

**ANALYSIS OF PRODUCT QUALITY AND  
CUSTOMER SATISFACTION LEVEL TO  
CUSTOMER LOYALTY OF FOOD PRODUCT  
EXPORT CASSAVA IN INTERNATIONAL  
MARKET**



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## **ABSTRAK**

### **ANALYSIS OF PRODUCT QUALITY AND CUSTOMER SATISFACTION LEVEL TO CUSTOMER LOYALTY OF FOOD PRODUCT EXPORT CASSAVA IN INTERNATIONAL MARKET**

Customer loyalty is the manifestation and continuation of customer satisfaction in using the facilities and services provided by the company, and to remain a customer of the company. Loyalty is the evidence that a consumer has always been a customer, who has the strength and positive attitude of the company. At the time when tight competition is increasing, manufacturers try to meet the needs and desires by offering different types of products seen at the level of product quality and customer satisfaction. The purpose of this study is to analyze the effect of product quality and customer satisfaction to customer loyalty.

The data used are primary data from respondents grouped by using questionnaires. The population of this study is the whole consumers who buy Tela Krezz. The method to take samples is the simple random sampling, from 100 respondents. Analysis tools used in this study is using multiple regression

The results of this study indicate that the level of product quality and customer satisfaction jointly influence customer loyalty. Partially product quality and customer satisfaction to customer loyalty is also influential in which variables most influence on customer loyalty is customer satisfaction.

Keywords: product quality, customer satisfaction, customer loyalty  
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Bibliography (1994-2009)

## **DECLARATION OF ORIGINALITY**

I declare that this thesis ,entitled “ANALYSIS OF PRODUCT QUALITY AND CUSTOMER SATISFACTION LEVEL TO CUSTOMER LOYALTY OF FOOD PRODUCT EXPORT CASSAVA IN INTERNATIONAL MARKET” is, to the best of my knowledge and belief ,an original piece of work that has no been submitted, either in whole or in art ,to another university to obtain a degree.

Cikarang, October 2010

Erry Valentina Zuelin

## **PANEL OF EXAMINERS APPROVAL SHEET**

The panel of Examiners declare that the thesis entitled “**ANALYSIS OF PRODUCT QUALITY AND CUSTOMER SATISFACTION LEVEL TO CUSTOMER LOYALTY OF FOOD PRODUCT EXPORT CASSAVA IN INTERNATIONAL MARKET**”.

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# CHAPTER 1

## INTRODUCTION

### 1.1. Background

Buyers of cassava abound in Europe and America but recently Asia led by China, has emerged as a major buyer of this product .it is regrettable to note that Nigeria has not harnessed this opportunity”.

It now also possible to get rebates on all your export of cassava products and other agricultural product to the tune of 40% payable to the export.

The secret and approach is contained in our manual titled processing cassava for export at a very good price.

In recent years ,ASIA has been consistently ranked as the world grade producer of cassava. this root crop grow abundantly on ASIA. it is very resistant to drought and survives in a variety of soil. through research, many varieties of cassava tubers are now available for cultivation.

Indonesian alone produces over 10 million metric tones of cassava per annum. Unfortunately ,most of our farmers ,businessmen, investors and industrials are unaware of the investment opportunities which the cassava industry offers.

Cassava tuber may be processed into a variety of product which are hot cakes in the export market. these include.

Processed cassava as industrial raw material for the production of adhesives bakery product, dextrin is used as a binding agent in the paper and packing industry and adhesive in cardboard ,plywood and veneer.

According to the statement above, the writer will try to do a research about

**“ANALYSIS OF PRODUCT QUALITY AND CUSTOMER SATISFACTION LEVEL TO CUSTOMER LOYALTY OF FOOD PRODUCT EXPORT CASSAVA IN INTERNATIONAL MARKET”.**

## **1.2. Problem Identification**

According to my explanation above, the problems that can be formulated are as follows:

1. Does the products quality have a positive effect on the consumer's loyalty?
2. Does the consumer's satisfaction have a positive effect on the consumer's loyalty?
3. Does the products quality and the consumer's satisfaction, collectively, have a significant effect on consumer's loyalty?

## **1.3 Statement of the Problem**

Due to the broad extent of the problem regarding consumers loyalty, to simplify the matter, and make understanding easier, the problems in this research will be limited into a few problems as follows:

1. The samples of this research are all the consumers that Export Cassava (Tela) product, with the amount of samples of 100 respondents.
2. The attributes that will be used, are: product quality, consumers satisfaction, and consumers loyalty.

#### **1.4. Research Objectives**

According to the problem formulation and problem limitation above, the purpose of this research can be summed up as follows:

1. To analyze the effects of product quality to consumers loyalty.
2. To analyze the effects of consumers satisfaction to consumers loyalty.
3. To analyze the effects of product quality and consumers satisfaction, collectively, to consumers loyalty.

#### **1.5. Significance of the Study**

a. For the writer

Hopefully this research will be useful to add more knowledge and insight in the subject of marketing

b. For the business owner

Hopefully this research can be used as a reference in choosing a suitable marketing strategy.

c. For other party

Hopefully this research can be used as a comparison paper in solving a similar problem.

## **1.6.Theoretical Framework**

Consumer is an invaluable asset to any business venture, both by retail and service companies. This is because consumer are the one who needs the product or service offered by those companies, and their products has to be packed in the most interesting and attractive way possible to attract consumers and make them more inclined to buy.

Kotler (1997) Says that consumer's satisfaction is the feeling of the consumers, whether it's a happy or a sad feeling, which comes from the comparison between his impressions of a certain product's performance, with his expectations.

In the recent fierce competition between the business owners in the food business, especially in the small food business, the main priority is to increase the consumer's satisfaction where the product quality and satisfaction must be taken into serious consideration, so a bigger and rising profit and consumer satisfaction can be achieved.

Based on the above illustration, product quality and consumer satisfaction are the main factors that affects the development of consumer loyalty to a product.



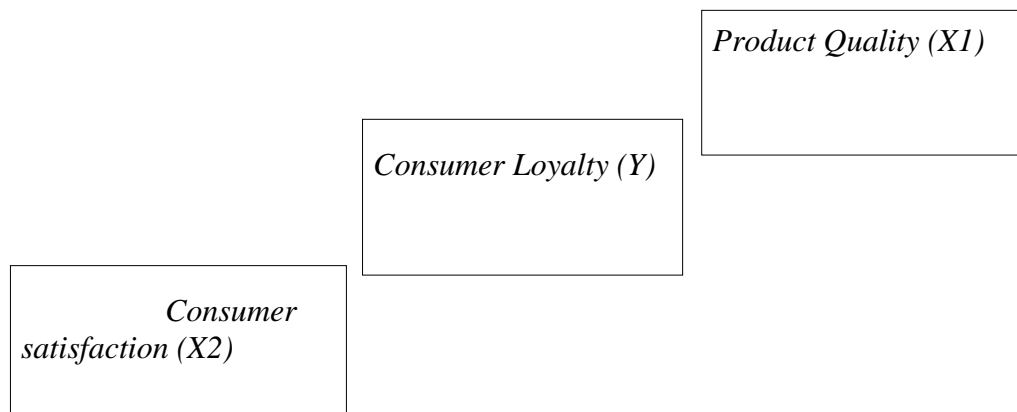


Figure 1.7 Framework

## 1.7 Research Hypothesis

- H1 : Product quality influences consumer's loyalty
- H2 : Consumer satisfaction influences consumer loyalty
- H3 : Product quality and consumer satisfaction collectively influences consumer loyalty.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Product Definition**

According to Tjiptono (1997) product are on of the most important strategic decision because they will affect the company's existence in the long-term. Product could affect all functions of a business organization on every level. According to Hasan (2008) the planning concept of products offers can be classified to certain levels, as follows:

1. Core benefit

Is the main value or benefit that the customer's actually want or need from each of the company's products.

