

# The Effect of Service Quality, Brand Image, and Customer Satisfaction on Customer Loyalty in Go Food Services

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## ABSTRACT

*Customer loyalty is a major factor for success in doing business, customer loyalty in doing business is influenced by service quality, brand image, and consumer satisfaction. This study aims to identify the effect of service quality, brand image, and customer satisfaction on customer loyalty at Go Food. This study used a non-probability convenience sampling technique in sampling. Primary data collected in this study amounted to 250 respondents. The statistical analysis technique used in this study is Structural Equation Modelling (SEM) with Smart PLS version 3.2.9 software. The results of the data analysis show that service quality has a positive and significant influence on brand image, customer satisfaction, and customer loyalty. Brand image has a positive and significant influence on customer satisfaction and loyalty, as well as customer satisfaction which has a positive and significant influence on customer loyalty.*

## INTRODUCTION

Customer loyalty is a major factor in the success of a business (Yap et al., 2012). Customer loyalty itself is defined as repurchase behavior made by consumers towards a product or service, and making the product or service the main choice for use (Putro & Rachmat, 2019). This is in line with the theory developed by Oliver (1997), which states that customer loyalty is a strong commitment to buy and reuse a preferred product or service consistently in the future, thus creating repeated purchases and use of the same product or brand. (Anwar et al., 2019) stated that customer loyalty tends to be caused by service quality.

Service quality is a perception that customers have of technical service provision (Putro & Rachmat, 2019). In the theory issued by Parasuraman et al., (1988), service quality is described as the result of an evaluation carried out by consumers on the quality they expect with the quality they get from service providers by looking at five aspects of their assessment, namely tangible, reliable, responsiveness, assurance, and empathy. According to Tasci (2016), service quality tends to have an effect that makes the formation of a brand image. According to Al-Azzam (2015) regarding the perception of service quality on customer satisfaction, it is known that customer satisfaction gets a significant and positive influence from service quality. In the theory issued by Anwar et al., (2019) regarding the perception of service quality on customer loyalty, it is known that service quality is the antecedent of customer loyalty and the stage that affects customer loyalty positively.

Service quality influences customer loyalty through brand image as its mediator (Chen & Liu, 2017). Brand image itself is a picture that is in the minds of customers about a brand (Putro & Rachmat, 2019). This has strengthened the theory issued by Aaker (1996), that brand image gives an important role to consumers to use the brand in the long run. In research conducted by Kurniawati et al., (2014) on brand image perception of customer satisfaction, it is known that customer satisfaction is significantly influenced by brand image. In research conducted by Hsieh et al (2018) regarding brand

image perception of customer loyalty, it is known that a good brand image will provide customer loyalty to an industry.

In research conducted by Dam & Dam (2021) which states that brand image will have a positive influence on loyalty through customer satisfaction, customer satisfaction is a positive feeling that consumers have after using a product or service (Putro & Rachmat, 2019). Akbar & Parvez. (2009) revealed that customer satisfaction has become an important link between the quality of service felt by consumers and the customer loyalty created, which can have a good impact on a business amid the development of digital technology.

Digital technology can facilitate communication activities without face-to-face (Kompas.com, 2020). Reporting from Kompasmania.com (2022), digital communication activities have created a new trend, namely the Online Food Delivery trend, where consumers have access to get the desired food needs without having to come to the food outlet, so that consumers can save more time and energy in getting the desired food. Furthermore, reported from Kompasmania.com (2022), the presence of Online Food Delivery provider applications such as GoJek on its Go Food service has made the Online Food Delivery trend even more popular. GoJek itself is a technology company from Indonesia founded by Nadiem Makarim on November 9, 2009. Through the quality of services provided such as the provision of complete and diverse merchants, ease of application access, ease of payment access, friendly drivers, and punctuality in delivering orders have succeeded in making GoJek the most popular e-commerce Online Food Delivery with a percentage of 84% of enthusiasts (CNBC Indonesia, 2019). Furthermore, reported from CNBC Indonesia (2019), GoJek in its GoFood service has succeeded in implementing a personalized user experience that can increase consumer satisfaction, trust and loyalty to GoJek.

