" after eating food from the Ampalu Raya restaurant, and about 6% of consumers choose "dissatisfied". That way it can be seen that consumers eat food from Ampalu Raya Restaurant because the food is delicious.

Product quality is the main element offered by the company in its business, such as what products the Ampau Raya restaurant offers and what kind of product can meet

consumer expectations with attractive packaging, varied products, and good product quality. At Ampalu Raya restaurant, it has a variety of Minang special dishes and is specified with rendang, curry fish, Dendeng Bakar. This Ampalu Raya Restaurant food is also categorized as home-cooked food, so when a consumer eats this Ampalu Raya restaurant, they will feel as if he is eating his own parents' cooking. Ampalu Raya restaurant gets a positive response from the public regarding its delicious food.

Product quality has a positive effect on customer loyalty, as it is stated on Sari and Andjarwati's research (2018), they stated that product quality has a positive effect on customer loyalty, means that the better the quality of the product given by a company to consumers, the higher the customer loyalty to the company. The results of the research Sembing, et al. (2014) stated that quality products and quality of service from employees of a company proved to have a significant effect on customer satisfaction and loyalty. That way consumers will recommend to relatives and relatives and will make a purchase of the product again. Furthermore, the results of research by Chang, NJ, et al. (2016) states that product quality has a positive and significant effect on customer satisfaction. Supported also by the results of research by Asgharian et al. (2012) stated that customer satisfaction is able to mediate product quality on customer loyalty. If the better the quality of the products provided by the company to its customers, the higher the customer loyalty will be and the customer will not be able to move to another product.

Based on the description above, the authors are interested in conducting research with the title "Effect of Product Quality on Consumer Loyalty with Consumer Satisfaction as mediating variable at RM Ampalu Raya Padang".

#### B. REFERENCES

# **Product Quality (X)**

According to Ehsani & Ehsani, (2015) the quality of the product is the customer's perception of the overall quality or excellence of the product or service, in connection with the intended purpose, and it is all relatively alternative. Furthermore according to Chang, NJ, & Fong et al., (2016) the quality of the product is describing that product quality as a result of performance which in turn can be labeled as the level of adjustment and freedom from defects or how reliably the product meets customer requirements. Product quality can be a good starting point to be able to provide satisfaction to customers and generate customer loyalty. The indicators of product quality according to Hanaysha (2016) are variations of food, the food is delicious, the presentation is interesting, the food is served hot, the food served is always fresh, the dishes are neat and clean.

#### **Consumer Satisfaction (M)**

According to Deng et al. (2010) states that customer satisfaction refers to the summary of psychological conditions that result when a person's emotions towards the expectations of a product / service but cannot be confirmed and combined with previous consumer feelings about his experience in consuming a product. The indicators of consumer satisfaction according to Deng et al., (2010) are variations of the product menu, the taste of food, the number of servings offered.

# **Consumer Loyalty (Y)**

Giovanis., Et al. (2015) customer loyalty is a commitment held to repurchase a product / service that is consistently preferred in the future, thereby creating a desire to make a purchase of a product / service in a company. Although the situational influence and

marketing efforts of a company have the competence to cause switching behavior. Furthermore according to Lovelock and Wirtz (2011) customer loyalty is a word that describes a customer's willingness to continue to subscribe to products / services offered by a company in the long run, exclusively and recommend these products / services to friends, and relatives. The indicators of consumer loyalty according to Deng et al., (2010) are going back to eat at the restaurant, will recommend, will invite others.

## C. Hypothesis

# C.1 The Effect of Product Quality toward Consumer Loyalty

Based on the literature that has been collected, there are several studies that have first examined the variables of product quality, customer satisfaction with customer loyalty. Be also found from the research Asgharian., Et al. (2012) states that product quality has a positive effect on customer loyalty. Furthermore, in the study of Jahanshahi, et al. (2011) states that there is a high positive correlation between constructs of product quality and customer loyalty. Furthermore, the research of Hoe and Mansori (2018) states that the dimensions of positive product quality influence higher loyalty than customer satisfaction. Furthermore, research Yuen and Chan (2010) states that product quality has a significant effect on consumer loyalty.

