

Analysis of factors influencing customer satisfaction dkriuk fried chicken serua using PLS-SEM

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Abstrak. *One of the food menus that can be eaten at every meal is fried chicken. As the fried chicken franchise culinary business grows in the Jabodetabek area, trade competition to win the hearts of consumers is getting higher. Dkriuk Fried Chicken (DFC) Serua is a fried chicken culinary business. Understanding consumer needs is very important because a culinary business needs regular customers to survive. The decrease in the chicken frying business and the existence of similar business competition around the location need to be researched. This study aimed to determine the effect of price, product, service and relationship management with customers on customer satisfaction. The analysis was carried out partially on each variable. This study conducted a correlation test between variables using the PLS-SEM approach using SmartPLS version 3. Based on the data obtained by distributing questionnaires to 76 DFC Serua consumers who came directly, the analysis of the relationship between variables was obtained. Product variables have a significant influence on customer satisfaction. Price has a significant influence on customer satisfaction. Service has no significant effect on customer satisfaction. Relationship management with customers has no significant effect on customer satisfaction.*

Keywords: *customer satisfaction, price, product quality, customer relation management, service quality*

1. Introduction

Food is a basic need for humans. One of the food menus that can be eaten at every meal is fried chicken. Currently, many culinary businesses sell processed fried chicken, both processed with yellow seasoning or flour, international scale businesses, and MSMEs. An example of a franchise trademark that is widely known by people in the Jabodetabek area is Dkriuk Fried Chicken. Apart from Dkriuk Fried Chicken (DFC), there are other trademarks that are competitors to DFC, namely Sabana, Dbesto Fried Chicken, Best Fried Chicken, and Hisana. As the culinary business of fried chicken franchises grows in the Jabodetabek area, the competition for trade to win the hearts of consumers is getting higher. Before deciding to buy a product, many considerations are made by consumers, for example, product quality, price, and promotion. To get satisfied customers according to the wishes of DFC Serua's business, it is necessary to use a strategy that creates a relationship between the business and customers, known as customer relationship management. Customer Relationship Management (CRM) has become a business capital to maintain and increase customer satisfaction to achieve long-term benefits. According to (Buttle, 2008) and (Kamath et al., 2020), Customer Relationship Management is a core strategy in business that carries out internal processes and functions with all external networks to create value for target consumers profitably. Customer Relationship Management is supported by quality data and information technology.

Based on the data in Figure 1 obtained from the owner of DFC Serua, the number of large and small chicken fryers decreased in August and September 2021. Big chicken refers to pieces of chicken in the breast and upper thighs, while small chicken refers to pieces of chicken in the wings and lower thighs. The cause of the decline was due to the small pieces of chicken obtained by the partners from the stockist, on the other hand, the price of chicken raw materials at the chicken slaughterhouses also increased. A decrease in product quality will result in a decrease in sales. Competition with similar culinary businesses is quite fierce around the DFC Serua location there are already 8 brands of fried chicken businesses. Sales data for DFC Serua fried chicken for June-November can be seen in Figure 1.