## **RESEARCH METHOD**

This study used quantitative methods and data using primary data through questionnaires in the form of Google Forms distributed online through social media WhatsApp, Line, and Instagram Direct Message. The population of this study is people who have the GoJek application with non-probability sampling techniques with a convenience sampling approach. The number of samples in this study was 250 respondents, this determination refers to the formula from Roscoe's theory (1975), namely the sample size amounting to 10 times greater than the number of indicators in the study, where the researcher provided a determination of the number of samples of 230 respondents which was considered sufficient to meet the number standard. However, to avoid a low number of respondents, the questionnaires distributed to respondents amounted to 250. This also refers to research conducted by Sugiyono (2015) on Roscoe's sampling guide theory, where sample sizes of more than 30 and less than 500 are the right sample sizes.

In this study, researchers conducted a hypothesis test through SEM-PLS. Structural Equation Modelling (SEM) is a form of analysis that aims to perform calculations and tests on the relationship of exogenous variables with endogenous variables (Ghozali, 2014). While Partial Least Squares (PLS) is a form of analysis used to analyse research models and hypotheses by conducting research through two steps, namely outer model and inner model (Hair et al., 2017).

## **RESULTS AND DISCUSSION**

The results of this study are divided into 2 results, namely outer model, and inner model. The outer model itself consists of 3 stages, namely convergent validity tests, discriminant validity tests, and composite reliability tests. As for the inner model, it also consists of 3 stages, namely R-Square, Q-Square, and VIF.

**Table 1. Convergent Validity Test Results**

Variable	Indicator	Loading Factor	Critical Limits	Information
Brand Image	BI.1	0.764	> 0,7	Valid
	BI.2	0.797	> 0,7	Valid
	BI.3	0.880	> 0,7	Valid
	BI.4	0.851	> 0,7	Valid
	BI.5	0.705	> 0,7	Valid
Customer Loyalty	CL.1	0.852	> 0,7	Valid
	CL.2	0.864	> 0,7	Valid
	CL.3	0.861	> 0,7	Valid
	CL.4	0.742	> 0,7	Valid
	CL.5	0.814	> 0,7	Valid
	CL.6	0.866	> 0,7	Valid
Customer Satisfaction	CS.1	0.876	> 0,7	Valid
	CS.2	0.868	> 0,7	Valid
	CS.3	0.868	> 0,7	Valid
	CS.4	0.780	> 0,7	Valid
	CS.5	0.864	> 0,7	Valid
Quality of Service	SQ.1	0.863	> 0,7	Valid
	SQ.2	0.880	> 0,7	Valid
	SQ.3	0.879	> 0,7	Valid
	SQ.4	0.822	> 0,7	Valid
	SQ.5	0.828	> 0,7	Valid
	SQ.6	0.834	> 0,7	Valid
	SQ.7	0.811	> 0,7	Valid

*Source: SmartPLS Output Results 2023*

In this validity test, the loading factor value must exceed 0.7 and the average variance extracted (AVE) value must exceed 0.5 (Ghozali & Latan, 2015). Based on table 1, it is known that all indicator items have met the criteria, namely the loading factor value exceeds 0.7 and the average variance extracted (AVE) value exceeds 0.5.

**Table 2. Discriminant Validity Test Results**

Indicator	Brand Image	Customer Satisfaction	Quality of Service	Customer Loyalty
<b>BI.1</b>	<b>0.764</b>	<b>0.551</b>	<b>0.555</b>	<b>0.637</b>
BI.2	0.797	0.525	0.543	0.538
BI.3	0.880	0.652	0.574	0.634
BI.4	0.851	0.537	0.468	0.520
BI.5	0.705	0.525	0.425	0.545
CL.1	0.670	0.664	0.538	0.852
CL.2	0.671	0.664	0.577	0.864
CL.3	0.622	0.651	0.630	0.861
CL.4	0.406	0.531	0.550	0.742
CL.5	0.665	0.557	0.587	0.814

