THE INFLUENCE OF SERVICE QUALITY, PRODUCT QUALITY, AND CUSTOMER SATISFACTION TOWARDS CUSTOMER LOYALTY ON CARL'S JR. IN SURABAYA

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SURABAYA
2018

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APPROVAL PAGE

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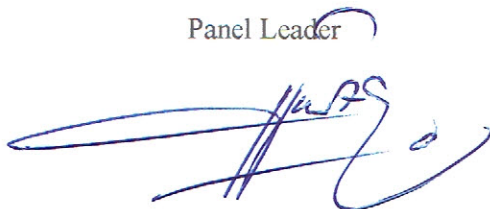Date: 9 - 7 - 2018

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FOREWORD

Praise to God Almighty for His grace and blessing so this research can be completed in time. This research is written as a requirement that must be submit to obtain Bachelor of Management degree in Faculty of Business Department of International Business Management in Widya Mandala Chatolic University Surabaya. Preparation and progress of this research will not run well without the help, guidance, and support of various parties. Therefore, the author would like to express his gratitude to:

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The author realizes that this research still has shortcomings, therefore all suggestion and criticism is expected for the improvement of this research. Hopefully this proposal can be benefits for the readers.

Surabaya, June 2018

Andri Halim

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ABSTRACT

It has been well-known that customer loyalty have been the most important success factors of business competition. To reach customer loyalty, customer satisfaction is need to be reach first because high customer satisfaction can increased the customer loyalty. Customer satisfaction also known as the extent to which customers are satisfied with their purchased goods and services. Without satisfying customer, customer can't be loyal to the company/brand and may seek for the company/brand who provides better. Therefore, this study aims to analyze the influence of service quality, product quality, and customer satisfaction towards customer loyalty.

This research is quantitative research that has five hypotheses to be tested. The number of respondent for this research takes 170 respondents, which is aged over 17, lived in Surabaya, and who already comes and eats in Carl's Jr. Surabaya. The object of research is Carl's Jr. in Surabaya. The data about respondent is collected using questionnaire distributed by researcher using non probability sampling with convenience sampling type.

Based on the results of the research and discussion using Structural Equation Modelling (SEM) by Partial Least Square (PLS) software, the result of hypothesis testing is all variables have significant and positive influence. It concluded that service quality and product quality positively and significantly influence customer satisfaction, and customer satisfaction positively influence the customer loyalty.Also the indirect effect by service quality and product quality positively and significantly influence customer loyalty through customer satisfaction.

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