

THE ANALYSIS OF FACTORS AFFECTING CUSTOMER LOYALTY AT MC DONALD'S

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Abstract: This study analyzes the factors that influence customer loyalty at Mc Donald's in Semarang. The research objective was formulated in order to gather the answer on the groove that affects customer loyalty. This study involves the product quality, service quality and customer satisfaction as the antecedent variables and customer loyalty and incorporate variety seeking needs factor as factors that moderates the relationship between customer satisfaction and customer loyalty by using Moderated Structural Equation Model (MSEM). Data analysis was done through a computer program called as Amos 16.0 The research finding showed that the quality of products and service quality has a positive impact on customer satisfaction; customer satisfaction has positive influence on customer loyalty. Further research showed that variety seeking needs is proven to moderate the relationship between customer satisfaction to customer loyalty. Results of this study can be recommended as an input for management in terms on increasing customer loyalty.

Keywords: Product Quality, Service Quality, Customer Satisfaction, Variety Seeking Needs, Customer Loyalty.

INTRODUCTION

Business franchise for fast food from time to time has a significant growth, it is in line with what has been expressed by the chairman of the Indonesian Franchise Association (AFI) Anang Sukandar that the franchise from Malaysia, in 2012 which entered Indonesia would be 100 brands, the majority is engaged in food such as fried chicken and fast-food restaurants (*www. Franchisewaralaba.com*). Fast food restaurant franchise business is a business that has a good prospect in Indonesia because of large number of Indonesian population itself which reached 240 millions by the end of 2011 (*www.inilah.com*), it is a good opportunity to market food and beverage products which are consumptive goods.

Business prospects for fast-food restaurants franchises is good and has created increasing competition, due to the increasing number of foreign franchises to invest in Indonesia. The phenomenon is challenge for a franchise business to maintain

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customer loyalty, the loyalty of a business will be able to survive, because loyalty is a positive attitude of customers on particular brand, which is committed to the brand and would like to continue to buy or use them in future forthcoming (Mowen & Minor, 2002).

Customer loyalty can be built by increasing satisfaction, with expected customer satisfaction are willing to make repeat purchases and will make recommendation to others. Lupioadi (2001) stated that satisfaction is a reaction on the behavior of customers after purchase that has already bought. Customer satisfaction influence the decision to re-purchase that are constantly on the same services and be able to influence other customers or outsiders to participate in the purchase of such service.

A satisfaction created by the presence of good quality given in the form of product quality and service quality, Tjiptono (2006) stated that customer satisfaction can be defined as the customer's attitude that is how many degrees of fondness and dislike the service ever felt. It means that the quality of service also has an important role to maintain customer loyalty through satisfaction caused. So many fast-food restaurants that is so aggressive in improving its quality in order to create satisfaction, which in turn can create customer loyalty.

However, in reality, satisfaction is not always create customer loyalty, satisfied customers do not always recommend the satisfaction received after consuming a service goods or services to others, recommendation which become one indication of customer loyalty to the product is consumed. (Tjiptono, 2001) explained that the dimensions of loyalty built by indicators such as recommend to others; do not move; and make repeat purchase.

In Indonesia, there are fast -food restaurants franchises that are known as the big players such as Hoka-Hoka Bento, KFC and Mc Donald's, each franchise has the advantage of its products in order to survive in the competition, Hoka-Hoka Bento with japanese cuisine, KFC with its fried chicken, Mc Donald's with its hamburgers. Although Haoka-Hoka Bento provides Japanese food that is relatively far different from the food provided by KFC and Mc Donald's, but all those three franchises are major competitors, all those three are equally provide heavy foods and alike have a place in the hearts of customers, so that each franchise trying to make customers satisfied with their superiority strategies.