CL.6	0.543	0.638	0.584	0.866
CS.1	0.678	0.876	0.546	0.621
CS.2	0.667	0.868	0.606	0.593
CS.3	0.596	0.868	0.567	0.663
CS.4	0.460	0.780	0.617	0.615
CS.5	0.570	0.864	0.584	0.670
SQ.1	0.591	0.651	0.863	0.618
SQ.2	0.543	0.568	0.880	0.591
SQ.3	0.593	0.597	0.879	0.599
SQ.4	0.574	0.613	0.822	0.612
SQ.5	0.506	0.577	0.828	0.588
SQ.6	0.504	0.499	0.834	0.550
SQ.7	0.492	0.528	0.811	0.524

*Source: SmartPLS Output Results 2023*

The assessment of discriminant validity test is obtained through the criteria of square root score average variance extracted (AVE) greater than the correlation score of other variables below (Ghozali & Latan, 2015: 74). Furthermore, the cross loading value is greater than 0.7 (Ghozali and Latan, 2015: 74). Based on table 2, it is known that the square root score of the average variance extracted (AVE) in each construct is greater than the score between constructs contained in the model, where all indicator items can explain the construct of each variable correctly, so that the indicator item passes the discriminant validity test.

**Table 3. Composite Reliability Test**

Variable	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Brand Image	0.859	0.899	0.643
Customer Satisfaction	0.905	0.930	0.726
Quality of Service	0.933	0.946	0.715
Customer Loyalty	0.912	0.932	0.696

*Source: SmartPLS Output Results 2023*

This reliability test is used to measure consistency between items with Cronbach's alpha value above 0.6 and composite reliability through value criteria above 0.70 (Ghozali and Latan, 2015: 75). Based on table 3, it is known that the composite reliability value of all research variables > 0.7 and Cronbach Alpha > 0.6. The use of cronbach alpha is used in order to provide more precise results. These results show that each variable has met composite reliability and cronbach alpha so that it can be concluded that all variables have a high level of reliability.

**Table 4. R-Square**

Variable	R-Square	R-Square Adjusted
Brand Image	0.416	0.414
Customer Satisfaction	0.583	0.579
Customer Loyalty	0.660	0.656

*Source: SmartPLS Output Results 2023*

R-Square results of 0.67 and above have shown a large effect, results between 0.33 to 0.67 show moderate influence, and results between 0.19 to 0.33 show a weak influence. (Ghozali & Latan, 2015: 81). It is known that the R-Square value in the brand image variable is 0.414. This shows that the variable customer quality affects 41.4% of the brand image. The remaining 58.6% was explained by other variables outside the study. Then, the R-Square value on the customer satisfaction variable is 0.579. This explains that the variables of service quality and brand image affect 57.9%. The remaining 42.1% was explained by other variables outside the study. Next, the R-Square value in the customer loyalty variable is 0.656. This explains that the variables of service quality, brand image, and customer satisfaction affect 65.6%. The remaining 34.4% was explained by other variables outside the study. In this case, it is known that the R-Square results of 0.414, 0.579, and 0.656 show a moderate influence on this study.

**Table 5. Q-Square**

Variable	Q <sup>2</sup> (=1-SSE/SSO)	Information
Brand Image	0.259	Has a predictive relevance value (Medium)
Customer Satisfaction	0.416	Has predictive relevance value (Large)
Customer Loyalty	0.453	Has predictive relevance value (Large)

*Source: SmartPLS Output Results 2023*

Q-Square aims to assess how well the observation value produced using the blindfolding procedure by looking at the Q square value, where the criteria used is the Q square value > 0 then it can be said to have a good observation value, while if the Q square value is < 0 then it can be declared that the observation value is not good. Q-Square predictive relevance for structural models, measuring how well conservation values are generated by the model and also the estimation of its parameters (Ghozali & Latan, 2015). Based on table 5, it is known that the value of Q square on the dependent variable > 0. By looking at these values, it can be concluded that this study has a good observation value because the value of Q square > 0 (zero).

