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The Effect of Service Quality on Customer Loyalty

- Based on Research of Indonesia Food & Beverage Franchise Industry

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Abstract

Purpose: The paper "The effect of service quality on customer loyalty-- Based on research of Indonesian food and beverage franchise industry" is conducted with the approach of the consumer for the purpose of knowing the level of consumer loyalty and estimating determinants that influence consumer loyalty in the context of the Indonesian economy, especially in the food and beverage Franchise industry. Design/ Methodology/ Approach: The previous concept model is enhanced by integrating the service quality literature, customer satisfaction literature and customer loyalty literature This research uses descriptive analysis method with quantitative approach with data collection using a questionnaire. Empirical data were collected from 162 consumers in capital city (Jakarta) in Indonesia through a survey of 18 questions exclude personal information and questions with three variable of the research. Findings: The empirical results indicate that service quality impact positive on customer loyalty through the mediator effect of customer satisfaction. Therefore, Service quality is very important in running a business to increase customer satisfaction and customer loyalty. Originality/value: Thanks to the research results, the author look that service quality is not given much attention to managing food and beverage serving in the franchise industry. Even though service quality is very important in maintaining customer loyalty thereby increasing company profits. with this research the authors hope that the food and beverage franchise industry entrepreneurs can improve service quality to maintain customer loyalty, suggests a range of efficient solutions as well as effective marketing strategies for Indonesia enterprises to establish and promote the customer loyalty, which is an imperative issue in both theoretical and practical aspects..

Keywords

Service quality; Customer satisfaction; Customer loyalty; Marketing; Franchise.

1. Introduction

1.1 Customer Loyalty

Consumer loyalty is a company's goal in managing a business to develop the company in obtaining profits, one of the main keys in building the success of a business is the presence of loyal customers. Customers who are loyal to the company will give top priority in making transactions. Oliver (2010) states that loyalty is a commitment of customers to always subscribe or repurchase selected products / services consistently in the future, even though the influence of the situation and marketing efforts

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on other competitors has the potential to cause behavioral changes to move products / services on other brands.

Kotler dan Keller (2012) states that customer loyalty is a situation in which the customer consistently spends all available budget to buy a service product from the same seller.

This is the reason why loyalty customer so important to the company, customer loyalty has an important role in a company, maintaining them means increasing financial performance and maintaining the company's going concern. There are many benefits of customer loyalty, namely increasing customer purchases, reducing costs such as promotional costs in an effort to attract new customers, increase positive communication between customers. The reduced influence of competitors of similar companies, not only competition in terms of products but also competition in terms of perception. Besides that, loyal satisfied customers can encourage the development of the company by giving ideas or suggestions to the company in order to improve the quality of its products.

1.2 Franchise food and beverage in Indonesia

Franchise is a marketing concept to expand a network quickly. This system is considered to have several advantages related to funding, human resources and management, except the willingness of various brand owners with other parties. Franchise is also considered as an effective distribution channel to bring the product closer to consumers through the franchisee network. Franchise (Franchise) is basically an agreement regarding the method of distributing goods and services to consumers. According to Berowitz Kerin Rudelius (1986), Franchise is a contract of cooperation between a person or company (Franchise) with the parent company (Franchisor) to regulate trade or retail stores. Franchise pays an annual fee based on sales. In return. The Franchisor grants the right to the Franchise to use collections, trademarks, assist in shop arrangements, site selection, advertising, and labor training.

At present the franchise business in Indonesia is experiencing very rapid development. because many franchise owners who want to expand their business to remote areas of Indonesia. The food and beverage franchise industry is one of the mainstay manufacturing sectors in making a major contribution to national economic growth. The performance achievements so far have been consistently positive, starting from its role in increasing productivity, investment, exports and employment. With the vast Indonesian market and the purchasing power of the people who are still good, this franchise business can continue to grow positively.