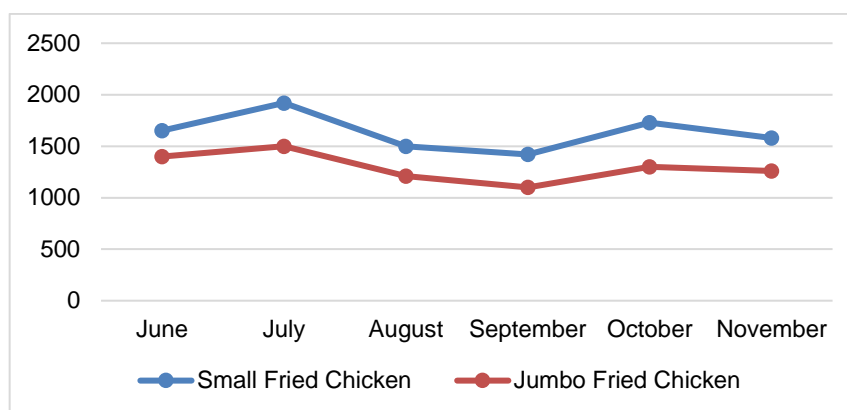


Figure 1 June-November 2021 Chicken Sales

Understanding consumer needs is very important because a culinary business needs regular customers to survive. The customer advantage is that they have more choices and options. Customers can choose the one that suits them. To continue to grow, DFC Serua's businesses must ensure that they understand how to satisfy consumers and ultimately lead them to be loyal. This research will focus on the factors that cause customer satisfaction, namely service quality, product quality, price, and CRM. One of the dimensions that influence consumer satisfaction is the marketing mix (Hutabarat, 2022). This is because the marketing strategy serves as the basis for the marketing strategy and sales of services. The purpose of this study was to determine the effect of price, product, service and relationship management with customers on customer satisfaction. The analysis was carried out partially on each variable.

2. Methods

This study used questionnaire data that was asked directly to buyers who came to the DFC Serua shop by using the Google form that had been prepared on DFC Serua's smartphone. Data collection was carried out during the December 2021 period reaching 76 customers. Next, data analysis uses PLS-SEM using SmartPLS version 3. This research uses probability sampling technique. Questionnaire questions refer to Table 1 obtained from previous research. Questionnaire answers using a Likert scale with ratings of 5 (strongly agree), 4 (agree), 3 (neutral), 2 (disagree), and 1 (strongly disagree) (Asih et al., 2022).

Table 1 Operational of variable

Variable	Indicator
Service, (Tjiptono, 2012)	Responsiveness - S1 Assurance - S2 Empathy - S3 Tangibles - S4
Product, (Philip Kotler & Kevin Lane Keller, 2009)	Ease of Access Menus - P1 Type Diversity - P2 Product Size - P3 Flavour - P4
Price, (Kotler, 2008)	Price Conformity with Product Quality – Pr1 Price Competitiveness – Pr2 Price Compatibility with Benefits – Pr3
Customer Relationship Management (William G. Zikmund, Raymond McLeod, Jr., 2002)	Trust – CRM1 Communication – CRM2 Commitment – CRM3
Customer Satisfaction, (Kotler, 2008)	Realiability – CS1 Quality – CS2 Price Affordability – CS3

An overview of the main variables of customer satisfaction, which are most often used by previous research to assess the quality, product, price, and CRM of the food industry, is summarized in Table 2.

Table 2 Study Literature

No	Authors	Variable
1	(Shamsudin et al., 2020)	Service quality, customer satisfaction and customer loyalty
2	(Komalawati & Ariftio, 2021)	Customer relations, financial technology media, and customer satisfaction.
3	(Hutabarat, 2022)	Product, price, promotion, place, people, physical evidence, process, customer satisfaction and customer loyalty
4	(Imaobong & Oladele Kehinde, 2020)	Product quality, customer satisfaction
5	(Zhafirah et al., 2021)	Perceived price, perceived product quality, customer relationship management, customer satisfaction
6	(Ghazi Mahafzah et al., 2020)	Customer relationship management, employee satisfaction, food and beverage service quality
7	(Ghosh, 2020)	Quality of food, customer service, price, time, delivery, service quality, payment
8	(Suchánek et al., 2017)	Customer requirements, customer satisfaction, product quality
9	(Mohamed & Daud, 2012)	Religious sensitivity, health threats, information disclosure, cultural uncertainty, brand perception, brand trust
10	(Quoquab et al., 2020)	Halal logo, perceived reputation, trust, customer loyalty
11	(Namin, 2017)	Service quality, food quality, and price-value ratio, satisfaction, behavioral intention
12	(Hendra et al., 2022)	Quality, price, satisfaction, consumer loyalty

The relationship between price, service, product and customer relationship management which has an impact on customer satisfaction in the culinary industry, a conceptual model was created. This model is analyzed by partial relationship. The conceptual model can be seen in [Figure 2](#).