H1: Product Quality Affects Consumer Loyalty in Ampalu Raya Restaurant

# C.2 The Effect Product Quality toward Consumer Satisfaction

Seen in Halim, et al. (2014) states that product quality has a significant effect on customer satisfaction. Furthermore, in the study of Chang, NJ, et al. (2016) states that product quality has a positive effect on customer satisfaction. Furthermore, in the study of Jahanshahi, et al. (2011) states that there is a high positive correlation between constructs of product quality and customer satisfaction. Furthermore, the research of Hoe and Mansori (2018) states that the dimensions of product quality positively affect consumer satisfaction but are lower than consumer loyalty.

H2: Product Quality affect Consumer Satisfaction in Ampalu Raya Restaurant

# C.3 The effect of Consumer Satisfaction to Consumer Loyalty

Seen in the El-Adly determination (2018) states that consumer satisfaction was found to have a positive effect directly on consumer loyalty. Furthermore in the study of Schirmer et al. (2018) states that there is a direct relationship between consumer satisfaction and consumer loyalty has a significant strong effect. Furthermore, in the research of Ali ., Et al. (2018) states that consumer satisfaction has a significant positive effect on consumer loyalty. Furthermore, the research of Thakur (2012) states that there is a positive relationship between customer satisfaction and customer loyalty.

H3: Consumer Satisfaction affect Consumer Loyalty in Ampalu Raya Restaurant.

# C.4 The effect of Product Quality toward Consumer Loyalty mediated by Consumer Satisfaction

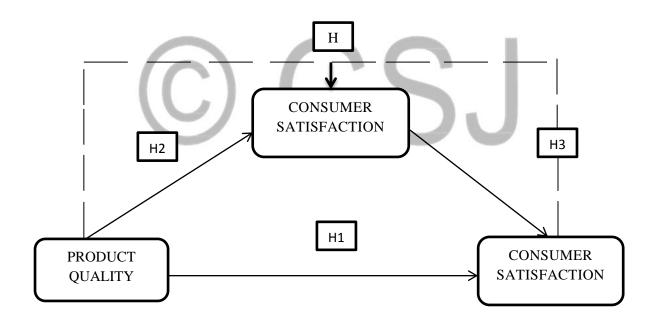
Asgharian (2012) showed that customer satisfaction has a positive effect as a mediating variable on product quality and customer loyalty. Furthermore, in the study

of Chang, NJ, et al. (2016) states that customer satisfaction creates an indirect relationship between product quality and customer loyalty. Furthermore, in the research of Laksmi, et al. (2018) states that customer satisfaction has a positive effect as mediator variable on product quality and customer loyalty.

H4: Consumer Satisfaction mediated Product Quality toward Consumer Loyalty

#### **Research Model**

Based on the hypothesis proposed in this study, the research model can be described as follows:



**Figure 1**Research Model

#### RESEARCH METHODS

# **Research Population**

The population in this study is the people of Padang City who have made purchases more than twice at Ampalu Raya Restaurants. The population has a large number, so researchers use samples from that population.

## Sample

Simple random sampling technique, where all elements in the population are considered and each element has the same opportunity to be selected as the subject of Sekaran and Bougie (2016). The sample criteria determined were respondents residing in the city of Padang, knowing the Amapalu Raya restaurant, were or had made purchases more than twice. According to Hair, Hult, Ringle, & Sarstedt, (2017) in a study using SEM PLS technique that is 5 times the number of questionnaire indicators. The number of indicators in this study was 13, then  $5 \times 13 = 65$ , but because to measure the attitude of someone whose sample is 65 too few, the sample in this study was made as many as 150 respondents.

#### RESULTS AND DISCUSSION

#### Test Model Measurement ( Outer Model )

There are three criteria to assess the outer model, namely convergent validity, discriminant validity and reliability testing.