According to Indonesia ministry of trade from 2015-2019, The food and beverage franchise industry sector in Indonesia is one of the sectors that has considerable growth potential. This is in line with the growth of Indonesia's population which has approached 270 million. Based on the records of the Ministry of Industry in the third quarter of 2019, the growth of the gross domestic product (GDP) of the food and beverage industry reached 6.77%. The food and beverage industry sector contributed 35.58% to the GDP of the non-oil and gas industry and 6.35% to the national GDP. This makes the food and beverage industry one of the biggest contributors to national GDP.



Figure 1: Development of the food and beverage franchise industry in Indonesia

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2. Theoretical backgrounds and hypothesis development

2.1 Service quality affects customer loyalty

This research is designed to explore the impact of service quality in the food and beverage franchise industry in Indonesia on customer loyalty. service quality is a major factor affecting customer loyalty because Quality of service has a quality measurement which is an important role to maintain the sustainability of an industry, therefore quality measurement can be done in the manufacturing and service industries. Good quality of service will increase one's level of customer loyalty. Someone who is loyal also sees the quality of services provided according to whether or not the services provided by service providers, so that customers are not disappointed with the quality of services provided must be far better than the quality expected by the customer.

According to Solomon a scale of several items used to measure service quality across all dimensions including: reliability, responsiveness, assurance, empathy and physical evidence:

- 1. Reliability is the ability to provide dependability and is accurate what was promised.
- 2. Responsiveness is the willingness to help customers and give prompt service.
- 3. Guarantees are knowledge and courtesy of employees, and abilities to convey trust and confidence.
- 4. Empathy is the level of caring attention and individual attention received customer.
- 5. Physical evidence is a professional physical facility and equipment.

From the explanation above, it can be seen that service quality has an influence on customer loyalty, therefore Hypothesis 1 of this study is: Service quality has a positive impact on customer loyalty.

2.2 Service quality affects on Customer Satisfaction

Blommer dan Kasper (1995) defines customer satisfaction as an emotional response to an evaluation of the consumption experience of a product or service. (Bloemer, J. and Kasper, H. (1995), "The complex relationship between consumer satisfaction and brand loyalty", Journal of Economic Psychology, Vol. 16 No. 2, pp. 183-201.) Service quality is an important factor and root that can provide satisfaction for its customers. So that customers feel satisfied with the services provided. Customer satisfaction is part of marketing and plays an important role in the market. Customer-oriented marketing strategy makes the company must understand the behavior and meet customer needs to achieve customer satisfaction. Service quality as an effort to create convenience for customers so that customers feel they get more value than expected. Customer expectations are an important factor, service quality that is closer to customer satisfaction will provide more expectations and the otherwise. (Ayse 2007:53)

Hipotesis 2 : Service quality has a positive effect on customer satisfaction

2.3 Customer satisfaction affects on loyalty customer

A study conducted by Lau and Lee (1999) found that customer satisfaction has a strong positive relationship with customer loyalty. Customer satisfaction is the main factor or has the most powerful influence on customer loyalty. Customer satisfaction is a very valuable thing to maintain the existence of these customers to keep the business or business going. Customer satisfaction is not enough just to meet the needs of the products and services needed, but also the fulfillment of personal satisfaction, namely from how the service or product providers serve customers. Companies need to monitor and improve customer satisfaction. The higher customer satisfaction means the greater the possibility of customers staying loyal.

Hypothesis 3: Customer satisfaction have positively impact on customer loyalty.

2.4 Customer satisfaction as a Mediation service quality on customer loyalty

According to (Fandy Tjiptono, 1998). Satisfied customers are a capital for the company for the survival of a company. The creation of customer satisfaction has benefits such as providing a good basis for customer repurchases, creating customer loyalty, and forming a word of mouth recommendation that is profitable for the company. Before the company reaches the stage of

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satisfaction the company must do a good quality of service. Because good quality service will create customer loyalty. Therefore, it is necessary to compare first the quality of services provided by other companies. In other words, companies must always monitor services by competitors, so that the company provides better services so as to create customer loyalty. Then it can be concluded that customer satisfaction has a function that acts as a mediator of the influence of service quality on customer loyalty.