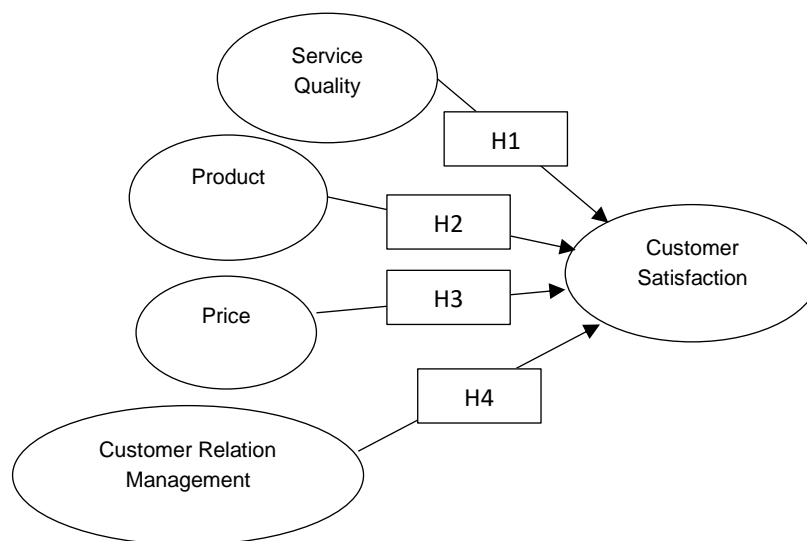


Figure 2 Conceptual Model

Hypothesis

- H1: The effect of service quality on customer satisfaction
- H2: The effect of product on customer satisfaction
- H3: The effect of price on customer satisfaction
- H4: The effect of customer relationship management on customer satisfaction

3. Result and Discussion

The initial stage was a brief description of the demographic attributes of the respondents regarding age, gender and occupation (Atikno et al., 2022; Sjarifudin et al., 2023). Full details of the respondent's profile are listed in [Table 3](#).

Table 3 Respondent Demographics

Atribut	Parameter	(%)
Gender	Male	41
	Female	59
Age	10-19	12
	20-29	35
	30-39	35
	40-49	18
Type of work	Student	18
	Private	53
	Entrepreneur	6
	Housewife	24
	State Civil Apparatus	0

The variance-based PLS-SEM approach was adopted, because it can handle both types of measurement models (reflective and formative models) involved in the model proposed in this study. In addition, the choice of this PLS-SEM was made based on its ability to estimate causal relationships among all latent constructs simultaneously. The measurement model is evaluated separately before the evaluation of the structural model. Furthermore, to ensure data quality and structural model consistency, data filtering for missing values is also carried out along with other validity and reliability checks before carrying out PLS-SEM analysis.

Validity test and reliability test are the first steps taken in PLS to test the outer model. The validity test in PLS is calculated using convergent validity and discriminant validity. An indicator is said to be valid if it has an outer loading value > 0.5 and has the largest cross loading value on the variable. The reliability test was carried out using composite reliability, where data is said to be reliable if it has a composite reliability value of >0.7. Initial calculations using Smart PLS can be seen in [Figure 3](#).

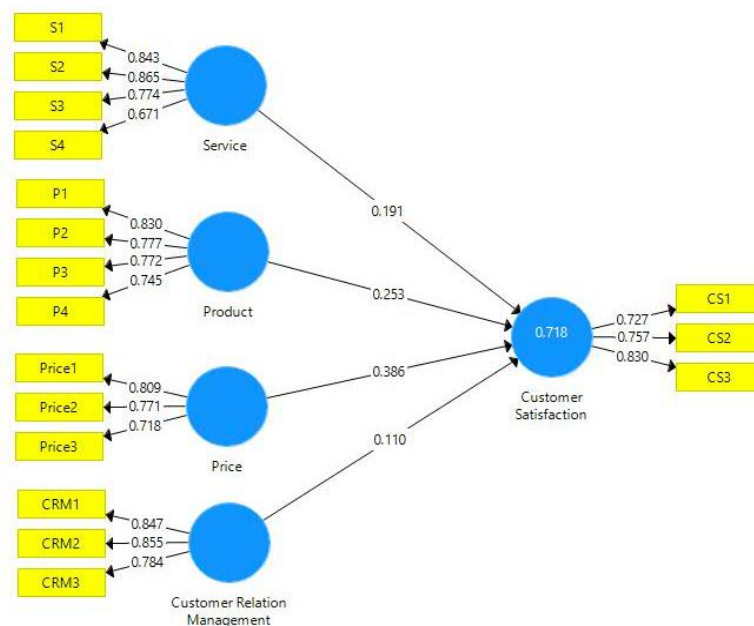


Figure 3 Initial Convergent Validity

Initial calculations using Smart PLS obtained data according to Figure 3. There is a number 0.671 on the S4 indicator, namely Physical Evidence (tangibles) which has no significant effect on the service variable can be seen in [Table 4](#). This explains that a value below 0.7 is not ideal as a closeness between variables and their indicators. The S4 indicator will be excluded from the model because it is not a measuring tool that corresponds to product variables and customer satisfaction.

