THE EFFECT OF 9P AND *BRAND IMAGE* ON LOYALTY USING *THE STRUCTURAL EQUATION MODELLING* (SEM) METHOD OF PLS AND SATISFACTION BECOMES AN INTERVENING VARIABLE

Elpawati[1], Puspi Eko Wiranthi[2] ,Puji Rahmawati[3]

[1,2,3] Department of Agribusiness, Faculty of Sains, and Technology, UIN Syarif Hidayatullah Jakarta

Email: pujirahmawatii56@gmail.com

Corresponding Author

ABSTRACT

This study was conducted to determine and analyze the level of satisfaction and loyalty of Oppa Galbi Lebak Bulus restaurants and the influence of marketing mix and brand image on consumer satisfaction and loyalty. This study used primary data and secondary data. The primary data in the study is data taken based on consumer responses and the results of direct interviews with the owner. Secondary data from this study were obtained from previous studies, that is, the literature is related to related research. The sampling technique in this study was *purposive sampling* with a total of 100 respondents. The analytical tool used is *Structural Equation Modelling (SEM)-* (PLS). The results of this study showed the average level of satisfaction, the highest value was in the willingness to recommend sub-variable which had a value of 4.09 in the satisfied category. The results of the calculation of the average loyalty level of the highest value are found in the sub-variable which reflects having a value of 4.17 in the loyal category. The results of this study show that the variables of marketing mix and brand image towards satisfaction and loyalty have a significant effect.

Keyword: *Marketing Mix; Brand Image; Customer Satisfaction; Customer Loyalty; SEM-PLS.*

INTRODUCTION

An innovation that companies need to do to attract consumers is an innovation that offers the concept of grille and *All You Can Eat.* The concept of this grill restaurant in Indonesia reflects Korean culture. This can be a promising opportunity for businesspeople to open a business in the field of grill restaurants in Indonesia, especially in Jakarta. Korean Restaurant Oppa Galbi is an example of a restaurant in Jakarta by offering a grill or grilling concept and the Concept of *All You Can Eat.* Consumer satisfaction will be the key to success, not only in the short term, but a sustainable competitive advantage in the culinary business. Having a satisfied consumer base is the same as obtaining certainty of future income. Because satisfied consumers are expected to continue to make transactions in the future or loyal consumers.

A marketing strategy that involves and considers the entire marketing mix that is closely interrelated with each other is needed. To answer these problems, the author conducted a study to test the close relationship between the marketing mix and brand image to consumer satisfaction and loyalty at the Korean Grill Oppa Galbi Karang Tengah Restaurant, Lebak Bulus.

Based on this background, the formulation of the problem to be studied is (1) how the level of customer satisfaction and loyality at the Korean Grill restaurant Oppa Galbi? (2) how is the influence of the 9P marketing mix variables and brand image on customor satisfaction and loyalty at Korean Resto Oppa Galbi Grill?

RESEARCH METHODS

Research Location and Time
The research was conducted at the Korean grill Restaurant Oppa Galbi, Karang Tengah, Lebak Bulus. April-May 2020.

Date Type and Sources
The types of data used are qualitative and quantitative data. Sources of data used are primary data and secondary data. Primary data comes from research questionnaires with Likert scale research. Secondary data was obtained from related literacy about research.

Data analysis
The analysis in this study uses the Structural Equation Modeling method with the Partial Least Square (SEM - PLS) approach. Partial Least Square (PLS) is part of SEM where PLS is a new technique that is in great demand because in its implementation the SEM-PLS analysis is soft modeling because it does not assume data with a specific measurement scale (Ghazali, 2008).
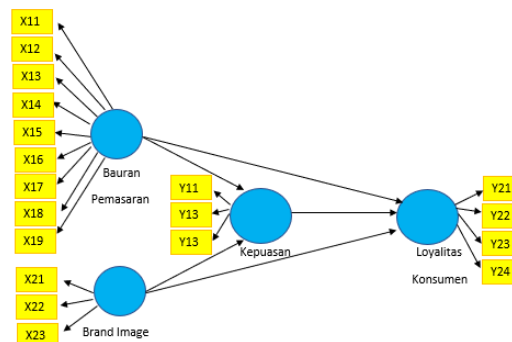

Figure 1. *Modelling Partical Least Square*
Source: 2020 Research Data (processed)

The hypothesis proposed in this study is as follows:
1. There is an influence between the marketing mix and customer satisfaction.
2. There is an influence between the marketing mix and customer loyalty.
3. There is an influence between brand image and customer satisfaction.
4. There is an influence between brand image and customer loyalty.
5. There is an influence between satisfaction and customer loyalty.
6. There is an influence between the marketing mix on customer satisfaction and loyalty.
7. There is an influence between a brand image on customer satisfaction and loyalty.