Hypothesis 4: Service Quality has a positive effect on customer loyalty mediated by customer satisfaction.

The research model influence of service quality and customer satisfaction on customer loyalty can be systematically described as follows:

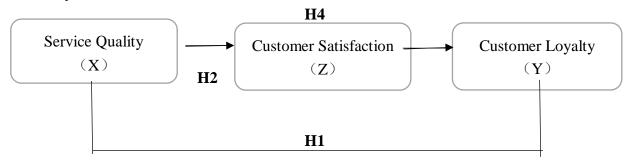


Figure 2: Concept model of the research

3. Methodology research

Method This study uses a descriptive quantitative approach. Descriptive analysis aims to determine the characteristics of each variable in the research sample and quantitative is a method for testing certain theories by examining each relationship between variables that aim to test a theory or hypothesis in order to strengthen, reject the theory or hypothesis of the results of previous research. Data collection in this study used a survey method. Survey is a measurement process used to collect data using a questionnaire.

3.1 Questionnaire design and assasement measures

Questionnaire measurements in this study using a Likert scale. Likert scale is often used to measure perceptions, attitudes or opinions of a person or group regarding a phenomenon or social event. To be more efficient in getting data from respondents, the researchers used a questionnaire method. The questionnaire was prepared using 5 (five) alternative answers, namely: strongly agree, agree, neutral, disagree and strongly disagree. There are 5 levels on a Likert scale:

- 1. Score 5 for the answer Strongly Agree
- 2. Score 4 for the Agree answer
- 3. Score 3 for the Neutral answer
- 4. Score 2 for the Disagree answer
- 5. Score 1 for the answer Strongly Disagree

Population: The selection of the location of this study is in Jakarta, the capital of Indonesia.

Sample: Sampling in this study using the method of purposive sampling technique: 162 respondents

Table 1: Measurement Questionnaire Variable

	Table 1: Weastroment Questionnaire Variable
item	Indicator
	1. Modern equipment and technology (such as portable Wi-Fi, etc.)
Tangible	2. Company has clean and complete facilities (example: high-end tables and chairs,
	etc.)

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	3. Employees of companies look neat and decent
Empethy	1. The company's employees give you special attention
Empathy	2. The company's employees leave a good impression on you
	1. The company's employees provide quality services from start to finish
Reliability	2. The company will serve you at the scheduled time
	3. The company can always provide products or services that same with your taste
	1. The company's employees are willing to provide fast products or services
Responsive ness	2. The company's employees are willing to quickly help customers solve difficulties
11033	3. Company employees can quickly respond to customer needs
C 4	1. The service provided by the company to consumers can meet your meal ordering needs (for example: takeaway)
Customer Satisfactio	2. The company meets customer expectations
n	3. Customers have trusted the franchise company of a satisfying experience
	4. Overall, all customers are happy and satisfied with the franchise company
	1. You have a positive view of the Indonesian food and beverage franchise
Customer	2. Consumers can recommend food and beverage in franchise to relatives and friends
Loyalty	3. Customers are willing to come back repeat purchase to the company
	4. You will choose to eat and drink at franchise company
	5. Customers think that local franchise companies already have better quality

3.2 Method Data Analysis

a. Validity test

Used to determine the extent of accuracy and efficiency of a measuring instrument in carrying out its functions. Where is the analysis:

- Correlation value r count compared to r table, if the correlation r count greater r table then the questions made are categorized as valid.
- If the correlation r count is smaller r table then the questions made are categorized invalid.

b. Reliability Test

The reliability test is used to determine the consistency of the measuring instrument in its use or in other words a measuring instrument has a consistent value if it is used many times and in different times. A question is said to be reliable if the question can give the right result.

c. Analysis Descriptive

Analysis Descriptive statistics is the part of statistics that studies the tools, techniques, or procedures used to describe or describe data sets or observations that have been made. These activities include data collection activities, grouping data, determining values and statistical functions, and making graphics, diagrams and pictures. In other words descriptive analysis is used to analyze the data that has been collected by describing or describing the object under study in the sample or population as it is without analyzing and making general conclusions.