Table 4 Outer Loadings

	CRM	CS	Price	Product	Service
CRM1	0.847				
CRM2	0.855				
CRM3	0.784				
CS1		0.727			
CS2		0.757			
CS3		0.830			
P1				0.830	
P2				0.777	
P3				0.772	
P4				0.745	
Price1			0.809		
Price2			0.771		
Price3			0.718		
S1					0.843
S2					0.865
S3					0.774
S4					0.671

After recalculating by removing the S4 indicator, the results of the outer model and inner model are obtained in Figure 4. The composite reliability value for all indicators is above 0.7, which means that the indicator has a significant influence on the variable.

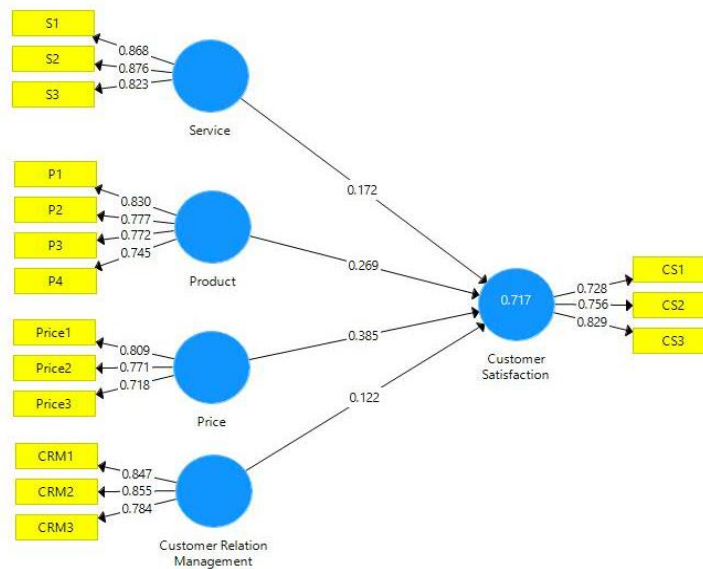


Figure 4 Second Convergent Validity Results

Table 5 Second Outer Loadings

	CRM	CS	Price	Product	Service
CRM1	0.847				
CRM2	0.855				
CRM3	0.784				
CS1		0.728			
CS2		0.756			
CS3		0.829			
P1				0.830	
P2				0.777	
P3				0.772	
P4				0.745	
Price1			0.809		
Price2			0.771		
Price3			0.718		
S1					0.868
S2					0.876
S3					0.823

Table 5 shows that there are no numbers below 0.7, this explains that a value above 0.7 is ideal as a relationship between variables and their indicators. The loading value of each latent variable has a higher loading value on its own structure, so that it can be said that all indicators in the study can be declared valid and feasible.

The validity test in PLS is calculated using discriminant validity, the results are obtained in Table 6. If the Discriminant validity score is > 0.7, the variable is still discriminantly valid, namely the CRM and Price variables. As for the variable customer satisfaction, product and service, it has a value below 0.7, which means it is not too strong compared to other variables. The results of the validity test can be seen in Table 6.

Table 6 Discriminat Validity

	Customer Relationship Management	Customer Satisfaction	Price	Product	Service
Customer Relationship Management	0,829				
Customer Satisfaction	0,690	0,772			
Price	0,724	0,807	0,767		
Product	0,655	0,753	0,775	0,782	
Service	0,657	0,697	0,727	0,614	0,856

Apart from using outer loading, we can look at the Average Variance Extracted (AVE) to test the validity of the convergence. AVE is declared valid if a good value is > 0.5. Indicators to measure the variables used are appropriate measuring tools. The results of calculations using Smart PLS obtained the results of the AVE values on the indicators listed in Figure 5 and Table 7.