2. Generic benefit

Is the basic product that can fulfill the most generic product function, mainly the most basic benefit a product must have in order to work effectively?

3. Expected product

Is the kind of product that are offered in the market, with all of its attributes and conditions, that are expected to, and agreed to, be bought by customer.

4. Augmented product

Is the attributes or added services or values given to the product to give an added benefits to the customer. So that the product can win the competition in the market more easily.

#### 5. Potential product

Is all kind of added benefit or change that may be given to a product in the future. Depending on the market situation.

## **2.2 Product types**

### **A. According to the nature of the products**

#### 1. Goods

Is the type of product that are physical in nature. It can be seen, touch, interact with customer, etc. Judging from its durability aspect, goods are classified into two categories:

##### A. Nondurable goods

Is the type of physical products that normally consumed until they exhausted their benefits or functions in a couple of uses. It's usually a short-term.

##### B. Durable goods

Is the type of physical products that can still be used even after they're used a couple of times. It's usually a long-term product.

#### 2. Services

An activity, benefits, or decision that is sold to the market and can be used by the customers.

## **B. According to product's classification**

### 1. Consumption goods

Is the type of products specifically classified to be consumed by the end customers, individual or the household. The characteristic of this type of products are; the customer's extra effort to bought the goods from the varied choices of products and brands; The personal attributes they use in their decision making; And their frequency to buy the products.

According to Swasta (2000), consumption goods can be further classified into four types. They are as follows:

#### Convenience goods

Is the type of products that consumer buy every day. This type of products usually sell better and easier to get than the other type.

#### Shopping goods

Is the type of products that are bought after the customer find out more about the product feature, price, and other related information.

#### Specialty goods

Is the type of products that are only sold in a specific place? This includes an antique or any other kind of products that are hard to get in other places.

#### Unsought goods

Is the type of products that the customer doesn't know it existed, or haven't got any plans to buy it just yet due to its not too important function, or because they have other more important goods to buy.

Industrial goods

Materials and parts

Is the type of goods needed to make a finished product.

Capital items

Is the long-term products used to maintain and sustain the finished product.

Supplies and services

Are the short-term products and services used to develop and manage the finished product as a whole?

### **2.3 Product Strategy Planning Process**

According to Tjiptono (1997) a product strategy planning process consists of a few steps. Those steps are as follows:

#### **1. Situation analysis**

Situation analysis is done to internal and external environment. The few things to consider are; Can the company use the opportunities in their external environment using their current resources; How big is the demand on a certain product; And how big is the company's ability to fulfill that demand.

#### **2. Product objectives determination**

Products that the company produced are not just to fulfill the customer's needs and wants; they also have to complete the company's specific goals. As such, it needs to be put into consideration, can the products give any contribution to the company's goals.

### 3 Product targets determination

The company can try to fulfill the needs of overall market, or just go into a segmented market. The alternatives that can be choosing to fill those market are; Standard product, customized product, or a modified standard product.

### 4. Budget determination

It's important for a company to determine its allowable budget for a certain product at the beginning of their marketing campaign. This budget can be used as planning tool, coordination, or a way to control the marketing campaign.

### 5. Product strategies determination

In this stage the alternatives of product strategy campaign are assessed and analyzed according to their strengths and weaknesses. Then the best alternatives are chosen to be implemented.

### 6. Strategy evaluation

After the product strategy campaign are implemented, it is then evaluated based on a certain factors and parameters decided by the company. From this evaluation result, we can see if the product already fulfills the company's goals or not. And whether to continue the same marketing campaign or implementing a new one.

There are so many experts and scholars on this subject that express their individual opinions on what management is. One of those individual opinions is the one by Jones A. F. Stoner which was translated by T. Hani Handoko (1968:8) which states that:

*“Management is the process of planning, organization, direction and supervision of the efforts of the members of the organization and the use of any other resources from the organizations in achieving pre-determined objectives of organization.”*

Understanding the above definition emphasizes the management process in making the effort to achieve the goals that has been set. The implementation process is a systematic way to perform work or task. In the case of management process in question is planning organizing, directing, and supervision of the expected goals.

That’s why, the meaning of management have to be given a certain limitations, just like an opinion from an economist Ernie Tisnawati Sule (2005:6) that states:

*“Management is a process aimed at achieving the goals of the Organization, such as planning, organizing, directing and controlling people and other organizational resources “*

Meanwhile John R. Schermerhorn, Jr has another opinion, which was translated by M. Parnawa Putranta said (1996:4)

*"Management is defined formally as planning, organization, direction and control of the use of resources to achieve objectives"*

In reality an organization which consists of people who have different interests, needs and different patterns of thinking, that’s why a process to address organization goals that can be achieved according to pre-established objectives, is needed.

## 2.4 MARKETING MANAGEMENT

Marketing have been identified by so many experts in so many ways.

According to Philip Kotler ( 1994:6) :

*“ Marketing is a social and managerial process by which individuals and groups obtain what they need and what through creating, offering and exchanging products of value with others “*

Which can be explained as, Marketing is a social and managerial process by the name of a person or group to get what they need and want through creating and exchanging products with something else of value.

And according to Cathirine P.Smith (1990:9) :

*“ Marketing is Getting inside your customer’s head, finding out what he really wants not just what he ask for and finding a way of giving it to him, in a form that is attractive, and at a price that is profitable”*

Which can be explained as, effort to find out what consumers want, not just what they asked for, and find way how to gave, in form and with a favorable price.

Marketing is one of the operational functions of the company which is one of the main activities undertaken to maintain the company's survival, growth and able to gain some profits. The goal of marketing activity is to satisfy consumer, the purpose and importance of efforts to satisfy consumers in marketing is that consumers are willing to return to repeat purchase and recommend others to buy.