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d. Correlation Test

Simple correlation analysis (Bivariate Correlation) is used to determine the closeness of the relationship between two variables and determine the direction of the relationship that occurs. Simple correlation coefficient shows how big the relationship that occurs between two variables. This chapter will discuss simple correlation analysis with the Pearson method or often called Pearson Product Moment. Correlation value (r) ranges from 1 to -1, the value is getting closer to 1 or -1 means the relationship between two variables is getting stronger, on the other hand a value close to 0 means the relationship between two variables is getting weaker. A positive value indicates a direct relationship (X goes up then Y goes up) and a negative value shows an inverse relationship (X goes up then Y goes down).

According to Sugiyono (2012) guidelines to provide the interpretation of the correlation coefficient as follows:

0.00 - 0.199 = very low

0.20 - 0.399 = low

0.40 - 0.599 = moderate

0.60 - 0.799 = strong

0.80 - 1,000 = very strong

e. Hypothesis test

Hypothesis testing using multiple regression is done with the SPSS program:

a. Significant Individual Test / Partial Test (t-Test)

T-test shows how much influence the independent variables individually on the dependent variable. The testing criteria are as follows:

Ho: there is no partial effect on the quality of service

customer loyalty in the food and beverage franchise in Indonesia

Ha: partial influence on the quality of service

customer loyalty in the food and beverage franchise in Indonesia.

Decision making criteria:

Ho is accepted if thou t<tabel a $\alpha = 5\%$ and the significance of t arithmetic greater than 0.05

Ha is accepted if tcount> ttabelpada $\alpha = 5\%$ and the significance of t arithmetic is smaller than 0.05.

f. Path Analysis

Path analysis is used to determine whether the customer trust variable is an intermediate or intervention variable, its function is mediating the relationship between the independent variable and the dependent variable ". Path analysis is an extension of multiple regression analysis or in other words path analysis is the use of regression analysis to estimate the relationship of quality between variables that have been predetermined based on theory.

4. Result

4.1 Validity and Realibility Test

In this section, a research was conducted by testing each of the 18 questions with a total of 50 respondents and the results of the validity and reliability test data:

Table 2 Validity Test

Variable	r count (Corrected total correlation)	r table (n=50)	Results
Tangible 1	0,500	0,279	Valid
Tangible 2	0,540	0,279	Valid

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Tangible 3	0,461	0,279	Valid
Empathy 1	0,588	0,279	Valid
Empathy 2	0,454	0,279	Valid
Reliable 1	0,480	0,279	Valid
Reliable 2	0,544	0,279	Valid
Reliable 3	0,463	0,279	Valid
Responsiveness 1	0,436	0,279	Valid
Responsiveness 2	0,477	0,279	Valid
Responsiveness 3	0,531	0,279	Valid
Customer Satisfation (Z.1)	0,788	0,279	Valid
Customer Satisfation (Z.2)	0,798	0,279	Valid
Customer Satisfation (Z.3)	0,619	0,279	Valid
Customer Satisfation (Z.4)	0,845	0,279	Valid
Customer Loyalty (Y.1)	0,791	0,279	Valid
Customer Loyalty (Y.2)	0,729	0,279	Valid
Customer Loyalty (Y.3)	0,826	0,279	Valid
Customer Loyalty (Y.4)	0,835	0,279	Valid
Customer Loyalty (Y.5)	0,838	0,279	Valid

Source: Primary data processed, 2020

Based on the results of the validity test on the items of the all variable questions, it is known that all questions are declared valid because they have a value of r count> rtable therefore the statement can be used for further research in the consumer loyalty indicator.