Bear in mind, keep customers satisfied and loyal are not an easy thing, as demonstrated by the behavior of the customer at Mc Donald's feel most satisfaction, but has not been matched by their loyalty in this case. It can be seen from the data in table 1 as follows:

Table 1
Fast Food Restaurant Net Promoter & Emotion Score 2011

<i>Branch</i>	<i>Detractor</i>	<i>Passive</i>	<i>Promoter</i>	<i>NPS 2011</i>	<i>Emotion Score</i>
Hoka Hoka Bento	22,2%	50,5%	27,2%	5,0%	21,373
KFC	29,7%	37,0%	33,3%	3,6%	21,178
Mc Donald's	11,9%	79,4%	8,7%	-3,2%	21,441
Total Category	12,8%	77,7%	9,5%	-3,3%	21,390

Source: swa 23/xxvii/27 oktober-9 november 2011

From the above table, it can be seen that the value of Mc Donald's emotion score is equal to 21.441 occupying the highest score when compared with emotion scores of other fast food restaurants. Emotion score is the emotional value of a customer over the response to his experience in consuming a good or service. Customers who feel the treatment is above their expectations, then the emotions are positive emotions such as happy, safe, cared, cherished, pampered, and others. In other words, customers have experienced satisfaction.

The highest emotion score is obtained by Mc Donald's shows that Mc Donald's is better able to make customers feel satisfied with the services that provides, compared to the fast food restaurant the other, so as to obtain the title as the customer experience leader, the title is given to the brand with emotion highest score on each category, in this case is the category for fast-food restaurants.

In addition, from the table, it can also be seen that Mc Donald's has the highest passive customers compared to the passive customers who owned other fast-food restaurants in the amount of 79,4%. Passive customer is a customer who responds to his experience of the Mc Donald's with a sense of satisfaction, but they were not willing to recommend to others, it reflects that the vast majority of Mc Donald's customers are satisfied but not loyal.

Sumardi, Head of Consultant at Hachiko Net Promoter Score Solution, said that consumers who are just satisfied would not recommend to others because of the satisfaction they have are new in accordance with the standards, in contrast to consumers are very satisfied that an experience that is relevant to what is expected, then they will e voluntarily spend more money, buy more often and even they are willing to share their experiences with others, this is in line with the opinion of Chandrasekaran *et al.*, (2007) who stated that a high satisfaction will play an important role in making the customer satisfied to then loyal.

From the table is also known that Mc Donald's has a negative NPS amounted -3.2% which means that the number of customers who make recommendation (promoter) is smaller in number than the number of customers who denounce Mc Donald's (detractor), NPS (Net Promoter Score) is the value obtained from a

reduction in the number of customers who make recommendation (promoter) by the number of customers who do reproach (detractor) to Mc Donald's.

It reflects that there is still at least loyal customers of Mc Donald's, it could be a threat for Mc Donald's, because if the company is too focused on finding new customers and how to make existing customers merely satisfied without too focused on customer loyalty can make customers quickly moved if one day there is a little problem, because keeping customers tend to be more difficult than searching for new customers, so that loyalty is a major component for the growth of a business.

The increase in customer satisfaction is not always followed by an increase in the degree of customer loyalty or the same value, in addition to the increase in customer satisfaction is not always followed by an increase in customer loyalty. The relationship between customer satisfaction and loyalty is unclear. Dong et al (2011) research results on the form of the functional relationship between satisfaction and loyalty mentioned that influence customer satisfaction on loyalty is not always linear in all the circumstances, the functional form of the effect of satisfaction on loyalty varies across segments in each category of product and economic variables and customer demographics, namely in the form of linear, quadratic and cubic.

Meanwhile, the research conducted by Seiders et al (2005) states that the functional form of customer satisfaction on loyalty is linear for categories of products, the character of the market, economic and demographic variables as moderation factors for customers. The gap of the research can be concluded that the factors that lead to loyal customers' satisfaction then is unclear.

Meanwhile (Junaidi & Dharmmesta, 2002) suggested that the relationship between the dissatisfaction of customers with brand switching reinforced by moderating variables that variety seeking needs / requirements seek variety, it can be concluded that the relationship between customer satisfaction and loyalty strengthened or weakened by the size seeking variety of existing customer needs, due to brand switching is one indication of the lack of customer loyalty.

Levels of satisfaction tend to be negative (not contented) will increasingly make customers loyal to the factors variety seeking needs as dimensions of moderation and customers are increasingly satisfied / has a high level of satisfaction to be able to remain loyal subject to the influence of the size of the variety-seeking needs in moderating the relationship between loyalty and satisfaction.

In addition, (Homburg and Giering, 2001) on the influence of variety-seeking research in moderating satisfaction to loyalty in the car industry say that the age, gender, income, environment different customers is an important factor the

emergence of variety seeking, the relationship between satisfaction and loyalty will weak if the customer has a strong incentive to make variations.