RESULTS AND DISCUSSION

The calculation results with Excel 2016 resulted from the satisfaction level analysis, namely the indicator of the suitability of expectations getting a result of 4.05, the indicator of interest in visiting again by 4.05, and the indicator of willingness to recommend 4.09. As for the loyalty level, the recurring purchase indicator was 3.84, the indicator showed immunity to pull from competitors by 3.35, the indicator referred to others by 4.17 in the loyal category and the buying indicator between product lines was 3.90.

Uji *Partial Least Square* (PLS)

Hypothesis testing using *Partial Least Square* (PLS) analysis techniques with the smartPLS 3.0 program. The following are some of the PLS program models tested:
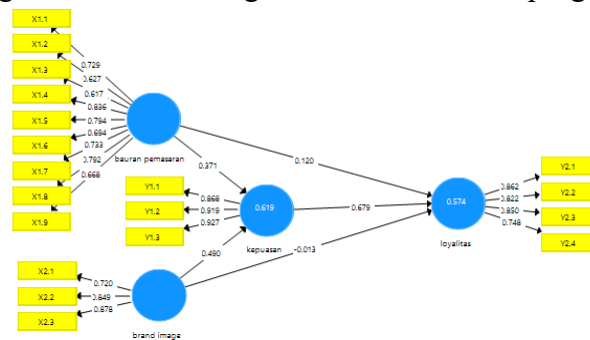

Figure 2. Model SEM-PLS
Source: Data processed with Smart PLS (2002)

The tests in SEM PLS are:
Outer Model Evaluation

The evaluation of the outer model consists of a convergent validity test and *a discriminant* validity test and a reability test. The results of convergent validity can be seen from the results of the calculation of factor loading on bootstrapping at a value of >0.5. This value means that the indicators of the variables of the marketing mix, *brand image*, satisfaction, and loyalty are valid. As for the Outer *Loading* results, which have the lowest value of 0.617 and the highest is 0.927. The highest AVE value is on the satisfaction construct and the lowest on the marketing mix construct. This construct value meets *the discriminant validity* test and is declared good validity.

The marketing mix has *composite reability* of 0.908 and *Cronbach alpha* of 0.886, the *brand image* of 0.858 and 0.751, satisfaction of 0.932 and 0.889, and loyalty of 0.892 and 0.839. A composite reability qualifies above 0.7 so all constructs in this study are reliabel.

Inner Model Evaluation

Evaluation of *the inner* model looks at the value of R-Square *adjusted* (R^2), *Q-Square* test, GoF test, and hypothesis test. The R^2 value, namely the satisfaction variable has a value of 0.619 and the loyalty variable has a value of 0.574, while for adjusted R^2 satisfaction has a value of 0.616 and loyalty has 0.561. The results of the *Q-Square* test showed that the marketing mix and *brand image* (not appearing in the table) were able to explain the *variability* of the satisfaction contract with a Q2 value of 0.473. Similarly, the construct of the marketing mix and *brand image* can explain the *variability* of the Q2 value loyalty contract of 0.346. Based on the calculations Gof has a value of 0.627. The Gof value is classified as a Large Gof which has a valid meaning and has a large and good performance.

Table 1. Path Coefficient Results

Hypothesis	Hypothesis	Original Sample (O)	T-Statistic	P-Value	Influence
Marketing Mix -> Satisfaction	H1	0.371	4.350	0.000	Significant Positives
Marketing Mix -> Loyalty	H2	0.120	1.082	0.280	No Insignificant Effect
Brand Image -> Satisfaction	H3	0.490	5.816	0.000	Significant Positives
Brand Image -> Loyalty	H4	-0.013	0.126	0.899	No Significant Effect
Satisfaction - loyalty >	H5	0.679	6.246	0.000	Significant Positives
Indirect Influence					
Marketing Mix -> Satisfaction -> Loyalty	H6	0.252	3.250	0.001	Significant Positives
Brand Image -> Satisfaction -> Loyalty	H7	0.333	4.233	0.000	Significant Positives

Source : Processed data.

CONCLUSIONS AND SUGGESTION

Based on the results and discussion of the study, it can be concluded that (1) the result of calculating the average level of satisfaction, the highest value is found in the sub-variable of willingness to recommend having a value of 4.09 with a satisfied category. (2) The result of calculating the average level of loyalty, the highest value is found in the sub-variable referring to others has a value of 4.17 with the loyal category the *result of the path coefficient*, the path from marketing mix to loyalty through satisfaction or X1-Y1-Y2 has a value of 0.252 and a P *value* of 0.001 which means <0.05. Similarly, the variable *brand image* to loyalty through satisfaction or X2-Y1-Y2 has a value of 0.333 and a P value of 0.000 which means <0.05, this means that Y1 mediates the influence of X2 on Y2.

Based on the results and discussion of the research, it can be suggested (1) Oppa Galbi restaurant must improvei its *brand image* to consumers and potential consumers who will buy Oppa Galbi products, one of which is by expanding social media for promotion. (2) Companies must be better able to improve service, facilities, and product quality so that consumer expectations can improve product quality.

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