According to Basu Swastha dan Ibnu Sukotjo (2001), they define



marketing as follows:

*"Marketing is the overall system of activities aimed at planning, pricing, promoting and distributing goods and services that can meet the needs of existing buyers."*

According to Philip Kotler (2000:9)

*"Marketing is a social process where individuals and groups obtain what they need and want by creating, offers, and freely exchange valuable product with others."*

According to Freddy Rangkuti (2001:49)

*"Marketing is a process which is influenced by various factors, social, cultural, political, economic and activity. As a result of these factors are individual or group able to get their needs and desires by creating, offering, and the exchange of products that has the value of commodities"*

The meaning of marketing that has been expressed by Stanton in swastha and Sukotjo (2000) is:

*"Marketing is the overall system of activities aimed at planning, pricing, promoting and distributing goods and services that can meet the needs of existing buyers and potential buyers"*

From that definition we can say that the actual marketing process has been started even before the products are produced, where the important decisions are made and marketing have to decide the products, target market, price, and promotional strategy needed to remote it to the consumers.

Churchill and Peter (1995) states that:

*"Marketing Management is the process of planning and execution of*

*pricing, promotion, and distribution of goods and services to create exchanges that satisfy goals - individual goals and company goals."*

The above definition clarifies that marketing is a process which includes planning and implementation of the concept of price, promotion and distribution of goods and services to meet individual satisfaction and achieve their goals.

Marketing activities from a company will always try to get a lot of customers to buy their products and improve sales results. To manage the activities of marketing it takes a certain amount of effort and skill, so with an element in marketing.

Management will direct the marketing activities in an integrated manner to achieve its objectives.

Kotler (1991) gave another definition:

*"Marketing Management is the process of planning and execution of pricing, promotion, and distribution of goods and services to create exchanges that satisfy goals - individual goals and company goals."*

This definition recognize that marketing management is a process that involves analysis, planning, implementation and control that includes goods, services, and relies on the exchange with the aim of producing the satisfaction of the parties involved, and in marketing management there is such thing called as the marketing mix.

From the above sentence we can make a conclusion that marketing actually covers company's efforts that started from identifying customer needs, determine the product to be produce, pricing, and determining the appropriate campaign for the kind of product that's going to be promoted also the channels to promote it into. All these efforts are made by the seller or the company to gain some profits by

meeting the needs of consumers so that the consumers can be satisfied by the product, company's service or the seller's as well as to maintain or improve business continuity in the future.

So marketing is an interaction that aims to create an exchange relationship, but marketing is not just a simple way to generate sales. Marketing is a door or a way leading to the flow of funds back into the company. The effectiveness of this flow of funds depends largely on the marketing department.

## **2.5 MARKETING CONCEPTS**

### **Needs, desire, and demands**

There's a difference between needs, desire, and demands. Human needs are circumstances in which humans feel they have no basic satisfaction. Needs are not created by the community or marketing, but are already there and etched in biological human condition. Desire is the desire for specific satisfactions of those needs created by the force of human desire and social institutions. While demand is the desire for something that is supported by the ability and willingness to buy.

The desire will become demands when supported by purchasing power. This difference could explain that the marketing does not create needs; the needs already exist even before it. Marketers will affect the desire and demand by creating a product that is suitable, attractive, affordable and easily obtained by the target customer.

#### **1. Product**

Product is something that can be offered to meet customer needs or desires. The importance of a physical product is not in its ownership but on the kind of services that it can give. Therefore, in making the

product the company should pay attention to physical products and services provided by these products.

## 2. Value, cost, and satisfaction

Value is the total customer's estimation about a product's ability to meet their needs. Each product has different capabilities to meet those needs, but the customer will choose those products that will give them the highest total satisfaction. Actual value of a product depends on how much the product is able to be close to the ideal product; in this case it includes the price.

## 3. Exchange transactions and relations

Human wants and needs and the value of a product for humans are not enough to explain the marketing. Marketing arise when people decide to buy the needs and desires they want by exchanging. Exchange is one way to get a desired product from someone else by offering something in return. Exchange is a process and not an instantaneous event. Each party is called to be in an exchange when they negotiate something and it leads to an agreement. If agreement is reached, then it is called transaction. Transaction is an exchange of value between two parties. For the transaction to be carried along smoothly, a good relationship and mutual trust between customers, distributors, dealers and suppliers will build an economic, technical and strong social partner. So that transactions do not need to be negotiated each time, but has become a good routine between parties.

## 4. Market

The market consists of all potential customers who have a particular need or desire and are willing and able to participate in an exchange to satisfy that need or desire. The term market indicates that there are a number of buyers and sellers willing to conduct a transaction on a product.

## 5. Marketing and marketer

Marketing is the humanity's desire to make a connection with the market, marketing means working with the market to make transactions that may occur in meeting human needs and desires. Marketers are people who seek resources from others and are willing to offer a good value for it. If one party is more actively looking for exchange rather than the other, then the first party is called the marketer and the second is the prospective buyer.

6. From the core concept of marketing, there are five marketing concepts that underlie the way organizations / companies do their marketing activities

### **Production Insight Marketing Concept**

This concept is one of the oldest concepts, which will select products that's more easily available and at an affordable price. In this case it was focused to achieve high production efficiency and wide distribution coverage. This concept can be done if the demand exceeds its supply and products where these products have very high costs. The downside of this marketing concept is its bad and unfriendly service.

This concept argues that customers will choose the products that offer the best quality and innovative performance, in this case satisfying their attention into making better products and continue to refine it. Industries that have insights like this tend to not pay attention to the desires and needs of the customer, therefore the marketing division will have some difficulties in conducting their marketing.

### **Selling Insight Marketing Concept**

This concept argues that if the customer is being left alone, customers

will not buy product in sufficient quantity to meet the company's standard, because the company must conduct the sales and promotional effort in a more aggressive way. This concept assumes that the customers are reluctant to buy and should be encouraged to buy the products. This concept is often used to the products that are not bringing searched by the consumers or they do not ever think to buy, as well as in industry that's experiencing an excess capacity.

### **Marketing Insight Marketing Concept**

This concept argues that the key to achieving industry goals consists of determining the needs and wants of the target markets, and to provide the desired satisfaction more effectively and efficiently than the competitors. Marketing insight concept relies on four main pillars, namely:

- a. Target market
- b. Consumer needs
- c. A coordinated marketing, and
- d. Benefits

This concept has been expressed in many ways:

- a. Meet the needs profitably
- b. Discover the wants and recovery
- c. Love the customer, not the product
- d. Try to achieve it according to your preferences
- e. Trying as hard as possible to provide value, quality and highest satisfaction possible for the customer's money.

### **Society Insight Marketing Concept**

This concept assumes that the task of the industry is to determine the needs, desires and interests of target markets and to meet customer satisfaction more effectively and more efficiently than its competitors, by maintaining or improving the welfare of customers

and society. This concept is asking marketing to balance three factors in determining marketing policies, namely:

- a. Short-term industry profits
- b. Long-term customer satisfaction, and
- c. Public interest in the decision.

### **Definition and Concept of Marketing Mix.**

Marketing mix policy is the main part of the policy. Overall marketing strategy in this policy consists of several factors that can be controlled by companies. (Controllable Factors) which is used and applied by the company to meet the needs and desires of consumers in the target market.

Basically, the company's job is to find the best combinations from all factors that are controlled by them which could be used to increase the overall sales.