Variety seeking is associated with marketing studies and exploratory purchase such as brand switching behavior and behavioral innovation. Variety seeking is seen as a manifestation of the desire of customers to explore (Raju, 1980), and the exploration of purchase behavior is used to measure a person's tendency to search variations. Variety seeking explanations derived from behavioral theory in the literature psychology (Berlyne, 1960; Zuckerman, 1979; Degeratu, 1999) from the standpoint of psychology produced the theory that variety seeking source is an internal need for stimulation.

Some studies say that stimulation (in the form of complexity, arousal and so on) is below the ideal level, the individual becomes saturated and tried to further generate input stimulation through behaviors such as novelty seeking and exploration. Conversely when the stimulation increased to exceed the ideal level, the individual will try to reduce the stimulation input. Several studies are attempting to link the relationship between the level of stimulation seeking optimal with variety found that individuals who have a high for stimulation will be more motivated to seek a variation of the individuals who have needs low stimulation (Baumgartner & Steenkampi, 1996).

Problem Formulation

Based on the business phenomenon, Mc Donald's a fast food restaurant which in 2011 received a designation as leader customer experience / highest emotion score. Emotion value of Mc Donald's score is equal to 21.441 occupying the highest score when compared with emotion scores of other fast food restaurants.

Emotion score is the emotional value of a customer over the response to his experience in consuming a good or service, customers feel that the treatment was well above expectations, then the emotions are positive emotions like a happy, safe, cared for, cherished, pampered, and others the other, in other words, customers have experienced satisfaction.

The highest emotion score that is obtained by Mc Donald's shows that Mc Donald's is better able to make customers feel satisfied with the service rendered from the fast food restaurant the other so as to obtain the title as the customer experience leader, the title given to the brand with emotion highest score on each category, in this case, it is the category for fast-food restaurants. Hence, Mc Donald's also has the most passive customers compared with customers passive owned by other fast-food restaurants in the amount of 79.4%, with a sense of satisfaction, but they were not willing to recommend to others, this reflects that most of the customers Mc Donald's satisfied but not loyal.

In addition, Mc Donald's also has a negative NPS amounted -3.2%, which means that the number of customers who make recommendation (promoter) is smaller in number than the number of customers who denounce Mc Donald's (detractor), NPS (Net Promoter Score) is the value obtained from a reduction in the number of customers who make recommendation (promoter) by the number of customers who do reproach (detractor) to Mc Donald's, so that it reflects that still less customers of Mc Donald's is loyal.

As well as the research gap that is presented by Dong *et al.* (2011) & Seider, *et al.* (2005). Dong *et al.* (2011) on his research result on the form or the functional relationship between satisfaction and loyalty mentioned that influence customer satisfaction on loyalty is not always linear in all the circumstances, the functional form of the effect of satisfaction on loyalty varies across segments in each category of product and economic variables and customer demographics, namely in the form of linear, quadratic and public.

Meanwhile, the research conducted by Seiders *et al.* (2005) states that the functional form of customer satisfaction to loyalty is linear for categories of products, the character of the market, economic variables and demographic customer as a factor of moderation, of research that gap can be concluded that the factors cause loyal customers are satisfied then it is not yet clear, and the need for further studies.

The formulation of the research problem is what kind of factors that can increase customer loyalty of Mc Donald's. The research questions that can be taken are: What is the influence of product quality on customer satisfaction?, What is the effect of service quality on customer satisfaction?, What is the influence variety-seeking need as a moderating variable relationship between customer satisfaction on customer loyalty? What is the effect of customer satisfaction on customer loyalty?

LITERATURE REVIEW

Loyalty

Customer loyalty reflects the intention to behave (intended behavior) with regard to a product or service. Intention to behave here includes the possibility of future purchase or renewal of a contract of service or otherwise, how likely customers will switch to the service provider or other brands (Selnes, 1993). Meanwhile, according to Mowen and Minor (2002) is a positive attitude customer loyalty to a particular brand, committed to the brand and would like to continue to buy or use them in the future. Oliver (1999) define customer loyalty to a state where there is a commitment to a state where there is a strong commitment in the purchase and reuse of goods and services companies.