**Table 6. VIF**

Variable	Brand Image	Customer Satisfaction	Quality of Service	Customer Loyalty
Brand Image		1.712		2.181
Customer Satisfaction				2.396
Quality of Service	1.000	1.712		2.094
Customer Loyalty				

Source: SmartPLS Output Results 2023

The Variance Inflating Factor (VIF) test is carried out to determine whether there is a problem of multicollinearity / similarity of variances in a data. Limit the occurrence of multicollinearity symptoms if the VIF value is more than 5, if less than 5 then it is free from high multicollinearity symptoms (Hair et al., 2017). Based on table 6, Based on the above results it can be concluded that all variables have been free from the symptoms of multicollinearity because the value of VIF is less than 5.

**Table 7, Test Hypotheses**

Variable	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistik (  O/STDEV  )	P Values
Quality of Service > Brand Image	0.645	0.644	0.067	9.692	0.000
Quality of Service > Customer Satisfaction	0.399	0.398	0.058	6.876	0.000
Quality of Service > Customer Loyalty	0.246	0.249	0.073	3.352	0.001
Brand Image > Customer Satisfaction	0.442	0.442	0.064	6.903	0.000
Brand Image > Customer Loyalty	0.316	0.314	0.070	4.545	0.000
Customer Satisfaction > Customer Loyalty	0.353	0.350	0.074	4.765	0.000

Source: SmartPLS Output Results 2023

The criteria used in this hypothesis are T-Statistic which has a value greater than 1.96 and P-Value value which has a value less than 0.005. The hypothesis will be rejected if the T-Statistic has a value that is less than 1.96 and the P-Value has a value that is more than 0.005. Based on table 7, it is known that: 1), the relationship between service quality variables and brand image results in a p-value of 0.000 ( $p < 0.005$ ). This shows that service quality has a positive and significant relationship to brand image. 2), the relationship between service quality variables and customer satisfaction results in a p-value of 0.000 ( $p < 0.005$ ). This shows that service quality has a positive and significant relationship with customer satisfaction. 3), in testing the relationship between service quality variables and customer loyalty resulted in a p-value of 0.001 ( $p < 0.005$ ). This shows that service quality has a positive and significant relationship with customer loyalty. 4), testing the relationship between brand image variables and customer satisfaction produces a p-value of 0.000 ( $p < 0.005$ ). This shows that brand image has a positive and significant relationship with customer satisfaction. 5) Testing the relationship between brand image variables and customer loyalty yields a p-value of 0.000 ( $p < 0.005$ ). This shows that brand image has a positive and significant relationship with customer loyalty. 6). Testing the relationship

between customer satisfaction variables and customer loyalty resulted in a p-value of 0.000 ( $p < 0.005$ ). This shows that customer satisfaction has a positive and significant relationship with customer loyalty.

## CONCLUSION

Based on the results of the analysis and discussion that has been discussed, it can be concluded that Go Food service quality has a positive and significant effect on Go Food brand image, Go Food service quality has a positive and significant effect on Go Food customer satisfaction, Go Food service quality has a positive and significant effect on Go Food customer loyalty, Go Food brand image has a positive and significant effect on Go Food customer satisfaction, Go Food brand image has a positive and significant effect on Go Food customer loyalty, Go Food customer satisfaction has a positive and significant effect on Go Food customer loyalty.

Go Food must always fulfil its commitment to its customers, provide a quick response or response, maintain punctuality, understand consumer problems, and facilitate transaction modes, so that Go Food can manage its business in the long term. It is important for Go Food to always maintain the image of their business brand which can be done by always maintaining the quality of its services, The formation of customer satisfaction greatly affects the formation of customer loyalty, where satisfied customers will use Go Food services again in the future, making Go Food the customer's main choice in using Online Food Delivery.

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