

THE INFLUENCE OF PRODUCT QUALITY ON CUSTOMER LOYALTY IN BUMMA FOOD BUSINESS, MAKASSAR CITY

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Abstract

This study aims to determine the effect of product quality on customer loyalty in the Bumma Food Makassar City business. The type of data used in this study is quantitative data obtained from questionnaires distributed and related to the problem under study with a sample size of 100 people. The data were analyzed using a simple regression analysis method with the help of SPSS data processing to prove the hypothesis. The results showed that the product quality variable had a positive and significant effect on customer loyalty. This means that the better and more quality the products offered at Bumma Food Makassar city to customers will be able to create customer loyalty for the products offered.

Keywords: *Product Quality, Customer Loyalty*

INTRODUCTION

The entry of the fast food industry in Indonesia has made Frozen Food business actors compete in creating innovations. Fast food also has other types, such as those that are currently available in the form of half-cooked packages, such as nuggets, sausages, potatoes, and others. Consumers only need a few minutes to carry out the serving process until the food can actually be consumed. Apart from being easy to consume, pre-cooked food in packaging also certainly has the nutritional intake needed by the body, especially among children to adolescents who like to consume ready-to-eat food as a favorite choice to meet nutritional needs in their daily activities.

The growth of the food and beverage industry in Indonesia has increased. Especially fast food, where in the future people will prefer to consume fast food such as Frozen Food. This is what underlies BUMMA FOOD's business in taking the food industry as a business focus, especially the Frozen Food business. There are various types of fast food in Indonesia, which are commonly chosen by the public, ranging from potatoes, sausages and nuggets. Sausages or nuggets generally use processed meat as basic ingredients, in the form of chicken, beef or fish.

The majority of people choose this menu because the ingredients used are based on the daily food they consume. Besides that, these three sources are easy to serve and can be said to have become the staple food of Indonesian society.

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Muhammad Rafli, Andi Mustika Amin, Muh. Ilham Wardhana, Siti Hasbiah, Muhammad Ichwan Musa

As for the marketing aspects that I have researched through interviews, Bumma Food's business initially targeted the market to food entrepreneurs who were just starting out who used Frozen Food ingredients. Therefore Bumma Food provided a kind of tutorial educational video on various platforms from Bumma, then Bumma Food also design as attractive as possible social media platforms and use them to interact with existing consumers.

In the business studied by Bumma Food, it is one of the fast food businesses in Makassar City which initially focused on Frozen Food products. But over time, Bumma Food has developed various types of products other than Frozen Food products, such as kebab ingredients, burger ingredients, bread, various toppings, etc.

This business has been running since 2020, meaning that this business has been established for more than 2 years, seeing as Frozen Food businesses in general have experienced many bankrupt or bankrupt due to a lack of public knowledge and trust in Frozen Food products. One indicator of the success of the Frozen Food business is in terms of product quality. After conducting pre-research interviews conducted by researchers, it was found that there were four best-selling products which were the focus of this research, namely small ori burger patties, large ori burger patties, large original Sajarah tortillas, and small original Sajarah tortillas. In some products from Bumma Food, on average they can last 1 to 3 months, there are also products that can last for months. Then in the last year, the level of product sales and consumers in the Bumma Food business in Makassar City has fluctuated, but overall there have been several moments of decline. The following is the data on the number of frozen food sales at Bumma Food.

LITERATURE REVIEW

A. Product quality

Products are anything that can be offered to a market to be seen, cared for, owned, and consumed, so as to satisfy a need or want to some extent (Suparyanto & Rosad, 2015).

According to Yanto (2017), product quality is an effort to meet or exceed consumer expectations, where a product has quality that is in accordance with predetermined quality standards, and quality is a condition that is always changing because consumer tastes or expectations for a product are always changing.

Measuring a good and quality product certainly needs to be done by business owners, so that the products sold are of interest to consumers. The quality of the product determines someone buys the product. According to Kotler and Armstrong (2016), there are three dimensions of Product Quality, namely as follows:

- 1) Durability relates to how long a product can be used. This dimension includes the technical age and the economic life of product use.