The *convergent* validity of the measurement model with reflexive indicators is assessed based on the correlation between *item scores / component scores* calculated from 0.7 with the construct being measured. For the initial research stage of developing the measurement scale, a loading value of 0.5 to 0.6 is considered sufficiently Ghozali (2014).

The discriminant validity of the measurement model with reflexive indicators was assessed based on cross loading measurements with constructs. If the correlation of constructs with measurement items is greater than the size of other constructs, it shows that latent constructs predict the size of their block better than the size of the other blocks. Another method to assess discriminant validity is to compare the square root of average variance extracted (AVE) values of each construct with the correlation between constructs and other constructs in the Ghozali model (2014). AVE of each construct is greater than the correlation value between constructs and other constructs in the model, so it is said to have a good discriminant validity value. The recommended AVE value must be greater than 0.5.

Reliability testing a construct with reflective indicators can be done by me e nggunaan *Cronbach's alpha* to test the reliability of the construct will provide a lower value so it is more advisable to use a composite reliability in testing the reliability of a construct. To assess construct reliability, the composite reliability value must be greater than 0.7 for *confirmatory* research and 0.6-0.7 values are still accepted for Ghozali *exploratory* research (2014).

#### **Test Model Structure** (*Inner Model*)

Testing the inner model or structural model is done to see the relationship between latent variables, the significance value and the R-square of the research model. The structural model is evaluated using R-square for the dependent construct and t test as well as the significance of the coefficient of structural path parameters. Model suitability test is based on established criteria called *Goodness of Fit*. Goodness of Fit from the Inner Model is measured using R-square dependent latent variables with the same interpretation as regression; R2 value.

# **Hypothesis testing**

The results of hypothesis testing can be seen in the following inner model testing:

1) T Statistics, if the coefficient of t statistic shows a coefficient that is greater than t table, these results illustrate that the variable is significant, it can be interpreted that there is a significant influence of latent variables on other latent variables. Exogenous variable was significant at the endogenous variables when the t statistik greater than t table, 2) Path Coefficients, n use values path coefficients indicate the coefficient of correlation between the variables late n the latent variables other, 3) Testing Variable moderating, j ika known basic concepts analysis involving mediator variables, it is necessary to test the role of mediators that can be known from the relative size value. Hair et al. (2017).

## **Calculating VAF**

Calculating VAF to find the *relative size* value can use the *Variance Account For* formula as follows:

$$VAF = \frac{Indirect\ Effect}{Total\ Effect}$$

# RESULTS AND DISCUSSION

#### **Characteristics of Respondents**

The number of respondents male were 88, while female respondents numbered were 62. Respondents in this study were dominated by respondents aged 25 - 35 years, they were 62 or 41.3 % and followed by respondents aged 36 - 45 years. They were 55 or 36,7%.

In this study dominated by respondents with a high school level of 55 or 36.7 % followed by respondents with a Bachelor's level of education. They were about 39 or 26 %, and the domicile of respondents were in Padang as many as 150 people or 100%.

#### Test the Outer Model

# **Convergent Validity**

In this study convergent validity is evidenced through the achievement of criteria . A measurement meets the convergent validity if it meets the requirements that is to have a minimum indicator reliability of 0, 6. The results of the factor analysis can be seen in the table below:

Table 2
Research Variable Factor Test Results

	Indicator	consumer satisfaction	product quality	consumer loyalty
KK1		0.932		
KK2		0.949		
KK3		0.920		
KP1			0903	
KP2			0.936	
KP3			0889	
KP4			0.886	
KP5			0887	
KP6			0769	
LK1				0.935
LK2				0.945
LK3				0.922

Source: SEM-PLS 3 Processed Data (2019)

The initial factor loading value (factor loading) presented in Table 1 shows that there are no indicators that have a loading factor smaller than 0, 5. These results indicate that there are no indicators that have poor convergent validity. Thus, the indicator is valid in measuring each of its latent variables. The following is a picture of the validity convergent path diagram:

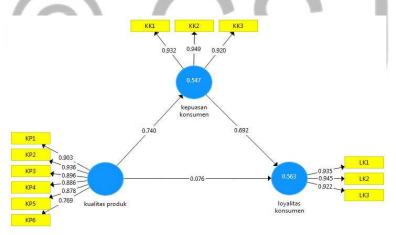


Figure 2
Value of *Loading Factor* 

## **Discriminant Validity Test**

Discriminant validity test is done to find out how far the difference in the value of the validity of a variable when compared with other variables. One way to measure discriminant validity is to compare the square root values of the *average variance extracted* (AVE) obtained through the correlation value between variables. If the *average* square *variance extracted* (AVE) square root value is greater than 0, 7 and is greater than the correlation value with all other latent variables, it is said to have good discriminant

validity . Recommended AVE measurement values should be greater than 0, 50 . The results of the AVE value and square root are described as follows:

Table 3

Results of AVE and AVE roots

	Average Variance Extracted (AVE)	Root Root AVE
consumer satisfaction	0.872	0.934
product quality	0.773	089
consumer loyalty	0.872	0.934

Source: D ata Processed SEM-PLS 3 (2019)

From the table above shows that the AVE value of all latent variables ranges from 0,773 to 0.872 meaning that the value of AVE for all variables is greater than 0,5. The AVE square value of all variables ranges from 0,879 to 0.934, meaning that the AVE square value of all variables is greater than 0,7. These results indicate that all latent variables used in this study have good discriminant validity.

# **Composite Reliability Test**

Composite reliability is a reliability for measuring latent variables. This reliability uses the reliability coefficient to explain the measurement model tested. This coefficient is an internal consistency coefficient which is close to the value of Cronbach's internal coefficient. This reliability coefficient is suitable for conjugic measurements which assume that the precision and measurement scale between indicators are different. Indicator group that measures a variable has a good composite reliability if it has a composite reliability  $\geq 0.7$  even though it is not an absolute standard. The composite reliability results are presented as follows:

Table 4
Composite Reliability Results

Composite Kenabirty Kesuits					
	Cronbach's	rho_A	Composite	Average	
	Alpha		Reliability	Variance	
				Extracted	
				(AVE)	
consumer satisfaction	0.926	0.927	0.953	0.872	
product quality	0.941	0.942	0.953	0.773	
consumer loyalty	0.927	0.928	0.953	0.872	

Source: SEM-PLS 3 Processed Data (2019)

From the table above shows that the composite reliability value of all latent variables of 0.953 means that the overall value of composite reliability is greater than 0.7. These results indicate that all latent variables have good composite reliability.

#### Inner Model Test

#### Goodness of Fit Test

Model suitability test is based on established criteria called Goodness of Fit. Goodness of Fit from the Inner Model was measured using R-square dependent latent variables with the same interpretation as regression; R <sup>2</sup> value. The GOF results are shown as follows:

Table 4
Composite Reliability Results

Variable	R Square	R Square Adjusted
consumer satisfaction	0.547	0.544
consumer loyalty	0.563	0.557

Source: SEM-PLS 3 Processed Data (2019)

R-square value is the result (in the form of a percentage) of the representation of exogenous variables to endogenous variables. A good R2 value is above 0.2 (equivalent to 20%). Based on the R2 values listed in the table above it can be explained that: 1) The variable of customer satisfaction can be explained by the product quality variable by 54.7 percent, the rest is explained by other variables not examined. 2) The variable of consumer loyalty can be explained by the variables of product quality and customer satisfaction by 56.3 percent, the rest is explained by other variables not examined.