That combination can be called as Marketing Mix which could be described as:

According to Philip Kotler (1993):

*"Marketing Mix is a unitary device marketing tools that can be used by the employer to influence the buyer's reaction."*

According to Basu Shwasta (1984)

*"Marketing Mix is a combination of four variables or events that form the core of the company's marketing system, namely: product, price system, and promotion and distribution system."*

Marketing activities covered by this marketing need to be combined and coordinated so that the company can perform their marketing tasks as effectively as possible.

According to Jerome Mc Charty (1985) he states that the marketing mix are useful to reduce the number of variables in the marketing mix into four main variables namely

4P:

A. Product

B. Price

C. Place

D. Promotion

So the marketing mix is a collection of marketing device that consists of four variables that can be controlled by the company management to face the competition and satisfy the needs of consumers in target market, namely the product, price setting, choosing the promotion strategy, and the place, which I will discuss further below.

## **2.6. Product Strategy**

Product strategy for a company can be classified into 8 different strategies, which the writer will explain below:

### **1. Product positioning**

Is a strategy that tries to make a unique differentiation for a product in the customer's mind? The main purpose is to make a better image of the company's product than the competitor's

### **2. Product repositioning**

This strategy is done by reexamining the current product position and marketing mix, while at the same time tries to find a better, new position for the product. The main purpose of this strategy is to try to prolong a product's life and finds a better position for it in the future.

### **3. Product overlap**

This is a marketing strategy that tries to make a competition between



two or more of the company's own products.

#### 4. Product scope

This strategy depends on the perspective of the company's marketing mix, for example the number of product lines and the type of products in each line. This strategy is determined by considering the company's overall mission for conducting business. The company can choose to implement a single product strategy, multi-product, or system of product depending on the situation.

#### 5. Product Design

This strategy depends on the level of product standardization. According to this strategy, the company has three strategies to implement; a standard product; customized product, or a product that's adjusted to fit a specific customer's needs and wants; and modified standard product.

#### 6. Product elimination

This strategy emphasizes itself on eliminating the product or products that are failing the company's goals for them, or can't show a satisfying result according to the time table given to them. This product needs to be disposed of because, if the company decides to keep them, they will only make an unnecessary burden to the company.

#### 7. New product

The definition of a new product can be an original product, modified product, or a new brand developed through a long research and development process. Sometimes it can also be based on the customer's definition of them, to decide whether they're a new product or not.

## 8. Product diversification

Diversification is the effort to find and develop a new market or a new product, or both of them, in an attempt to improve the overall growth, sales, profitability, and flexibility.

### **2.7.Consumer Satisfaction**

#### **Definition**

According to Hasan (2008) consumer satisfaction are a concept that has been known and used in the marketing subject for a long time. Along with the business competition that are getting fiercer each and every period, the ever changing preferences and behavior of consumer, and the fast growing technology forces the company to focus attention more on consumer satisfaction if they want to stay ahead of the competition.

In the fiercest of competition, companies tend to saturate the market with more and more products, giving their consumer more choices. And in turn, the consumer has stronger bargaining power over the companies. If they want to keep the attention of a customer, they will have to pay utmost attention to their specific needs. In time, the companies that competing against each other know the best way to win the competition is to give a total customer value, better than the other competitors.

#### **Consumer satisfaction concept**

There are so many theories regarding the concept of consumer satisfaction. Some of them are as follows:

##### 1. Experience affective feelings

This theory argues that the consumer's satisfaction level depends on the positive or negative feelings they had after they obtain or use the product or services. In other words, it's not just the benefits of the product that determines consumer's loyalty, but their feeling towards the product also plays a big role.

## 2. Expectancy disconfirm theory

This theory states that, with a continual use of a same or different brands of a certain product, the consumer have an expected results or benefit of a product from the same line of product should give the same results. If the company's product fails to give that benefit, the consumer's loyalty towards their product won't be too high.

## 3. Consumer expectancy

This theory states that each and every consumer have their own expectancy of a product and that expectancy become their basis in evaluating the company's product. And as the consumer's experience in receiving the benefits from the same or similar products grows, their expectancy will also change, resulting in a different expectation at another time in the future.

## **Equity theory**

Equity theory expects that the consumer already tries another product that gave the same or similar benefit that the company offers. They will then analyse the input ratio from the company's product with the other product. If they think that the ratio is unfavorable for them, they will not be satisfied by the product.

## **Attribution theory**

Attribution theory identifies the process in a consumer that decides their actions, and their preferences with a certain product. The attributes affiliated with a certain consumer will affect their overall

satisfaction with a certain product, because their attributes influence their satisfaction level.

The general attributes that are affiliated with consumer's loyalty, according to Dutka (1994), are as follows:

1. Attributes that are related to the product, such as:
  - a. Value price relationship. It's a central factor to determine consumer satisfaction. If the value that the consumer gets exceeds what they paid to get it, then an important basis for consumer satisfaction has been created.
  - b. Product quality. It's a measurement of a product quality and benefits. It's the kind of benefits that can be created by the company that can be made into a good positioning basis that differentiate them from the competitors.
  - c. Product features. It's the special features of a product that doesn't exist in another company's products. These features can also differentiate them in the competition.
  - d. Product design. It's a process to design the style and benefit of a product to gain attention from target customer as much as possible.
  - e. Product reliability and consistency. It's a company's ability to give a satisfying and reliable service or performance from a product.
  - f. Range of product or service. Just like its name, the satisfaction of a consumer grows if a company has more products or services in the same product line.
2. Attributes that are related to the service, such as:
  - a. Guarantee. Is the company's guarantee of a product's performance that they will perform as good as the company promise the would. And if they don't the customer are free to return the product to get compensation.
  - b. Delivery. Is the speed and accuracy of a product or service delivery the company gave to their consumer?

- c. Complain handling. It's how the company will handle the complaint from their customers.
- d. Problem resolution. It's the company's ability to identify and solve the customer have with their product in the best way possible.
- 3. Attributes that are related to the purchase, such as:
  - a. Courtesy. It's the politeness, attention, consideration and friendliness from an employee in serving the customer.
  - b. Communication. It's the process from an employee to give proper information regarding the products and/ or company to the employee.
  - c. Convenient acquisition. It's the attribute that shows how easy the customer is to get information regarding the product or company.
  - d. Company reputation. It's reputation from the company. If the company already has a good reputation, it'll increase the credibility of a product and consumer satisfaction with it.
  - e. Company competence. It's the company's ability to fulfill a request from a customer regarding their service or product.

### **2.8.Consumer satisfaction measurement.**

According to Hasan (2008) in measuring the consumer's satisfaction there are at least three important aspects that relates with each other. The first one is the specific variable to measure; the second is The method to measure it; the third one is the scale of measurement. Since consumer satisfaction is a relative variable, a regular and constant measurement is needed in order to see and predict the change in consumer satisfaction. It is also important to make a bench marking for the company in the future.

Overall consumer satisfaction

The simplest way to measure consumer satisfaction is to ask them directly whether they're satisfied with the company's product or not. According to Tjiptono (1997) the measurement process are divided into two parts. The first one is to measure the consumer satisfaction to the company's product and/ or services. The second is to compare that with their overall satisfaction to the product and/ or services they consume.