- 2) Product cleanliness, Products designed to enhance product function or increase consumer interest in the product.
- 3) Good taste is the product's reputation and the company's responsibility towards it.

According to Garvin (2016) revealed that product quality has the following indicators:

- a) Performance
- b) Features (future)
- c) Compliance with specifications (conformance to specification)
- d) Durability
- e) Reliability
- f) Serviceability
- g) Aesthetics (esthetica)
- h) Perceived quality

B. Customer loyalty

According to Kotler and Kevin in the journal (Lie et al., 2019) loyalty is an image of integrity that is firmly held by buying or subscribing to certain products even in the future despite interventions in the situation and capabilities of the marketing department that have the opportunity to cause behavior.

Based on Griffin in the journal (Lie et al., 2019) Loyalty is defined as a non-random purchase expressed from time to time by several decisions in unit purchases.

Reichheld and Schefter in the journal (Liu et al., 2017) loyal customers are the company's best advertising media that can bring more customers and more consumption for the company. Customer loyalty refers to accurate and loyal customer trust, which can get more customer promises and bring more benefits to enterprises.

According to Tjiptono (2005) suggests there are six indicators that can be used to measure consumer loyalty, namely:

- 1) Repeat purchase
- 2) Brand consuming habits
- 3) Great passion for the brand
- 4) Brand standing
- 5) The belief that a certain brand is the best brand
- 6) Brand recommendation to others.

METHOD

This type of research is a quantitative research in the form of primary data obtained from Bumma Food Makassar consumers by distributing questionnaires to respondents. The population in this study are customers or consumers who

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Muhammad Rafli, Andi Mustika Amin, Muh. Ilham Wardhana, Siti Hasbiah, Muhammad Ichwan Musa

purchase products at the Bumma Food business which will be marketed in 2022, namely 16,011 customers. Then the sample in this study used purposive sampling, namely taking samples taken randomly with certain criteria. The sample in this study is representative of the population of Bumma Food Makassar City consumers who purchase Bumma Food Makassar City, making at least two purchases. Based on the above calculations, the samples taken in this study were 100 respondents. The analysis technique used is by using the prerequisite test which consists of normality and linearity tests, then hypothesis testing which consists of simple linear regression analysis and partial test (t test).

A. Mindset

Based on a literature review and several previous studies that refer to the effect of product quality on customer loyalty and as explained in the previous points, a framework for this research can be developed which is presented in the following figure:



Figure 1 Framework of Mind

B. Hypothesis

The hypothesis is a temporary answer regarding the results of the research, until it is proven by the data collected. The hypothesis will be accepted if the data collected supports the statement. The hypothesis is a basic conjecture that then creates a theory that still has to be tested for truth. Based on the formulation of the problem and the research objectives described previously, the hypothesis is obtained, namely, it is suspected that product quality has a positive and significant effect on customer loyalty in the Bumma Food business in Makassar City.

RESULT

1. Validity and Reliability Test Results

Table 1. Validity Test Results

Question Items		R Count	R Table	Information
X1	X1.1	0.572	0.1966	VALID
	X1.2	0.615	0.1966	VALID
	X1.3	0.578	0.1966	VALID
	X1.4	0.685	0.1966	VALID
	X1.5	0.700	0.1966	VALID

	X1.6	0.792	0.1966	VALID
	X1.7	0.824	0.1966	VALID
	X1.8	0.794	0.1966	VALID
	X1.9	0.779	0.1966	VALID
	X1.10	0.733	0.1966	VALID
	X1.11	0.735	0.1966	VALID
	X1.12	0.704	0.1966	VALID
Y	Y. 1	0.380	0.1966	VALID
	Y.2	0.625	0.1966	VALID
	Y.3	0.735	0.1966	VALID
	Y.4	0.692	0.1966	VALID
	Y.5	0.673	0.1966	VALID
	Y.6	0.817	0.1966	VALID
	Y.7	0.827	0.1966	VALID
	Y. 8	0.798	0.1966	VALID
	Y.9	0.693	0.1966	VALID
	Y.10	0.798	0.1966	VALID
	Y.11	0.770	0.1966	VALID
	Y. 12	0.747	0.1966	VALID

Source: Processed primary data, 2023

Based on table 1. it is known that the product quality and customer loyalty variables have an r count value greater than r table ($r \text{ count} > 0.1966$) so it can be concluded that all the question items in the study are valid.