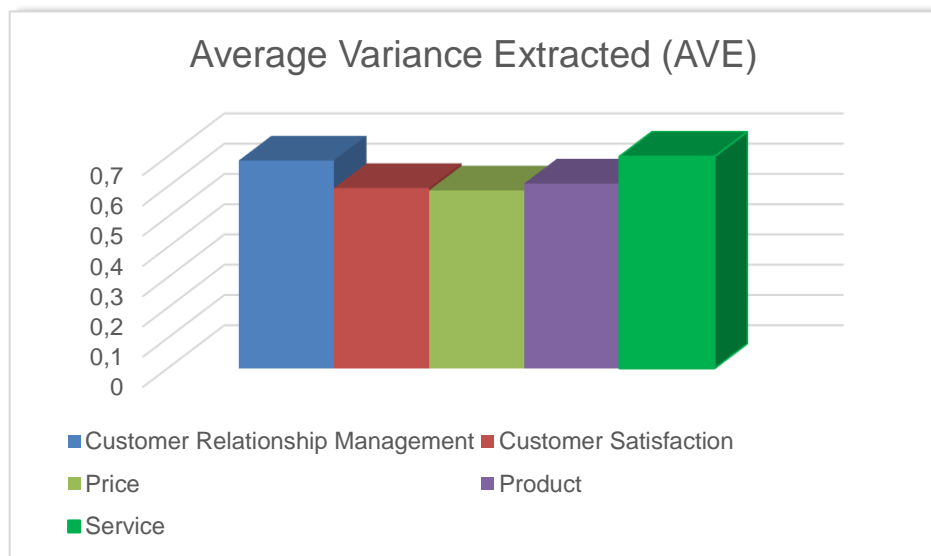


Figure 5 Graphic of Average Variance Extracted (AVE)

Table 7 Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer Relationship Management	0,772	0,772	0,868	0,687
Customer Satisfaction	0,660	0,664	0,815	0,596
Price	0,651	0,662	0,810	0,588
Product	0,787	0,788	0,863	0,611
Service	0,817	0,819	0,891	0,733

Test the Hypothesis of the Relationship Between Variables

The next process is by bootstrapping which is processed with SmartPLS on the outer model test, the results are obtained according to Figure 7 and Table 8. Figure 7 explains the results of the T value which shows the variables with their indicators. The greater the T Value, the more dominant the indicator is in measuring the variable. Assurance indicator - S2 most influences the service variable. Ease of menu access indicator - P1 has the most influence on product variables. Price conformity indicator with product quality (price1) most influences the price variable. The trust indicator (CRM1) most influences the customer relation management variable. The price affordability indicator (CS3) most influences the customer satisfaction variable. The convergent validity after bootstrapping can be seen in Figure 7.

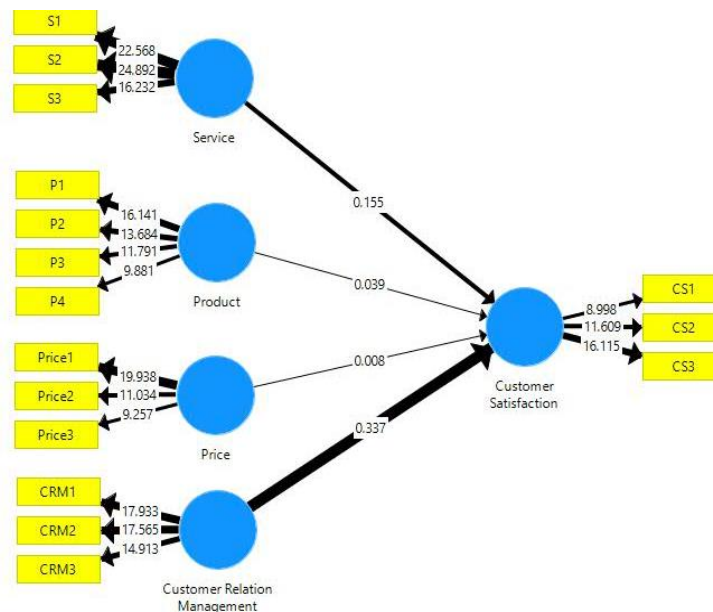


Figure 7 Convergent Validity After Bootstrapping

The results of P-Values according to Table 8 obtained a value of <0.05. This explains that the price and product variables affect customer satisfaction. The CRM and Service variables do not sufficiently influence the customer satisfaction variable because the results obtained are P values > 0.05 with a CRM value of 0.337 and Service 0.155.