Customer Satisfaction

Customer satisfaction has become a central concept in the discourse of business and management. We can be sure that the business organization and non-competing business launched as one of the strategic goals in creating customer satisfaction. (Lupioadi, 2001) stated that satisfaction is a reaction on the behavior of customers after purchase what is already bought. Customer satisfaction also effect the decision to repurchase or purchases that are constantly on the same services and be able to influence other customers or outsiders to participate in the purchase of such services.

Meanwhile, Zeithmal, et al, in Tjiptono and Chandra (2006) suggested that a conceptual model customer expectations for services that identified 10 major determinants of customer expectations of service quality that will lead to customer satisfaction is: *Enduring Service Intensifiers, personal need, Transitory service intensifiers, perceived service alternatives, Self-Perceived Roles service, Situational factor, Explicit Service Promises, Promises Implicit Service, Word of Mouth, Past Experiences.*

According to Philip Kotler (2005), when the customer is satisfied as a result is the customer would: be more loyal, buy more if the company introduces a new product, giving favorable comments about the company and its products, less paying attention to the brand and competitors' ads and less sensitive to the price, requires a service charge which is smaller than new customers because of the transaction to be routine.

Variety Seeking

Variety seeking is seen as a manifestation of the desire of customers to explore (Raju, 1980), and the exploration of purchase behavior is used to measure a person's tendency to search variations. Variety seeking explanation derived from behavioral theory in the literature psychology (Berlyne, 1960; Zuckerman, 1979 Degeratu, 1999) from the standpoint of psychology produced the theory that variety seeking source is an interval need for stimulation.

Several studies are attempting to link the relationship between the level of optimal stimulation with a variety -seeking found that individuals who have a high need for stimulation will be more motivated to seek a variation of the individuals who have needs low stimulation (Baumgartner and Steenkampi, 1996). According to Hoyer and Ridgway (1984), variety seeking is an arrangement stimulation caused by the characteristics of the customer and the customer's perception of the product category, variety seeking is influenced by the characteristics of individual differences and characteristics of the product categories.

Variety is the behavior of the customers seeking to unleash a low saturation due to the involvement of the brand or product (Howard, 1989 in Mayasari, 2005; Hawkins and Hock, 1992). This behavior is characterized by at least information search and consideration of alternatives / option. Variety seeking is not caused by changes in functional or instrumental value. Individuals who do not search variation is caused by dissatisfaction with the previous brand (Raju, 1980; David *et al.*, 1996).

The concept of variety seeking is a type of routine problem solving related to goods and rarely associated convenience premises shopping and specialty goods (Howard, 1989 in Mayasari, 2005). The literature study showed that the variety seeking is not only limited to the products that contain risks and engagement (Mc Alister 1982). Risks and involvement depends on the perception of the consumer. (Schiffman *et al.*, 2007: 115) explained that there are several types of customers who are looking for variety is as follows: buying behavior is an investigation, inquiry experiences of others (vicarsus exploratory), innovative usage.

Quality Products

The quality of the product is something that has value in the target market where its ability to provide benefit and satisfaction, including this case is the object, services, organizations, places, people and ideas. In this case the company focused their attention on efforts to produce a superior product and continue to refine.

Therefore, the quality is described by Feigenbaum (in Reeves and Bednar, 1994) as an important factor driving economic growth companies anywhere in the world within the context of global markets. Tjiptono (2001) says that the plan offers or products, marketers need to understand the five tiers of products, is: The main / core products (core benefits, generic product, products (expected product), complementary products (Augmented product), potential product. Meanwhile, Selnes (1993) in his research showed that the performance of the product as perceived customer affect customer satisfaction.

Quality of Service

Quality of care is defined as customer ratings on superiority or privilege of a product or service as a whole (Zeithaml *et al.*, 1998). Quality is a dynamic condition related to products, services, people, processes and environments that meet or exceed customer expectations (Tjiptono, 2006). Kotler and Keller (2007) stated that the quality of service should be started from the needs of customers and end on the perception of the customer, where the customer's perception of service quality is a thorough assessment of the benefit of a service.

The Effect of the Product Quality on Customer Satisfaction

Naser et al (1999) stated that customer satisfaction is highly dependent on how the level of quality of the products offered by a company. Meanwhile, Selnes (1993) in his research showed that the performance of the product as perceived customer affect customer satisfaction. Based on research conducted by Qin and Prybutok (2008) showed that the quality of food at fast-food restaurants significantly affect customer satisfaction, as well Iwarere & Fakokunde (2011) who said that the role of product quality to customer satisfaction in fast food restaurants is significant, and the purchase will re-occur if the quality of products supplied to the customer is able to make the customer satisfaction. Therefore, the proposed hypothesis is as follows:

H1: Product Quality has a positive effect on customer satisfaction.