# **Hypothesis testing**

This hypothesis test is a causality analysis conducted to determine the relationship between variables. Causality analysis can be used to determine the effect that occurs between exogenous variables and endogenous variables. Exogenous variables are stated to significantly influence endogenous variables if the value of t statistics> t table. Hypothesis test results are presented in Tables 5 and 6 as follows:

Table 5
Results of the *Path Coefficient* path model

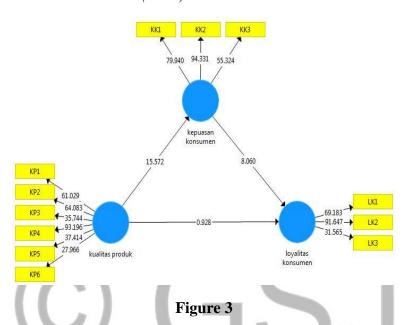
	Original Sample	Sample Mean	Standard Deviation	T Statistics (  O /	P Values
	(O)	(M)	(STDEV)	STDEV  )	
product quality -> consumer loyalty	0.076	0.048	0.082	0.928	0.375
product quality -> customer satisfaction	0740	0729	0.047	15,572	0,000
consumer satisfaction -> customer loyalty	0.692	0.716	0.086	8060	0,000

Source: SEM-PLS 3 Processed Data (2019)

Table 6
Results of the Specific Indirect Effects path model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (  O / STDEV  )	P Values
product quality -> customer satisfaction -> customer loyalty	0.512	0.521	0.063	8,135	0,000

Source: SEM-PLS 3 Processed Data (2019)



The value of the Path Coefficient and the Specific Indirect Effects path model

Testing Hypothesis 1, the mean sample value is 0.048, so the quality of the product has a positive effect on customer loyalty at Ampalu Raya retaurant. Statistical t value of 0.928 is smaller than t table (1.645), P value of 0.375> 0.05 then Accept H0 reject H1 means product quality has no significant effect on consumer bags in Ampalu Raya Restaurant.

Testing Hypothesis 2, the mean sample value is 0.729, the quality of the product has a positive effect on customer satisfaction at Ampalu Raya restaurant. Statistical t value of 15.572 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H2 means product quality has a significant effect on customer satisfaction in Ampalu Raya restaurant.

Hypothesis 3, the mean sample value is 0.716, so customer satisfaction has a positive effect on consumer loyalty at Ampalu Raya RM. Statistical t value of 8.060 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H3 means that customer satisfaction has a significant effect on consumer bags in RM Ampalu Raya.

Hypothesis 4, the sample mean value is 0.521, so customer satisfaction mediates the quality of products to consumer loyalty in RM Ampalu Raya positively. Statistical t value of 8.135 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H4 means that customer satisfaction has an effect on mediating product quality to consumer loyalty in RM Ampalu Raya.

# **Calculating VAF**

Table 7

Total Effect

	consumer satisfaction	product quality	consumer loyalty
consumer satisfaction			0.692
product quality	0740		0.588
consumer loyalty			

Source: SEM-PLS Processed Data (2019)

$$VAF = \frac{Indirect \ Effect}{Total \ Effect}$$

$$VAF = \frac{0,521}{0,588}$$

$$VAF = 88.6 \%$$

If the VAF value is above 80%, then show the role of the mediation variable as *full mediation*. Mediation variables are categorized as partial mediation if the VAF value ranges from 20% to 80%, but if the VAF value is less than 20% it can be concluded that there is almost no mediating effect. The VAF value of 88.6 percent indicates that consumer satisfaction mediates the quality of the product to consumer loyalty in RM Ampalu Raya in full (*full mediation*).

#### **Discussion**

Based on the results of the study and the discussion that has been presented previously, the implications of this study are:

#### **Analysis of the Effect of Product Quality on Consumer Loyalty**

The results of the study can be seen from the sample mean value of 0.048, the quality of the product has a positive effect on customer loyalty in Ampalu Raya restaurant. Every increase in consumer perception about product quality by 1 unit, customer loyalty will increase by 0.048 units. The better the quality of the product, it will increase consumer loyalty. Statistical t value of 0.928 is smaller than t table (1.645), P value of 0.375> 0.05 then Accept H0 reject H1 means product quality has no significant effect on consumer loyalty in Ampalu Raya restaurant.