#### Dimension of consumer satisfaction

Some researches divided the consumer loyalty down to its components. Generally that kind of process consists of four steps, which are:

- a. Identify the key dimension of consumer satisfaction
- b. Ask the consumer to assess the product and service of the company according to a specific list of item.
- c. Ask the consumer to assess the product and services of the competitors according to the same list of item.
- d. Ask the consumer to specify the dimension that they think is the most important in determining the overall consumer satisfaction.

#### Hope confirmation.

In this concept the consumer satisfaction are not measured directly, but concluded from how the consumer's expectations are compatible enough with the actual performances of the company's product.

#### Repeat purchase interest

Consumer satisfaction is behaviorally measured by asking whether the consumer intends to buy or use the company's products and/ or services again in the future.

### Willingness to recommend

In the case of a product with slow repeat purchase period, their willingness to recommend the company's product and/ or services to their friends or families are an important factors to identify.

### Consumer dissatisfaction

According to Tjiptono (1997) the factors that need to be analyzed to find out consumer dissatisfaction are:

1. Complaints.
2. Product returns.
3. Guarantee cost.
4. Negative word of mouth.

## **2.9. Measurement method**

According to Kotler (2000) the methods that can be used to measure consumer satisfaction level are as follows:

1. Complaint and suggestion technique.

An organization that's customer oriented always have a way to let its customer to give them a direct advice. Information obtained this way can give a useful advice and suggestions to quickly handle a customer's complaints.

2. Ghost shopping

This method works with the manager acting as a customer, without any of the employees know about it. When the employees doesn't realize they're being judged and analyzed, they will not try to act good in front of their superior, and he manager can get an unbiased review.

3. Lost customer analysis

A lost customer is a customer who has stop buying products or services from a company. Through this method, the company can try to contact that customer and asks why they stop buying from the company. This system can quickly give the company a review of why their customers feel dissatisfied with their service and quickly work to fix that.

#### 4. Consumer satisfaction survey

This method emphasizes itself on conducting a survey to get a direct response from the customer.

### **2.10. Customer's loyalty**

Generally, customer loyalty can be described as a customer's loyalty to a certain product or service. Customer's loyalty is a result from the customer's satisfaction in using the company's products and/ or services, and also one of their efforts to stay as the company's customer. Loyalty is a customer's proof that they want to stay as a frequent buyer from the company, and they have a positive expectation of the company.

Lovelock (1994) explains that customer's level of loyalty on a certain product or service depends on several factors, as follows:

1. The amount of opportunity cost of changing to another product or service
2. There's a consistent quality.
3. Quantity or service from the substitute product or service
4. There's risk of changing to a substitute product or service as well as the risk of a different satisfaction level from a new product compare to the old one they already used to.



A consumer, in fulfilling his needs and wants, will try to buy a product with a certain brand. If the brand that they choose can satisfy them enough, they will have a good impression of that brand that will last for a long time. In time, consumer loyalty will begin to flourish and the next time the customer wants to buy something, they will choose the brand that satisfies them intentionally. This will create further satisfaction, further loyalty in them, and a repeat order for the company.

### **2.11. Stages of customer's loyalty**

According to Kotler (2000) there are two methods in which customer's loyalty can be gained:

- A. The company must have the ability to satisfy their customer so that the customer can get a positive experience with their products, and prioritizing their products the next time they want to buy something.
- B. The company has to find a way to keep a deep relationship that's already been born between them and their customer through a forced loyalty method. This is to ensure that the customer will keep buying the company's products.

### **Customer's loyalty category**

Kotler (1997) states that customer's loyalty is divided according to their buying pattern into four categories, as follows:

- The fanatics. This is the customer that always buys from a single brand each and every time. So their buying pattern can be summarized as X, X, X, X.
- The rather loyal. This is the customer group that got their loyalty divided between two or three products. With their

divided loyalty, their buying pattern can be summarized as X, X, Y, Y, X, Y.

- The loyalty shifter. This is the group of customer that tends to shift their loyalty towards another product or service quicker than the other groups. At one time their loyal to brand X, then they change and choose product Y. Then, their buying pattern are something like X, X, Y, Y
- The always shifting. This is the group of customer that have no loyalty over any product or service. They change their choice of brands whenever they like, so their buying pattern is something like X, Y, Y, W, Z, X

### **The influence of customer satisfaction to customer loyalty**

Tjiptono (1997) states that customer loyalty comes from a customer's learning process, they learn through experience which product gave them the best satisfaction compared to all similar products. They will keep looking for a specific product or service that can satisfy them.

Customer satisfaction will stay as the most important factor influencing the customer loyalty. If they are satisfied by the same product again, they will keep buying the same product again and even recommend it to other people that they think will need it.

If a customer are satisfied by a certain product and keep buying that same product over and over again, we can safely say that he have a high loyalty level of the said product. On the other hand, if a customer are not satisfied by a certain product and tends to buy a product with different brands, we can say that they have a low loyalty level.

### **Customer loyalty measurement.**

According to Hasan (2008) there are a few ways to measure

customer's loyalty level. And they are as follows:

1. Customer loyalty can be tracked through parameters such as deflection rate, number and continuity of core customers, longevity of care, and values for the core customers.
2. Loyalty data can be acquired through customer's feedback that can be gathered through a number of ways with varied affectivity : Active and passive observation, suggestion box, toll-free call line, survey, focus group, and visit top management.
3. Lost customer analysis, customer analysis, and advice from the employee, advice from distributor and supplier, and one on one in depth interviews.
4. Analyzing the data from customer, ex-customer, non-customer, and competitors.

### **2.12. Similar research studies**

Below are the lists of conclusions from similar studies concerning the same loyalty subject? The studies are varied in the product and/or service they gave their customer.

1. Tedi Rusman on The Impact of Service Quality on the Loyalty of PT Satelindo Bandung Branch GSM Cellular's Customer.
  - a. In the effort to attract more customers, PT Satelindo uses a marketing mix as the primary marketing strategy.
  - b. Service quality from PT Satelindo, especially those of the

- operators, cannot match up to the customer's expectations.
- c. Responsiveness dimension in performance-important rating are on the outside of optimum performance, which means that the responsiveness dimension are not effective enough.
  - d. Quality of PT Satelindo's service is having a positive effect on customer's loyalty, which means that if they can increase their service quality, the customer's loyalty will also increase.
2. Sri Hardiati and Sarwi Ruci on Analysis on the Performance of Quality Service on Customer Satisfaction in the Telkomsel Malam
    - a. The quality of Telkomsel's service are presented in five different components, which are: the attitude of their customer service, the response of Ghrapari Sraya Malang in responding to the customer's complaints, payment service, added features, and service time accuracy.
    - b. After some measurement, assessment, and quantitative analysis with cartesius diagram, it can safely be said that:
      - i. The customer feels satisfied and considers the customer service's attitude in giving a clear and sympathetic answers are important.
      - ii. Ghrapari Sraya Malang's responses on customer's complaints and their ability to resolve the customer's complaints quickly are one of the things the customer considers to be important.
      - iii. The payment service is not too satisfying for the customer. This is because that the customers can't understand completely the features in the Ghrapari. Most of them want to go to the Ghrapari because they can pay their bill quickly and they can tell if their payment is due.
      - iv. Their service time accuracy are not fast and satisfying enough, this is due to the holiday that gets in the way, and not all of it are the Ghrapari's fault sometimes it can also be caused by the customer's fault.