Table 8 The Result of P-Values

	Original Sample	Sample Mean	Standar Deviasi	T Statistic	P Values
Customer Relationship Management -> Customer Satisfaction	0,122	0,11	0,127	0,961	0,337
Price -> Customer Satisfaction	0,385	0,375	0,144	2,671	0,008
Product -> Customer Satisfaction	0,269	0,277	0,13	2,066	0,039
Service -> Customer Satisfaction	0,172	0,193	0,121	1,424	0,155

The original sample results or regression coefficients show a positive value, which means that the CRM and Service variables have a positive effect on customer satisfaction variables. Price and Product variables have a positive and significant effect on customer satisfaction variables because the T Statistics is greater than T Table at alpha 0.05 which is 1.96 and P Values are less than 0.05. The main priority that affects customer satisfaction is the price (price) with a value of 0.008.

The Effect of Service on Customer Satisfaction

Based on the results of the hypothesis test in Table 8 referring to the conceptual model, it can be seen from the T-statistic value of 1.424 which is smaller than the T-table value (1.96) that service quality has no significant effect on customer satisfaction, so H1 (service) is rejected. This shows that the quality of DFC Serua's sales service must be improved because it does not make customers

satisfied. This is in line with previous research (Rameli & Kempa, 2021) because customers have different perceptions in assessing good or poor service quality.

Effect of Products on Customer Satisfaction

Based on the results of the hypothesis test in Table 8 referring to the conceptual model, it can be seen from the T-Statistic value of 2.066 which is greater than the T-Table value (1.96), that the product has a significant effect on customer satisfaction, so that H2 (Product) is accepted. This means that the products sold by DFC Serua must maintain their taste and quantity. We can see the variety of the menu provided, and customer satisfaction will increase. These results are in line with previous research (Napitupulu, 2019) that product quality has a positive and significant effect on PT. Ramayana Sentosa Restaurant.

Effect of Price on Customer Satisfaction

Based on the results of the hypothesis test in Table 8 referring to the conceptual model, it can be seen from the T-Statistics value of 2.671 which is greater than the T-Table value (1.96) that the product has a significant effect on consumer satisfaction, so that H3 (Price) is accepted. This shows that the selling price of DFC Serua must be maintained, because in the area near the DFC Serua Store, competition for similar sales is quite tight. Price and product suitability factors as well as conformity with the benefits obtained by customers need to be increased, so as to increase customer satisfaction. This result is in line with previous research (Napitupulu, 2019) that price has a positive and significant effect on customer satisfaction at PT. Ramayana Sentosa Restaurant.

The Effect of CRM on Customer Satisfaction

Based on the results of the hypothesis test in Table 8 referring to the conceptual model, it can be seen from the T-Statistics value of 0.961 which is smaller than the T-Table (1.96) that CRM has no significant effect on customer satisfaction, so H4 (CRM) is rejected. This shows that the DFC Serua Store has not implemented CRM properly so that customers feel they are paying attention and buying the products being sold. This is in line with previous studies (Smith & Chang, 2010) because the majority of the products sold around DFC Seru stores are the same, so customers have many alternatives.

4. Conclusions and Suggestion

Based on the data obtained by distributing questionnaires to 76 consumers of Dkriuk Fried Chicken (DFC) Serua, data analysis was then carried out using PLS-SEM. Product variables have a significant influence on customer satisfaction. Price has a significant influence on customer satisfaction. Service has no significant effect on customer satisfaction. Relationship management with customers has no significant effect on customer satisfaction. Competition in the culinary field of fried chicken in the red ocean business area is very tight. The impact of Covid-19 prompted DFC Serua's business to find ways to survive by attracting customers. Prices and products that have been determined by the central DFC have a significant influence to be maintained in the future. For service and CRM variables must be further improved by implementing strategies to increase customer satisfaction.

Suggestions for further research are to conduct research by adding customer loyalty variables or the relationship between price, product, service and CRM variables that directly affect customer loyalty. The customer loyalty variable is used as a tool to defend existing customers with various criteria from the DFC Serua business.

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