Table 2. Variable Reliability Test Results

Variable	Cronbach's Alpha	Information
Product Quality (X)	0.910	Reliable
Customer Loyalty (Y)	0.913	Reliable

Source: Processed primary data, 2023

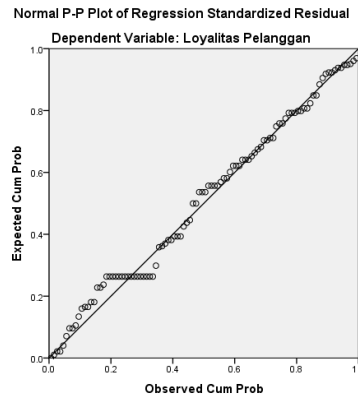
Table 2. shows that the variables of product quality and customer loyalty have a Cronbach's alpha value greater than 0.6. This shows that the question items in this study are reliable. So that each question item used will be able to obtain consistent data and if the question is asked again, an answer that is relatively the same as the previous answer will be obtained.

THE INFLUENCE OF PRODUCT QUALITY ON CUSTOMER LOYALTY IN BUMMA FOOD BUSINESS, MAKASSAR CITY

Muhammad Rafli, Andi Mustika Amin, Muh. Ilham Wardhana, Siti Hasbiah, Muhammad Ichwan Musa

2. Normality and Linearity Test Results

Figure 1. Normality Test Results



Source: Processed primary data, 2023

Based on figure 1 it can be seen that the dots spread around the diagonal line, and the direction of their spread follows the direction of the diagonal line. This shows that the regression model is feasible to use because it meets the assumption of normality.

Table 3. Linearity Test

			ANOVA Table				
			Sum of Squares	Df	Mean Square	F	Sig.
Customer Loyalty * Product Quality	Between Groups	(Combined) Linearity	1150.153	13	88,473	12,084	.000
		Deviation from Linearity	1031607	1	1031607	140,904	.000
			118,546	12	9,879	1,349	.207
Within Groups			629,637	86	7,321		
Total			1779,790	99			

Source: Processed data, 2023

Based on table 3. the value of Deviation from Linearity Sig is obtained. of 0.207 greater than 0.05. So it can be concluded that there is a significant linear relationship between product quality variable (X) and customer loyalty variable (Y). this shows that there is a good correlation between product quality variables and customer loyalty variables.

Table 4. Regression Equation Model

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Beta ^s		
1	(Constant)	12,732	3,442		3,699	.000
	Product quality	.771	.066	.761	11,624	.000

a. Dependent Variable: Customer Loyalty

Source: Processed data, 2023

Based on the table above, the regression equation formed in this regression test is:

$$Y = 12.732 + 0.771 X + e$$

The model can be interpreted as follows:

- a) The constant value is 12.732. This indicates that, if the independent variable (product quality) is zero (0), then the value of the dependent variable (customer loyalty) is 12.732 units.
- b) Product quality regression coefficient (b1) is 0.771 and marked positive. This means, the value of variable Y will increase by 0.771 if the value of variable X has increased by one unit and the other independent variables have a fixed value. The coefficient with a positive sign indicates that there is a direct relationship between the product quality variable (X) and customer loyalty variable (Y). The better the product quality, the more customer loyalty increases.