The Effect of Service Quality on Customer Satisfaction

According to Zeitham et al. (1996), the determining factor for customer satisfaction is customer perception of service quality. From the research that has been done by Tat et al. (2011), it showed that the quality of service which consists of five indicators is Tangible, Reliability, Responsiveness, Assurance, Empathy is the determining factor of customer satisfaction at a fast food restaurant. Based on the above it can be formulated hypothesis is as follows:

H2: Quality of Service has a positive effect on the Customer Satisfaction.

The Effect of Variety Seeking Needs on the Satisfaction and Customer Loyalty

According to Hoyer and Ridgway (1984), the characteristic of dogmatic personality and, authoritarian traits do not have the motivational factors for change, there is no desire to be a unique person, and do not dare to risk, as well as the product has the characteristics little alternative brand, the time between the purchase are relatively long, high involvement, the difference between high brand and high brand loyalty, can inhibit individuals seeking variations to switch brands.

Meanwhile, personality traits who like to have physical things, liberal, capable of dealing with stimuli complex, creative has a motivating factor for change, there is a strong desire to be a unique person and dare to risk as well as the product has the characteristics of many alternative brands, the time between purchase is relatively short, low involvement, the difference between low brand and low brand loyalty can encourage individuals to seek variations to switch brands.

When the individual is not satisfied, he likes to find variations then he will be more motivated to switch brands, but when the individual is not satisfied and he

does not like to look for variations then it is less motivated to switch brands. Juanaidi and Dharmmesta (2002) found that the variety seeking moderating variables that affect the relationship between the consumer dissatisfaction to the decision to brand switching toiletries products (soap, shampoo, and toothpaste), which toiletries products in the category of low involvement product.

In addition, (Homburg and Giering, 2001) on the variety seeking influence research in moderate satisfaction in loyalty in the car industry say that the age, gender, income, environment, different customers is an important factor the emergence or variety seeking, the relationship between satisfaction and loyalty will weak if the customer has a strong incentive to make variations.

H3: Variety Seeking Needs moderates on loyal relationship between customers satisfaction.

The Effect Customer Satisfaction on Customer Loyalty

Lupioadi (2001) stated that satisfaction is a reaction on the behavior of customers after purchase what is already bought. Customer satisfaction also affect the decision to re-purchase that are constantly on the same services and be able to influence other customers or outsiders to participate in the purchase of such services.

Espejel *et al.* (2008), from his research on PDO food products suggested that there is influence of satisfaction on loyalty, as well as research conducted by Wijaya & Thio (2007) about the influence membership cards run by many restaurants in Surabaya build visitor loyalty that the satisfaction variables have a significant influence in building the loyalty of visitors to the restaurant, but the ability of the variables in explaining the variation or visitor loyalty rate is very small, only by 18, 1% of the study Wijaya & Thio.

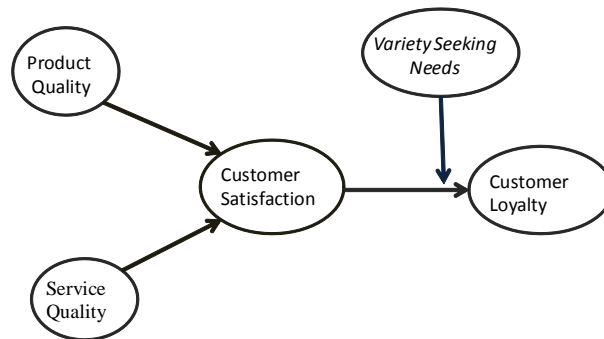
Dong *et al.* (2011) on the research findings on the form of the functional relationship between satisfaction and loyalty mentioned that influence customer satisfaction on loyalty is not always linear in all the circumstances, the functional form of the effect of satisfaction on loyalty varies across segments in each category of product and economic variables and customer demographics, namely in the form of linear, quadratic and cubic.