Table 3 Realiability Test

Variabel	Cronbach's Alpha	Cronbach's Alpha yang disyaratkan	Results
Service Quality(X)	0,717	0,60	Reliable
Customer Satisfaction(Z)	0,757	0,60	Reliable
Customer Loyalty (Y)	0,862	0,60	Reliable

Source: Primary data processed, 2020

Based on table 3. can be explained that all research variables are reliable because the Cronbach Alpha value> 0.60 and can be used in research.

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4.2 Descriptive Statistics and Correlations

After analyzing the descriptive statistics, it is witnessed that female has higher intention of purchasing food and beverage at franchise Indonesia than male. Disamping itu terdapat 52% anak muda yang suka membeli makanan dan minuman pada perusahaan franchise karena memang outlet franchise banyak sekali digunakan anak muda sebagai tempat berkumpul. Dari hasil ini juga dapat terlihat bahwa with result 76.3% means that the majority of respondents think that food and beverage franchise companies in Indonesia have provided maximum service quality to maintain customer loyalty it is recommended that employees continue to provide maximum service to customers.

Based on the highest assessment 75,2%, it means that the majority of respondents feel happy and satisfied when making a purchase or consuming food and drinks at a franchise company in Indonesia. The company gives a good impression and a pleasant experience so that customers are satisfied with the products offered by the company. Sebesar 75.9%, means that the majority of respondents showed customer loyalty to the franchise company by giving recommendations for food or drinks they like to their family, relatives, friends and relatives, with a pleasant and satisfying experience so that customers want to share moments offered by the franchise company food and beverage in Indonesia.

The majority of respondents gave a positive assessment of service quality, customer satisfaction and customer loyalty in food and beverage franchise companies in Indonesia.

Table 4 : Demographic profile of respondents (N=162).

Variable	Items	Count	Percent %	
Candan	Man	70	43%	
Gender	Woman	92	57%	
	17-24 years	84	52%	
A	25-34 years	45	28%	
Gender Age Education	35-49 years	23	14%	
	50 Years above	10	6%	
	Elementary	5	3%	
Age Education Job Description	Middle School	8	5%	
Education	High School	57	35%	
Laucation	Bachelor	48	30%	
	Man 70 Woman 92 17-24 years 84 25-34 years 23 50 Years above 10 Elementary 5 Middle School 8 High School 57 Bachelor 48 Master 44 Student 55 Soldier / Civil Service / 26 Teacher 26 Private employee 31 Businessman / freelance / entrepreneur Others 11 Three times a week and above 7 Twice in one week 47 one time in one week 36 One time in one Month 5 Around 2.000 Below (RMB) Around 2.1 thousand - 5 thousand (RMB)	27%		
	Student	55	34%	
	Soldier / Civil Service /	26	1.60/	
	Teacher	20	16%	
Job Description	Private employee	31	19%	
	Businessman / freelance /	20	24%	
	entrepreneur	39		
	Others	11	7%	
	Three times a week and	60	37%	
	above	00	37%	
Vicit	Twice in one week	47	29%	
VISIL	one time in one week	36	22%	
	One time in two weeks	14	9%	
	One time in One Month	5	3%	
	Around 2.000 Below	2.1	21%	
	(RMB)	34	2170	
	Around 2.1 thousand – 5	47	29%	
Payanua	thousand (RMB)	47	29%	
Kevenue	5.1thousand - 10	52	32%	
	thousand (RMB)	32	3270	
	10.1 thousand above	29	18%	
	(RMB)	<i>∠</i> .j	10/0	

Source: Primary data processed, 2020

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Pearson correlation was computed to determine the correlation between the variables for this study and the result is displayed in Table 5. From the results of a simple correlation analysis the correlation between service quality and customer loyalty is 0.514. This shows that there is a sufficient (moderate) relationship between service quality and customer loyalty. analysis the correlation between service quality and customer satisfaction is 0.581. This shows that there is a sufficient (moderate) relationship between service quality and customer satisfaction. analysis the correlation between service quality and customer satisfaction is 0.623. This shows that there is a strong relationship between customer satisfaction and customer loyalty and they were all significant at p-values equal to 0.000 (p < 0.001).