The is contrary the study conducted by Asgharian study to et research on . " Green al. (2012) who conducted Product Quality, Green Satisfaction, and Green Customer Loyalty. "Y ang states that if a company keep its product quality meals will bring customer loyalty. Because consumers from Ampalu Raya restaurant are not directly loyal if they eat food from the restaurant, and usually they will try to eat at restaurant several times before they can be loyal. Where is the research conducted

by Jamaluddin and Ruswanti (2017) that loyalty can be defined as loyalty. It appears without paksaaan loyalty, but awareness will past experience also participate in customer loyalty. Efforts to create customer satisfaction tend to influence customer behavior. Meanwhile, the concept of customer loyalty emphasizes more on buyer behavior.

# **Analysis of the Effect of Product Quality on Consumer Satisfaction**

The results of the study can be seen from the sample mean value of 0.729, the quality of the product has a positive effect on customer satisfaction at RM Ampalu Raya. Every increase in consumer perception about product quality by 1 unit, customer satisfaction will increase by 0.729 units. The better the quality of the product, it will increase customer satisfaction. Statistical t value of 15.572 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H2 means that product quality has a significant effect on customer satisfaction at Ampalu Raya restaurant. Where Chang, NJ, et al. (2016) states that product quality can be a good starting point for providing customer satisfaction, where high product quality can obtain higher product acceptance from consumers and lead to customer satisfaction. Because consumers from Ampalu Raya restaurant will be easy to be satisfied with the quality of the products provided by RM, especially in terms of taste images.

This research is the same as that conducted by Halim., Et al. (2014) states that product quality has a significant effect on customer satisfaction. And same with Chang, NJ, et al. (2016) states that product quality has a positive effect on customer satisfaction.

# **Analysis of the Effect of Consumer Satisfaction on Consumer Loyalty**

The results of the study can be seen from the sample mean value of 0.716, customer satisfaction has a positive effect on customer loyalty in Ampalu Raya restaurant. Every increase in consumer perception about satisfaction by 1 unit, customer loyalty will increase by 0.716 units. The higher customer satisfaction will increase consumer loyalty. Statistical t value of 8.060 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H3 means that customer satisfaction has a significant effect on customer loyalty in Ampalu Raya restaurant. Where Deng., Et al. (2010) which states that customer satisfaction refers to the summary of psychological conditions that result when a person's emotions towards the expectations of a product / service but cannot be confirmed and combined with previous consumer feelings about his experience in consuming a product / service.

This research is the same as that carried out by Schirmer ., Et al. (2018) states that there is a direct relationship between consumer satisfaction and consumer loyalty has a significant strong effect. And the same with research conducted by El-Adly (2018) states that consumer satisfaction is found to have a positive effect directly on consumer loyalty.

# Analysis of the Effect of Consumer Satisfaction Mediating Product Quality on Consumer Loyalty

The results of the study can be seen from the sample mean value of 0.521, customer satisfaction mediates the quality of products to consumer loyalty in Ampalu Raya restaurant positively. Every increase in product quality perception by 1 unit, customer loyalty will increase by 0.521 units with consumer satisfaction as mediation. The better product quality and customer satisfaction will increase consumer loyalty. Statistical t value of 8.135 is greater than t table (1.645), P value of 0.000 <0.05 then Reject H0 Receive H4 means that customer satisfaction has an effect on mediating product quality to consumer loyalty in Ampalu Raya

restaurant. Where in research conducted by Chang, NJ, et al. (2016) states that satisfied customers have a higher likelihood to repeat purchases on time.

This study is the same as that conducted by Asgharian ., Et al. (2012) findings show that customer satisfaction has a positive effect as a moderating variable on product quality and customer loyalty.

#### D. CLOSING

#### **Conclusion**

Based on the analysis and discussion in the previous section, the following conclusions can be drawn: The first hypothesis testing found that product quality had no significant effect on consumer loyalty at Ampalu Raya restaurant Padang. The second hypothesis testing found that product quality has a positive effect on customer satisfaction at Ampalu Raya restaurant Padang. The third hypothesis testing found that consumer satisfaction has a positive effect on customer loyalty at Ampalu Raya restaurant Padang. The fourth hypothesis testing found that consumer satisfaction has an effect on mediating product quality on consumer loyalty in Ampalu Raya restaurant Padang.

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