3. Kartawan, Toto Sugiharto S, and Sumarna on The Effect of Technical Quality, Functional Quality, and Traditional Marketing Activity on the Image of PT. Telkom Tasikmalaya Regional Office.
  - a. Research studies shows that PT. Telkom Tasikmalaya Regional Office have a good enough image category in front of its customers.
  - b. The dimensions in the technical quality, functional quality, and traditional marketing activity variables have a positive correlation with the company's image.
  - c. Collectively, the technical quality, functional quality, and traditional marketing activity are having a real impact on the company's image. While partially, only the technical quality and traditional marketing activity variables that are having a real impact on the company's image. This shows that even though the functional quality, on its own, can't give a significant impact on the company's image, when its used together with the other variables it can still have a positive contribution to company's image.
4. Hatane Samuel and Foedjiawati on The Impact of Consumer Satisfaction on Brand Loyalty (Case Study on The Prime Steak and Ribs Restaurant, Surabaya)
  - a. Consumer satisfaction that has been explained by attributes related to the product, attributes related to the service, and attributes related to the purchase in Prime Steak and Ribs tends to have a good evaluation, although there are some attributes that don't get a good evaluation.
  - b. Consumer satisfaction on a few attributes still has a high evaluation variation, it obviously related to a different consumer segmentation with a different demands for services.
  - c. Frequency attribute in The Prime Steak and Ribs have a low value and could be a disadvantage in measuring the brand

loyalty.

- d. There's a positive significant relationship between consumer satisfaction and brand loyalty, this shows that this studies support the theory on brand loyalty.
- 5. Risdi Hari Wibowo on The Impact of Product and Consumer Satisfaction on Consumer Loyalty in Honda Authorized Motorcycle Dealer. PT. Astra International.
  - a. Product variable have a significant influence on consumer loyalty
  - b. Consumer satisfaction variable have a significant influence on consumer loyalty.

### 2.13. Similar Research Studies Table

No	Researcher(s)	Variable(s)	Analysis tool(s)
1.	Tedi Rusman	1. Independent variables: Service quality & consumer satisfaction  2. Dependent variable: Consumer loyalty	1. Servqual analysis  2. Spearman correlation
2.	Sri Hadiati and Sarwi Ruci	1. Independent variable: Service quality  2. Dependent variable: Consumer satisfaction	1. Cartesius diagram

3.	Kartawan, Toto Sugiharto S,and Sumarna	1. Independent variables: Technical quality & functional quality  2. Dependent variable: Company image	1. Double regression analysis
4.	Hatane Samuel and Foedjiwati	1. Independent variables: Attributes related to the product (X1), attributes related to the service (X2), attributes related to the purchase (X3)  2. Dependent variable: Brand loyalty	1. Double regression analysis
5.	Risdi Hari Wibowo	1. Independent variables: Product and consumer satisfaction  2. Dependent variable: consumer loyalty	1. Double regression analysis.

## **CHAPTER III**

### **METHODOLOGY**

#### **3.1 Research Method**

The scope of this research project is the Indomarco Indonesia Bekasi Branch .

#### **3.2 Research Instruments**

##### **Variable types**

The variables used in this research consist of two independent variables and one dependent variable. Independent variables are the variable that influences or become the catalyst for dependent variable to exist. Dependent variable is the variables that's influenced by or become the effect of an independent variable. Independent variables consist of product quality (X1) and consumer satisfaction (X2). While the dependent variable are consumer's loyalty (Y). In this research the writer intends to find out the effects of product quality and consumer satisfaction to consumer's loyalty. The writer also wants to find out the effects further and divided them into three more categories: The effects of product quality to consumer's loyalty; the effects of consumer satisfaction to consumer's loyalty; and the effects of product quality and consumer satisfaction collectively to consumer's loyalty.

All of the three variables can be described in the following figures.

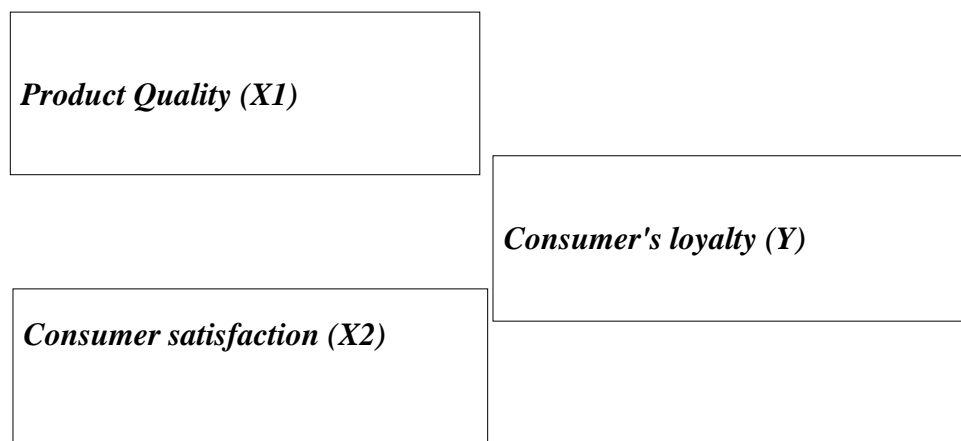


Figure 3.1 Interaction between variables

### 3.3 Sampling Design



Population is the total number of subjects under research. In this case, the population is all of the Indomarco Indonesia Bekasi Branch.

### **Sample**

According to Cooper and William (1999) sample is a part of the total population that are chosen to represent the population. Samples are taken in a random way (simple random sampling) where none of the subjects in the population have the same probability to be the sample, because the consumer of is such a diverse and different people.

#### 1. The sampling technique

The sampling technique for this research uses the purposive sampling method, which is a sampling technique where the researcher have a personal preference in choosing the subjects which will be the sample.

#### 2. Sample size

Sample size is the number of person or subjects that are taken from the population to be the sample. Below are the formulation used to calculate the amount of samples needed for a research.

Formulation to find out if the size of the population is big, that means the size of the sample will be less than 5% of the population. (Subyantoro and Sulistiyono, 1998).

The formulation is as follows: 
$$n = \frac{Z^2 \alpha (1-\Pi)}{\epsilon^2}$$

The value of  $\epsilon$  is at its biggest when  $\epsilon = \pi (1 - \pi)$  is  $0,5 (1 - 0,5) = 0,25$

The value of level of significance at confidence level 95% is 1% and the probability of sample error is valued at 10%, Then the value of n is:

$$n = \frac{Z^2 \alpha / 2 \pi (1 - \pi)}{\epsilon^2}$$

$$n = \frac{Z^2 \alpha / 2 \pi (0,25)}{\epsilon^2}$$

$$n = \frac{Z^2 \alpha / 2}{4 \epsilon^2}$$

$$n = \frac{1,96^2}{4 (0,10)^2}$$

$$n = 96,04$$

So the number of respondents for this research is 96 people.

