

THE INFLUENCE OF PRODUCT QUALITY, SERVICE QUALITY, AND LOCATION ON CUSTOMER LOYALTY AT DEPOT WAKIK GRESIK

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Abstract: This research entitled "The influence of product quality, service quality, and location on customer loyalty at Depot Wakik Gresik" has four objectives, namely: (1) To find out what effect product quality has on customer loyalty, (2) To find out how service quality influences on customer loyalty, (3) Knowing how location influences customer loyalty, (4) Knowing how product quality, service quality, and location influence customer loyalty simultaneously. The Depot Wakik Gresik is a business engaged in the food and beverage sector which is located in Gresik Regency. With the quantitative method also using the research population which are customers of the Depot Wakik Gresik who have visited by buying and consuming at Depot Wakik Gresik products more than twice, researchers candone. The sample used was 150 respondents. The required data was collected using questionnaires to the respondents directly. Data is processed using IBM SPSS 25 software for windows. The results obtained in this research are product quality, service quality, and location have a positive and significant effect both partially and simultaneously on customer loyalty at the Depot Wakik Gresik.

Keywords: *Product Quality, Service Quality, Location, Customer Loyalty*

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1. Introduction

In terms of economic development in Indonesia, according to data from the Ministry of Tourism and Creative Economy, industries engaged in the culinary field in Indonesia have a high probability of opportunity. Where in this country itself is able to provide a significant contribution or influence of 30% to other sectors, for example tourism sector. As time goes by, culinary is growing, especially in the province of Gresik, East Java. Based on data from the Central Bureau of Statistics for East Java Province, the number of restaurants in Gresik Regency has increased.

Table 1.1 Number of Restaurants in Gresik Regency

Year	Amount
2014	23
2015	23

2016	23
2017	105
2018	106

Source: BPS (2023)

Table 1.1 interprets that the number in the construction of restaurants in Gresik Regency has increased by 83 new restaurants got from 2014 to 2018. One of the businesses in the culinary field in Gresik district is the Wakik Depot. This Wakik depot was founded in 2020. Depot Wakik has a varied and quality menu such as several processed goat meats, namely satay, gule, goat head curry, kikil, goat krengsengan and there are several menus that are not made from goat meat such as chicken satay and beef satay. Loyalty is very important in looking for opportunities to develop a company's business, therefore, it is important for companies to see and evaluate how loyal they are to be able to fulfill all the needs and desires of their customers. Customer loyalty is the level of loyalty in customers making repeat purchases, maintaining product choices, providing information and introducing products (Triannah et al., 2017).

The first step before conducting more in-depth research, a pre-survey was conducted on thirty respondents who were used to find out the problems that existed at the Depot Wakik Gresik. From the results of the pre-survey, it was found that the three highest percentages of the five variables factored into customer visits and purchases at the Depot Wakik Gresik. The three variables are product quality which gets a percentage of 47%, service quality 30%, and location 13%. Of the three variables, each of these variables has its own problems. According to (Ernawati, 2019) product quality is an important factor that can influence consumers in determining decisions in obtaining services or goods from the seller. According to opinion (Abubakar, 2018) service quality can be interpreted as the degree to which a company is able or not to provide the best and quality service compared to its competitors. Location which means an area of physical position that functions strategically because it can determine the achievement of the goals of a business (Lestari et al., 2020). In addition, whether or not a business can be seen from the number of products that are able to be sold by the seller. The same goes for Depot Wakik Gresik, in business. Currently, there are problems that hinder the success of its business, such as product quality that is still inconsistent, the quality of services provided takes too long, and the location of the Depot Wakik Gresik is not strategic. Therefore, these problems make researchers interested in researching more deeply and it is hoped that the results of this research can help the Depot Wakik Gresik reformulate its strategy in increasing customer loyalty so that the research title taken is "**The Influence of Product Quality, Service Quality, and Location on Customer Loyalty at Depot Wakik Gresik**".

2. Research Method

This research uses quantitative research methods. The population in this research were the consumers of Depot Wakik Gresik. The sample of the calculation uses 10:1 ratio, which is at least 5 to 10 times multiplied by the number of indicators to be analyzed (Hair et al., 2017). The sample to be obtained is 15 x 10, namely 150 samples because in this research there are 15 indicators. The method used is purposive sampling. The provisions in his research are customers who have visited and consumed products from the Depot Wakik Gresik more than twice before, consumers who are aged 17-53 years, and are male or female.

3. Result and Discussion

3.1. Result

Description of Respondents

Respondents in this research were 150 people who had visited more than twice to buy and consume products from the Wakik Gresik Depot with the age of the respondents being 17-23 years.