Meanwhile, the research conducted by Seiders *et al* (2005) stated that the functional form of customer satisfaction on loyalty is linear for categories of products, the character of the market, economic and demographic variables as factors moderation customers. Based on the description on research gap above hypothesis can be formulated as follows:

H4: Customers satisfaction has a positive effect of Customers loyalty

Research Model

Figure 1: Research Model



Source: Naser *et al.* (1999), Selnes (1993), Qin and Prybutok (2008), Iwarere & Fakokunde (2011), Zeithamal *et al.* (1996), Tat *et al.* (2011), Hoyer and Ridgway (1984), Juanaidi and Dharmmesta (2002), Homburg and Giering (2001), Lupioadi (2001), Espejel *et al.* (2008), Wijaya & Thio (2007). Dong *et al.* (2011), Seiders *et al.* (2005).

Research Methods

The research data was obtained from the customer of Mc Donald's in Semarang. Number of samples was determined by using the calculation of the minimum sample, in the determination of the amount of the minimum sample for SEM. According to Hair (in Ferdinand, 2006) there is dependent of the number of existing indicators and multiplied by five to ten, in this study the amount of samples used for this study $22 \times 5 = 110$ respondents. The sampling technique used in this research is using purposive sampling method, the sample is based on certain criteria.

The criteria set out in sampling is the customer Mc Donald's at the age of 18 years \leq , and has been re-purchase at least 3 times, on the grounds that the customers who have re-purchase at least 3 times can be regarded as a loyal customer and has done or have experience the transaction is expected to answer to both the question / questionnaires, as well as customers who know some kind of fast-food restaurants in addition to Mac Donald's and restaurants instead of fast food in the city of Semarang, on the grounds facilitate researches to study the behavior of customers in the tendency to do variety seeking. It is a form of data and emotion net promoter score of Mc Donald's.

Data was collected using questionnaires, by giving a list of questions and statements, measured using respondents perception on the question or statement filed, each respondent will be consulted will be a question or statement. Measurement scale used Likert Scale. The initial step to be performed before starting the data analysis is to analyze the research instrument or tool of research. The steps to be taken in to test the reliability and validity test on the questionnaire. The analysis technique used in this research is the analysis of Structural Equation Modeling (SEM) with AMOS 16,0 software.