The amount of minimum sample for a descriptive research is 100 respondents. According to the above formula and statement, then the number of samples in this research is set at 100 respondents.

### 3.4. Testing the Hypothesis

The data collecting techniques used in this research are as follows:

#### 1. Primary data

Is the data that are acquired directly from the consumer using questionnaire as the primary tools? This data are then processed using the *SPSS* method.

#### 2. Measurement scale

The measurement scale used is the semantic differential scale, measured in 5 point scale.

1= Very Disagree.

2= Disagree

3= Doubt.

4= Agree

5= Very Agree

This measurement scale is then converted to Linker scale.

### **3.5.Limitations**

In this research, the writer uses the following data analysis techniques:

#### 1. Descriptive analysis

Is a data analysis technique which doesn't need mathematical or statistic testing. It is based on arguments and opinions from respondents answers on a few questions given in a frequency table.

#### 2. Validity and reliability

Validity refers to the test's accuracy and austerity in counting the measurement. A test is said to have a good validity when the test gave a proper results according to the goals and purposes of the test.

Reliability refers to the consistency of the test results. It sometimes refer to the stability of the research or the measurement, meaning it should give a relatively not too different result when the test is repeated again.

#### 3. Regression analysis

Is a tool used to determine regression equations that show the influence of the dependent variable which is determined by two or more independent variables. The main objective of regression analysis is to estimate the value of a variable or a dependent, when the value of the independent variable is already determined. The important factors in the double regression analysis are:

Determination coefficient (symbolizes with  $r^2$  or  $R^2$ )

Is the coefficient used to determine how much the independent variable (X) affects the dependent variable (Y). The value of this coefficient ranges from 0 to 1. Estimated standard error It is used to determine the accuracy of the estimation equations, where the smaller the amount of error, the higher the accuracy. It can also be used to estimates the error on estimated standard calculation.

Common formula for double regression:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_nX_n$$

#### 1. One way anova analysis

According to Pratisto (2004) the one way anova analysis is used to whether the average of a different sample's the same or different.

The formula for one way anova is as follows:

$$F = \frac{S^2}{S_2^2}$$

The steps to perform the anova test are:

#### 1. Formulate the hypotheses to be tested

Ho: No difference between dependent variable (Y) with the independent one(X).

Ha: There's a difference between dependent variables (Y) with the independent one (X).

2.Determining and comparing the value of probability with an error rate of 0.05 or 5%.

#### 3. Decision making

a. If the calculated  $F > F$  in the table, the probability value  $< .05$  then Ho is rejected.

b. If the calculated  $F < F$  in the table, the probability value  $> 0.05$  then Ho is accepted.

## HAPTER IV

### ANALYSIS OF DATA

#### 4.1 Descriptive analysis

The test was done to 100 respondents who sample Export cassava (Tela),in Indomarco Bekasi Branch, divided according to their gender, age, and their favorite product.

Table 4.1 Gender

Gender	Amount	Percentage
Man	45	45%
Woman	55	55%

Source: Processed data

According to the data above, we can see that from 100 researched subjects, 45% of them are man, while 55% of them are woman.

Table 4.2 Ages

Age	Amount	Percentage
$\leq 20$ years old	25	25%
21 – 30 years old	62	62%
31 – 40 years old	11	11%
$\geq 41$ years old	2	2%

From the data above, we can see that a quarter of the samples researched are less than 20 years old. About 62% were between 21 to 30 years old. 11% of the samples were between 31 to 40 years old, and only 2% were older than 41 years old.

Table 4.3 Preferred flavors

HOT BBQ	30	30%
BBQ	17	17%
Black pepper steak	1	1%
CHEESE	24	24%
PIZZA	9	9%
Hot corn	2	2%
Chicken	6	6%
Shrimp	3	3%
Beef	4	4%
Balado	4	4%

Source: Processed data

From the data above, we can see that the most preferred flavor among all the others are the hot BBQ, with 30% of the samples who like it. Followed by the with CHEESE 24%,BBQ (17%), PIZZA (9%), Chicken (6%), beef(4%), Balado(4%), Seaweed kingdom (3%), and the last is black pepper steak (1%).

#### **4.2 Validity and Reliability test**

Validity and reliability test are an important point in a data analysis. The test is performed to see if the measurement tool or research instrument is valid and reliable enough. In this case, it's the questionnaire given to the respondents. The factors to look at in validity and reliability test are:

1. Product quality (Independent variable)
2. Consumer satisfaction (Independent variable)
3. Consumer's loyalty (Dependent variable)

Table 4.4 Validity and reliability test

Reliability Coefficients

	Scale Mean if Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Item 1	57.5100	40.010	.462	.803
Item 2	57.7600	39.376	.393	.805
Item 3	58.0200	37.131	.433	.803
Item 4	57.7300	38.421	.426	.803
Item 5	57.7200	38.022	.506	.798
Item 6	57.3900	40.665	.381	.807
Item 7	57.6400	39.728	.424	.804
Item 8	57.7100	39.824	.367	.807
Item 9	57.9700	36.938	.576	.792
Item 10	57.9700	36.938	.576	.792
Item 11	58.6000	37.071	.314	.818
Item 12	58.1400	36.202	.505	.797
Item 13	57.8300	39.052	.303	.812
Item 14	57.7400	39.366	.399	.805
Item 15	57.8500	34.876	.548	.793

Alpha = .813

N of cases = 100.0

N of items = 15

Processed SPSS results



We can see that the *Cronbach's Alpha* value from table 4.4 is 0,813. And *Cronbach's Alpha if Item Deleted* from the above validity and reliability test are less than 0,813, therefore we can make a conclusion that the questionnaire used for this research, are already valid and reliable.

### 4.3 Regression analysis

Regression analysis is an analysis used to determine the value of regression analysis that shows the correlation between the dependent variable, shown by two independent variables. In other words, regression analysis seek to find out the value of the dependent variable if the value of the independent variables are already known.

Statistic descriptive is a method used to collect, summarize, and presenting the descriptive data. Data presenting consist of: collecting, organizing, summarizing, and presenting data, in a statistic descriptive calculation so the value of mean and standard deviation from each variables can be seen.

Table 4.5 Descriptive Statistics

Source: Processed SPSS results

	Mean	Std. Deviation	N
Loyalty	23.69	3.581	100
Quality	16.86	2.238	100
Satisfaction	21.42	2.275	100

Table 4.6 Variables Entered Removed

Model	Variables Entered	Variable Removed	Method
1	Satisfaction		Enter
	Quality		Enter

2. All requested variables entered

3. Dependent variables: Loyalty

Source: Processed SPSS results.

On table 4.6 the variables shows that there are no removed variables, in other word both variables are included in the regression formulation.