Table 3.1 Description of Respondents

Profil Respondent		Frequency	Percentage (%)
Gender	Man	65	43.3
	Women	85	56.7
	Total	150	100.0
Age	17-26 year	34	22.7
	27-35 year	30	20.0
	36-45 year	51	34.0
	46-53 year	35	23.3
	Total	150	100.0

Source: Output SPSS (2023)

Table 3.1 shows that the number of male respondents was 65 people and female respondents were 85 people with an age range of 17-26 years of 34 respondents, an age range of 27-35 years of 30 respondents, an age range of 36-45 years of 51 respondents and an age range of 46 -53 years as many as 35 respondents.

Validity and Reliability Test

Table 3.2 Validity and Reliability Test Results

Variable	Indicator	rCount	rTable	Note	Cronbach's Alpha	if Item Deleted	Note
Quality of Product	PRO1	0.669	0.361	Valid	0.757	0.750	Reliable
	PRO2	0.819	0.361			0.652	
	PRO3	0.847	0.361			0.632	
	PRO4	0.690	0.361			0.739	
Quality of Service	SERV1	0.730	0.361	Valid	0.775	0.726	Reliable
	SERV2	0.691	0.361			0.769	
	SERV3	0.797	0.361			0.698	
	SERV.4	0.733	0.361			0.728	
	SERV.5	0.695	0.361			0.747	
Location	LOC1	0.792	0.361	Valid	0.733	0.655	Reliable
	LOC2	0.797	0.361			0.653	
	LOC3	0.834	0.361			0.628	
Customer Loyalty	LOYL1	0.912	0.361	Valid	0.876	0.790	Reliable
	LOC2	0.899	0.361			0.821	
	LOC3	0.889	0.361			0.870	

Source: Output (2023)

Validity test results stated valid if $r_{count} > r_{table}$ and in table 3.2 there are four statements questionnaire from the product quality variable (X1) is declared feasible and valid because they have an r_{count} value of 0.690 to 0,847. The service quality variable (X2) has five questionnaire statements that meet the requirements and are said to be valid because they have an r_{count} value of 0.691 to 0.797. The Location variable (X3) there are three questionnaire statements and these statements meet the requirements and are said to be valid because they have an r_{count} value of 0.792 to 0.834. In the customer loyalty variable (Y), has three questionnaire statements and these statements fulfill the requirements and are said to be valid because they have an r_{count} value of 0.889 to 0.912. Of all the indicators for each variable, the $r_{count} > r_{table}$ and that all the instrument is declared valid.

Table 3.2 also shows the results of the reliability test. The reliability test is declared reliable when the value of Cronbach's Alpha is > 0.60 . Product quality variable has Cronbach's Alpha value (0.757), service quality (0.775), location (0.733), and customer loyalty (0.876). Of all variables have a Cronbach's Alpha value > 0.60 and that all variables can be declared reliable.

Classical Assumption Test

Table 3.3 Normality Test Results

		<i>Unstandardized Residual</i>
N		150
<i>Normal Parameters^{a,b}</i>	<i>Mean</i>	.0000000
	<i>Std. Deviation</i>	.30535233
<i>Most Extreme Differences</i>	<i>Absolute</i>	.055
	<i>Positive</i>	.049
	<i>Negative</i>	-.055
<i>Test Statistic</i>		.055
<i>Asymp. Sig. (2-tailed)</i>		.200 ^{c,d}
<i>a. Test distribution is Normal.</i>		
<i>b. Calculated from data.</i>		
<i>c. Lilliefors Significance Correction.</i>		
<i>d. This is a lower bound of the true significance.</i>		

Source: Output (2023)

Based on table 3.3 the normality test using the Kolmogorov-Smirnov test gives a value of 0.200, where the significance value of the Kolmogorov-Smirnov test is greater than 0.05, it can be concluded that the normality assumption is met

Table 3.4 Heteroscedasticity Test Results

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	<i>(Constant)</i>	.304	.129		2.361	.020
	X1	-.002	.054	-.006	-.044	.965
	X2	-.049	.052	-.111	-.936	.351
	X3	.030	.046	.080	.652	.516
<i>a. Dependent Variable: Abs.res</i>						

Source: Output (2023)

In table 3.4 the results of the heteroscedasticity test yield a significance value of 0.965 on the product quality variable (X1), 0.351 on the service quality variable (X2), 0.516 on the location variable (X3). The heteroscedasticity test was carried out using the test method *glaze*. If the experimental *glaze* gives a value greater than 0.05, it can be concluded from these three values that the regression model has no variance

Table 3.5 Multicollinearity Test Results

Independent variable	VIF
Product quality	2.561
Quality of service	2.071
Location	2.217

Source: Output (2023)

With there is a multicollinearity test, this test is able to test whether in a research there is a relationship between the independent variables and those described by the regression model. If the VIF value < 10.00 then the regression model is free from multicollinearity problems. In table 3.5 the three independent variables have VIF values <10.00 and are declared free from multicollinearity.