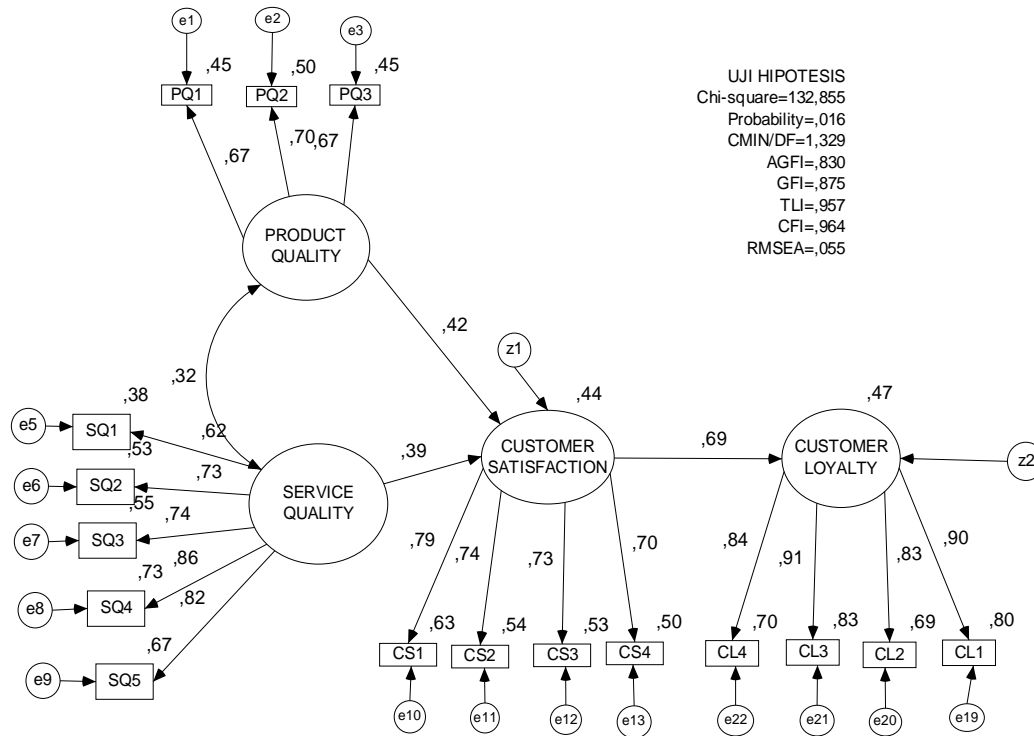
RESULTS

Table 2
Demography Characteristic of Respondent

<i>Descriptions</i>	<i>Total</i>
(Gender)	
Male	48
Female	62
Total	110
Occupation	
Student	61
Staff	18
Entrepreneur	20
Civil Government	7
Others	4
Total	110
Age	
18 -25 Years Old	78
26 -30 Years Old	22
≥ 31 Years Old	10
Total	110

Results of testing the suitability of the model on the analysis of Structural Equation Modeling (SEM) is a full model showed that the value of Chi Square = 132.855 with probability = 0.016 it indicates the difference between the sample covariance matrix and covariance matrix of the population, or in other words the model is not fit. However it is known that the Chi Square value range of the number of samples that need to be searchable index value that others are CMIN / DF and RMSEA are included in both criteria so it is enough to show that the covariance matrix populations did not differ significantly with the covariance matrix samples, as well as other criteria such as TLI , CFI already good, criteria AGFI, GFI already marginally acceptable, so the model is fit. Other than that based on the results of the test causality appears that each indicator has a value of CR> 1.96 and a

Figure 2: Structural Equation Modeling (SEM) Analysis



significance level of <0.05 , it indicates that the influence / relationship significant to the variable.

To run the methods Moderated Structural Equation Modeling (MSEM) IN THE STUDY analyzed by subgroup analysis approach. Moderating variables are separated into two groups based on the value above the average (high) and below the average value (lower), then estimate the two models with the conditions moderating variable high and low.

After that compare the results of the coefficient parameters of both models to see whether there is influence in the model (Ghozali, 2007: 258), in this study researchers conducted a separation based on the answers that respondents to a moderating variable that variety seeking needs, values above average grouped in variety seeking high needs group in this study of 60 samples, and the value is below the average are grouped in group variety seeking low needs in this study as many as 50 samples. Testing moderated full model structural equation modeling (MSEM) can be seen in Figure 3 and 4 below:

Figure 3: Moderated Structural Equation Modeling (SEM) Analysis on A Low Variety Seeking Needs Group