Table 4.7 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
		B	Std. Error	Beta					
1	(Constant)	.228	2.934		.078	.938			
	Quality	.398	.135	.249	2.941	.004			
	Satisfaction	.782	.133	.497	5.868	.000			

Dependent variables: Loyalty  
Source: Processed SPSS result

According to table above, the value of standardized coefficients beta for quality variable is 0.249 with its significant value at .004 which is smaller than 0.05 and t value at 2.941, this means that the quality product variable have a large significance to customer's loyalty.

And the value of standardized coefficients beta for consumer satisfaction is 0.497 with its significant value at 0.000 which is smaller than 0.05 and t value at 5.868, then this variable also have a large significance to affect the customer's loyalty.

According to the table 4.7 the value regression equation is as follows:

$$Y = 0.228 + 0.398X_1 + 0.782X_2$$

Where:

Y = Customer's loyalty

X1= Product quality

X2= Consumer satisfaction

1. We can see that the constant value of the above equation is positive, which means that customer's loyalty are not always depending on product quality and consumer satisfaction.
2. The value of regression coefficient X1 (product quality) of 0.398 shows that each Time the product quality rise up for one unit, the customer's loyalty will follow to rise for 0.398 unit, as long as the X2 value remain constant. And since the t significance value has a lower value than 0.05, this variable has a large significance to affect the Y value. Therefore, the owner of this outlet may want to pay more attention to product quality if they want to increase customer's loyalty.
3. The value of regression coefficient X2 (consumer satisfaction) of 0.782 shows that each time the consumer satisfaction rise up for one unit, the consumer's loyalty will follow rise for 0.782 unit as long as the X1 value remain constant. Just like the product quality, the consumer satisfaction's t significance value is also lower than 0.05 meaning that this variable also has a large significance to the customer's loyalty, but seeing as this variable has a bigger determinant value than X1, the owner of the outlet will have a better result concentrating on this variable than the other one.
4. According to the data above both the variables, product quality and consumer satisfaction, have a large significance to the desired result, which is consumer loyalty. This means both are important to the Export Cassava owner to have a loyal consumer in his outlet. Of course, looking from the percentage of their preferred flavors, they will have a specific flavor to focus on if they want to keep attracting customers.

#### 4.4 ANOVA Analysis

3. Table 4.8 Anova

Model	Sum of Square	Df	Mean Square	F	Sig
1 Regression	508.262	2	254.131	32.387	.000
Residual	761.128	97	7.847		
Total	1269.39	99			

1. Predictor: (constant), satisfaction, quality

2. Dependent Variable: loyalty

Source: SPSS processed data.

From the above ANOVA test, or F test, we can see the F value is 32.387 with significant level of 0.000. Since the significant are lower than 0.05 then the regression model can be used to predict the consumer loyalty variable. Or it can also be said that both the product quality and consumer satisfaction are collectively effecting the consumer loyalty variable.

Table 4.9 Model Summary

Model	R	R Square	Adjusted R. Square	Std. Error of Estimate
1	.633	.400	.388	2.801

Source: Processed SPSS data.

According to the table 4.9 the R square value is 0.400 this means about 40% of customer's loyalty are determined by product quality and consumer satisfaction, while the rest 60% of it are determined by other factors that are not included in this equation. This result is enough to say that the product quality and consumer satisfaction are a determining factors to the customer's loyalty In this case, the owner

of the Indomarco Indonesia have to adjust their marketing strategy to accommodate these two factors to produce the maximum possible benefit.

Standard error of estimate is a value that measure the amount of regression error in calculating the value of Y. From table 4.9 we can see that the value of standard error of estimate is 2.801 which is lower than the 3.581 value of standard deviation in table 4.5 descriptive statistics. Since it is lower than the value of standard deviation, the regression model works better as a customer's loyalty predictor than the loyalty average number.

#### **4.5 Research Summary**

According to the analysis that has been done, we can see that the F value is at 32.387 and significant level are smaller than 0.05. From this calculation we can see that all the independent variables, namely the product quality and consumer satisfaction, collectively have a significant value to customer' loyalty. The value of coefficient determinant or R square, of 0.400 also shows that the product quality and consumer satisfaction contribution to customer's loyalty are only about 40%. The other 60% are affected by other factors that are yet to be researched.

#### **4.6 Partial Contribution Percentage**

Table 4.10 Partial Contribution

No	Explanation	Result
1	Standardized Correlation Beta Product Quality x Partial Product Quality = $0,249 \times 0,286 = 0,071214$	0,071214
2	Standardized Correlation Beta Consumer satisfaction x Partial Product Quality = $0,497 \times 0,512 = 0,254464$	0,254464
3	Total	0,325678

Tabel 4.11 Partial Contribution Percentage

No	Explanation	Result
1	Partial Product Quality = $\frac{0,071214}{0,325678} \times 100\% = 21,87\%$	21,87%
2	Partial Consumer Satisfaction = $\frac{0,254464}{0,325678} \times 100\% = 71,13\%$	71,13%

According to table 4.11 we can see that the partial contribution percentage for product quality is 21.87% and the value of partial contribution percentage of consumer satisfaction is 71.13%. In this case we can see that the consumer satisfaction variable have a pretty large contribution to customer loyalty to Export Cassava products, Bekasi branch.

## CHAPTER V

### CONCLUSION AND RECOMMENDATIONS

## **5.1 Conclusion**

According to the discussion we have in chapter IV, the writer can make the following conclusion:

1. Product quality has a positive influence on customer's loyalty of Export cassava in International Market.
2. Consumer satisfaction has a positive influence on customer's loyalty of Export cassava in International Market.
3. According to the double regression analysis calculation, we can see that product quality and consumer satisfaction collectively are having a significant positive influence to the customer's loyalty.
4. Judging from the partial contribution we can see that product quality variable and consumer satisfaction variable are having a big influence to customer's loyalty. Specifically the consumer satisfaction variable that have a very big partial contribution on customer's loyalty.

## **5.2. Recommendation**

This research has several implications as follows:



1. From product quality perspective, the Indomarco Indonesia have to keep its current product quality so they can keep making positive influence to customer's loyalty.
2. From the consumer satisfaction perspective, which have a very big influence on customer's loyalty, then the outlet owner have to improve the current service they gave to the consumer and train their employees to follow the same service quality.
3. from partial contribution perspective that product quality variable and consumer satisfaction variable collectively have a big influence on customer's loyalty of Export Cassava (Tela Krezz) food product.
4. For further research, the price variable is essential to be put in order to improve the results obtained from previous research study.

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8.	You lick lips to consume food of Tela because goal feel delicious food so.					
9.	available facility gratify ( like : farm and seat park)					
<b>C</b>	<b>LOYALITAS PRODUK</b>					
10.	Buying food of Tela almost every day.					
11	Within a week minimize 1 times rill pay a visit.					
12.	In buying Tela with portion which many.					
13.	Giving information to people closest concerning food product of Tela					
14.	There no doubt in buying food product of Tela					
15.	Often come to this outlet with your friends, or same of family to buy food of Tela.					