Table 5: Correlation all variable

	Table 5. Correla		
	Correl	ations	
		Service Quality(X)	Customer Loyalty(Y)
Service Quality(X)	Pearson Correlation	1	.514**
	Sig. (2-tailed)		0.000
	N	162	162
Customer Loyalty(Y)	Pearson Correlation	.514**	1
	Sig. (2-tailed)	0.000	
	N	162	162
	Correl	ations	
		Service Quality(X)	Customer Satisfaction(Z
Service Quality(X)	Pearson Correlation	1	.581**
	Sig. (2-tailed)		0.000
	N	162	162
Customer Satisfaction(Z)	Pearson Correlation	.581**	1
	Sig. (2-tailed)	0.000	
	N	162	162
	Correl	ations	
		Customer Satisfaction(Z)	Customer Loyalty(Y)
Customer Satisfaction(Z)	Pearson Correlation	1	.623**
	Sig. (2-tailed)		0.000
	N	162	162
Customer Loyalty(Y)	Pearson Correlation	.623**	1
	Sig. (2-tailed)	0.000	
	N	162	162

Source: Primary data processed, 2020

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4.3 Hyphothesis testing results

Regression is a statistical analysis method used to see the effect between two or more variables. The relationship of these variables is functional which is realized in a mathematical model. In this study there are three regression analysis models to be a factor analysis:

Model I : The effect of service quality on customer loyalty in food and beverage franchise companies in Indonesia

Table 6: Hypothesis model 1

Constanta	Coefisien Regresi	t count	Sig.	Adjustes R ²
7,016	0,285	7,579	0,000	0,264

The regression equation shows that the value of the service quality coefficient (X) is 0.285 which means that if the service quality increases by one unit, customer loyalty will increase by 0.285 units. T test statistics for the variable service quality obtained t value of 7.579 with a significance level of 0.000, then the hypothesis that "Service quality has a positive effect on customer loyalty" is **proven**. The magnitude of the effect of service quality on customer loyalty of 0.264; this means that customer loyalty is influenced by service quality by 26.4%.

Model II: The effect of service quality on customer satisfaction in food and beverage franchise companies in Indonesia

Table 7: Hypothesis model 2

Constanta	Coefisien Regresi	t count t	Sig.	Adjustes R ²
3,162	0,287	9,018	0,000	0,337

The regression equation shows that the value of the service quality coefficient (X) is 0.287 which means that if the service quality increases by one unit, customer loyalty will increase by 0.287 units. T test statistics for the variable service quality obtained t value of 9.018 with a significance level of 0.000, then the hypothesis that "Service quality has a positive effect on customer loyalty" is **proven**. The magnitude of the effect of service quality on customer loyalty of 0.337; this means that customer loyalty is influenced by service quality by 33.7%.

Model III: The effect of customer satisfaction on customer loyalty in food and beverage franchise companies in Indonesia

Table 8: Hypothesis model 3

Constanta	Coefisien Regresi	t count t	Sig.	Adjustes R ²
0.698	0.698	0.698	0.698	0.698

The regression equation shows that the value of the service quality coefficient (X) is 0.698 which means that if the service quality increases by one unit, customer loyalty will increase by 0.698 units. T test statistics for the variable service quality obtained t value of 10.075 with a significance level of 0.000, then the hypothesis that "Service quality has a positive effect on customer loyalty" is **proven**. The magnitude of the effect of service quality on customer loyalty of 0.388; this means that customer loyalty is influenced by service quality by 38.8%.