3. Partial Test (T Test)

Table 5. Partial Test Results (t test)

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	std. Error	Beta ^s		
1	(Constant)	12,732	3,442		3,699	.000
	Product quality	.771	.066	.761	11,624	.000

a. Dependent Variable: Customer Loyalty

Source: processed data, 2023

Through the t-test statistics consisting of product quality (X) it can be partially seen that the effect on customer loyalty (Y) can be seen.

THE INFLUENCE OF PRODUCT QUALITY ON CUSTOMER LOYALTY IN BUMMA FOOD BUSINESS, MAKASSAR CITY

Muhammad Rafli, Andi Mustika Amin, Muh. Ilham Wardhana, Siti Hasbiah, Muhammad Ichwan Musa

- First Hypothesis Testing (H1)

The table above shows that the product quality variable has a significant level of 0.000, which is less than 0.05. The coefficient value of 0.771 indicates a positive influence on the dependent variable. This means that Ha1 is accepted and Ho is rejected so that it can be said that product quality has a positive and significant effect on customer loyalty.

4. Determination Coefficient Test (R² Test)

Table 6. R² Test Results

Summary modelb

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.761a	.580	.575	2.76306

a. Predictors: (Constant), Product Quality

b. Dependent Variable: Customer Loyalty

Source: processed data, 2023

From table 6. above, there is an R number of 0.761 which indicates that the relationship between customer loyalty and the independent variable is strong, because it is in a strong definition with a number between 0.6 - 0.8. While the R square value of 0.580 or 58% indicates that the customer loyalty variable can be explained by the product quality variable by 58% while the remaining 42% can be explained by other variables not present in this study.

DISCUSSION

Effect of Product Quality on Customer Loyalty

The results of this study indicate that the product quality variable has a positive and significant effect on customer loyalty. However, some respondents regarding the statement on the Product Quality variable disagree about Bumma Food product quality Makassar City has an attractive design. This is because the Bumma Food product design is considered unable to satisfy the seven people's design taste satisfaction regarding Bumma Food product design. Furthermore, there is one person who disagrees that Bumma Food products have a very fast and efficient delivery feature. This is because there are problems with the delivery service that delays the delivery of Bumma Food products.

This research is also supported by Nelli Rizayanti's research (2021) which states that product quality and price simultaneously affect Socolatte consumer satisfaction in Pidie Jaya. Research conducted by Riva Fergian Amarul (2016) and Sita Budiastri (2012) stated that product quality affects customer loyalty.

This research is in line with research conducted by Nurul Hayati (2020) which states that product quality has a significant and positive influence on customer loyalty to Alwahida Indonesia's antidote herbal products. This research is also supported by research

by Hanif Majid (2020), which states that service quality has a significant and positive influence on customer loyalty at the Pondok Galih Fried Duck Restaurant.

Therefore, based on the results of this study, it is stated that most consumers decide to be loyal to Bumma Food products in Makassar City because of the influence of product quality. This is due to the value of product quality from various indicators that can provide satisfaction and interest in Bumma Food products so that they influence consumer loyalty to Bumma Food Makassar City products.

CONCLUSION

Based on the data that has been collected and hypothesis testing with simple regression analysis has been carried out, the conclusions of this study are as follows: Product quality is proven to have a significant influence on customer loyalty. This means that the better and more quality the products offered at Bumma Food Makassar city to customers will be able to create customer loyalty for the products offered.

Product quality is one of the factors that consumers consider in making purchasing decisions. Consumers expect products that can satisfy them. Quality products of course have followed the standards in the manufacturing process so as to provide satisfaction for consumers. Satisfied consumers will provide a big advantage for the seller because consumers who are satisfied with the quality provided tend to be loyal and have a high probability of making repeat purchases on an ongoing basis.

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THE INFLUENCE OF PRODUCT QUALITY ON CUSTOMER LOYALTY IN BUMMA FOOD BUSINESS, MAKASSAR CITY

Muhammad Rafli, Andi Mustika Amin, Muh. Ilham Wardhana, Siti Hasbiah, Muhammad Ichwan Musa

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