Hypothesis Testing

Table 3.6 Results of Multiple Linear Regression Analysis and t-test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.291	.203		1.435	.153
	X1	.410	.085	.399	4.845	.000
	X2	.344	.082	.309	4.177	.000
	X3	.156	.072	.166	2.160	.032

Source: Output (2023)

The t-test will interpret how the independent variable influences dependent variable. When the sizemark from Sig. < 0.05, withdrawn that hypothesis can be accepted. However, when Sig. > 0.05, then the hypothesis is rejected. Table 3.6 shows the significant values of Product Quality (X1), Service Quality (X2), and Location (X3) variables. The three significance values are each smaller than 0.05. Conclusions were made that referred to the statement that service quality and product quality had a more or less significant effect on customer loyalty at Place Depot Wakik Gresik. Based on these results we can adopt the hypothesis for the three variables.

Table 3.7 F Test Result

<i>Model</i>		<i>Sum of Squares</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	22.011	3	7.337	77.107	.000 ^b
	Residual	13.893	146	.095		
	Total	35.904	149			
<i>a. Dependent Variable: Y</i>						
<i>b. Predictors: (Constant), X3, X2, X1</i>						

Source: Output (2023)

The F test is a test that is usually carried out in order to find out the effect of an independent variable on the dependent variable simultaneously. For sig. < 0.05 explained that the dependent variable has influence on the dependent variable. From Table 3.7 it can be seen that the significance of all independent variables is <0.05 and the variable product quality, service quality and location simultaneously have a major effect on customer loyalty.

Tabel 3.8 Value of Correlation Coefficient and Determination Coefficient

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.783 ^a	.613	.605	.30847	1.669
<i>a. Predictors: (Constant), X3, X2, X1</i>					
<i>b. Dependent Variable: Y</i>					

Source: Output (2023)

The correlation coefficient test (R) is usually used in activities to find out how strong the relationship is between dependent and independent variables. The value of the coefficient of determination (R^2) usually has a range from 0-1, where if the value is closer to 1 the stronger the independent effect on the dependent variable. The coefficient of determination in table 3.8 produces a value of 0.613 which means that product quality, service quality, and price are able to provide influence to customer loyalty of 61.3%, while the remaining 38.7% is influenced by other variables not examined.

3.2. Discussion

Effect of Product Quality on Customer Loyalty

A result is obtained which can prove the hypothesis which is able to show that product quality (X1) has a significant effect on customer loyalty (Y) at Depot Wakik Gresik. These results indicate that the higher the maturity level of the products offered by the Depot Wakik Gresik, the higher the customer loyalty both in terms of menu types and food portions. Almost the same research was also carried out by (Ariyanti & Fachrodji, 2021) and (Lifathna, 2021) which gives the conclusion that the level of quality obtained from a product has a positive and significant influence on customer loyalty.

Effect of Service Quality on Customer Loyalty

The second hypothesis is proven that service quality (X2) has a significant effect on customer loyalty (Y) at Depot Wakik Gresik. These results indicate that the quality of service provided exceeds the speed of service provided, the convenience of the location provided, and the suitability of customer orders with the food menu, so customer loyalty to Depot Wakik Gresik will increase. The Better quality of the product will be to create high probability of the customer loyalty (Laurentia et al., 2022). Almost the same research was also conducted by (Nuraeni et al., 2019) concludes that service quality has an influence on the level of customer loyalty because if there is service that matches customer expectations it will increase customers to recommend to others and studies conducted by (Kristianto & Baktiono, 2020) service quality has a significant effect on customer loyalty.

Effect of Location on Customer Loyalty

The third hypothesis explains that location (X3) has a significant effect on customer loyalty (Y) at Depot Wakik Gresik. So, the better the location of Depot Wakik Gresik, the better and easier it is to get reach by customers, have a large parking area, the loyalty given by Depot Wakik Gresik customers will increase. Research from (Rahmani, 2022) states that the location factor is something that can have a positive and significant influence on customer loyalty and the same thing is also supported by research (Pratama et al., 2021)

Ability of Product Quality, Service Quality, Location in Influencing Customer Loyalty at Wakik Gresik Depot

The results of the fourth hypothesis test show that product quality (X1), service quality (X2), and location (X3) have also played an important role in customer loyalty (Y). This shows that improving service quality (X1), service quality (X2) and location (X3) at Depot Wakik Gresik will simultaneously increase customer loyalty (Y).

4. Conclusion

Conclusions drawn from the results of research and discussion of researchers:

- 1) Product quality (X1) has a partially significant effect on customer loyalty (Y) Depot Wakik Gresik
- 2) Quality of Service (X2) has a partially significant effect on Customer Loyalty (Y) Depot Wakik Gresik
- 3) Location (X3) has a partially significant effect on loyal customer (Y) Wakik Gresik Depot
- 4) Product quality (X1), service quality (X2), and location (X3) simultaneously have a major influence on customer loyalty (Y) Depot Wakik Gresik.

Suggestions for future researchers are expected to be able to find variables that are not used in this research that can affect customer loyalty such as store atmosphere variables, prices and other variables.

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