4.4 Sobel test

Path analysis using the sobel test is used to prove the fourth hypothesis and to determine the effect of service quality on customer loyalty mediated by customer satisfaction.

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	Indire	ct effect(s) of X or	ı Y:	
	Effect	BootSE	BootLLCI	BootULCI
TotalZ	.1576	.0332	.0983	.2278
	Partially standard Effect	lized indirect effect BootSE	BootLLCI	BootULC
				RootIII Cl
TotalZ	.0470	.0093	.0304	.0670
		10075		.0070
	Completely standa	rdized indirect eff	ect(s) of X on Y:	
	Effect	BootSE	BootLLCI	BootULCI
TotalZ	.2843	.0560	.1823	.4013

From the results of the above analysis marked by red, the value of the non-standardized indirect bootstrap effect is 1.57 and the 95% Confident Interval (CI) ranges from 0.98 to 2.27. with a 95% confidence interval, it can be concluded that there is a significant indirect effect of knowledge on behavior through attitudes. analysis the mediation coefficient value of 1.57 is greater than the value of direct influence of 0.285, so that the mediation variable of customer satisfaction is proven to mediate. Thus the fourth hypothesis stating "Service quality influences customer loyalty mediated by customer satisfaction at the company food and beverage franchise in Indonesia" is **accepted**.

5. Conclusion & Suggestion

5.1 Conclusion

From the formulation of the problem presented, the data analysis carried out, and the discussion presented in the previous chapter, the researcher draws the following conclusions:

- 1) Findings from the results of this study that service quality has a significant effect on customer loyalty, meaning that the higher the quality of service, the higher the customer loyalty or the quality of service has a positive and significant effect on consumer loyalty to buy food and beverages at franchise companies in Indonesia. This is evidenced from the t value of 7.579 with a significance level 0,000 <0.05; and a regression coefficient of 0.285.
- 2) Findings from the results of this study that service quality has a significant effect on customer satisfaction, meaning that the higher the quality of service the higher the customer satisfaction or the quality of service will have a positive and significant effect on customer satisfaction buying food and beverages at franchise companies in Indonesia. This is evidenced from the t value of 9.018 with a significance level 0,000 <0.05; and a regression coefficient of 0.287.
- 3) Findings from the results of this study that customer satisfaction has a significant effect on customer loyalty, meaning that the higher the customer satisfaction, the higher the customer loyalty or the quality of service will have a positive and significant impact on customer satisfaction buying food and beverages at franchise companies in Indonesia. This is evidenced from the t value of 10,075 with a significance level of 0,000 < 0.05; and a regression coefficient of 0.698.
- 4) Findings from the results of this study that consumer satisfaction moderates the effect of service quality on customer loyalty or service quality positively influences customer loyalty with customer satisfaction as a moderating variable.

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5.2 Suggestion

With the development of the food and beverage business that is happening at the moment, franchise entrepreneurs must raise awareness of customer loyalty in the midst of the many competition that can determine the survival of the business. In the analysis of this study in the previous chapter it was found that there was an influence of service quality on customer loyalty through customer satisfaction, so to ensure customer loyalty, the food and beverage franchise companies are expected to provide training or special training for their employees.

This special training is expected to provide maximum service to customers by fostering empathy, increasing politeness, knowledge, skills, and honesty of employees to improve customer satisfaction while increasing the attractiveness of physical outlets or outlet outlets, facilities that support business performance, and employee performance so that customer satisfaction increases because it is proven that the quality of physical evidence service has a positive effect on satisfaction. So that customers feel sincere service. Pay attention to customers by trying to understand customer desires and not letting customers wait long when buying products.

A company's loyalty is greatly influenced by the way the company satisfies customers. Thus, the key for the company to still exist is the company's ability to retain its customers. If the customer leaves (defection), then the company's existence is no longer needed. Therefore, companies need to detect the attitudes of their customers. Marketers' understanding of customer attitudes can help marketers influence and change consumer attitudes in a positive direction.

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