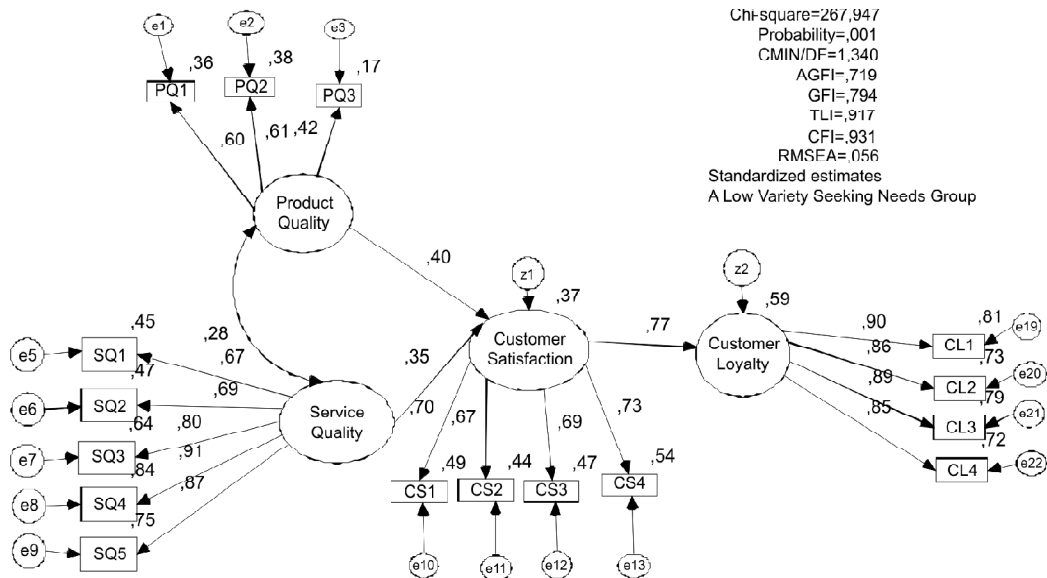
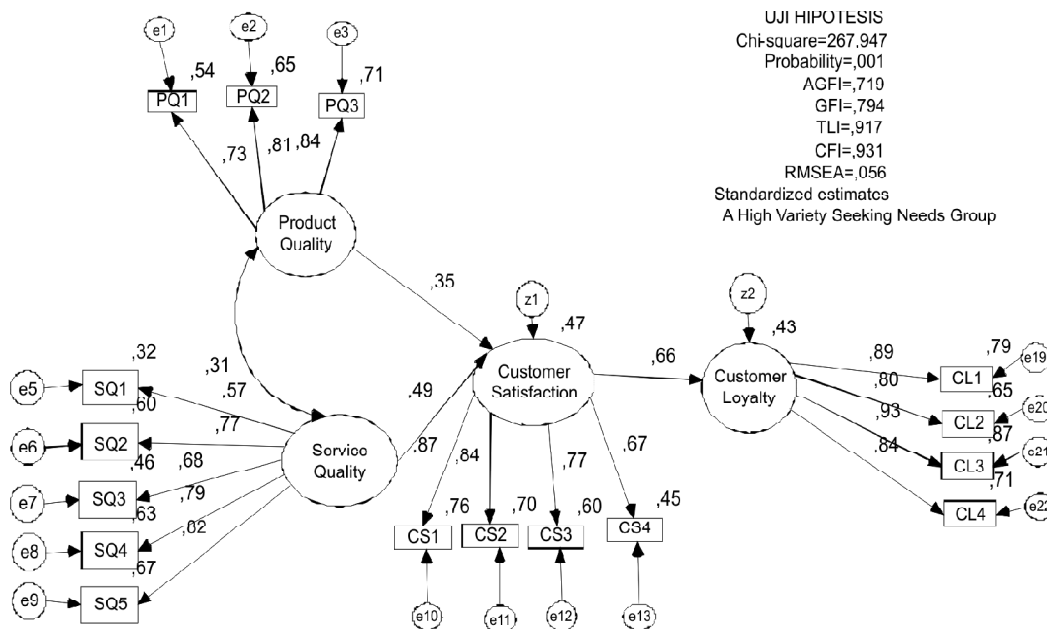


Figure 4: Moderated Structural Equation Modeling (SEM) Analysis on A High Variety Seeking Needs Group



Results of testing the suitability of the model on the analysis of Moderated Structural Equation Modeling (MSEM) is a full model showed that the value of Chi Square = 267.947 with probability = 0.001 it indicates the difference between the sample covariance matrix and covariance matrix of the population, or in other words the model is not fit. However it is known that the Chi Square value range of the number of samples that need to be searchable index value that others are CMIN / DF and RMSEA are included in both criteria so it is enough to show that the covariance matrix populations did not differ significantly with the covariance matrix samples, as well as other criteria such as TLI , CFI already good, criteria AGFI, GFI already marginally acceptable, so the model is fit.

THE TEST CAUSALITY

The Effect of Product Quality on Customer Satisfaction Tests

Parameter estimation for testing the effect of product quality on customer satisfaction shows the CR value of 3,242 with a probability of 0,001. Therefore, the CR value is greater value than 1,96 and a probability value of <0.05, it can be concluded that the variable quality of the product proved to have a significant effect on customer satisfaction. Our results corroborate with Qin & Prybutok (2008) findings that food quality in fast food restaurant has significant influence to customer satisfaction. This research took place in Texas with 208 of respondents. As suggested by Iwarere & Fakokunde (2011), the evidence we found points to the significant role of product quality on customer satisfaction in fast food restaurant.

The Effect of Service Quality on Customer Satisfaction Tests

Parameter estimation for testing the effect of service quality on customer satisfaction shows the CR value of 3,579 with a probability of 0,000. Therefore, the CR has greater value than 1,96 and a probability value of <0.05, it can be concluded that the variable quality of service proved to be a significant effect on customer satisfaction. Our results corroborate with Tat *et al.* (2011) findings that service quality determining factor of customer satisfaction at a fast food restaurant. This research took place in Malaysia with 380 of respondents.

Variety Seeking Needs in Moderating Effects of Customer Satisfaction - Customer Loyalty Tests

Parameter estimation for testing variety seeking needs variable in moderating that influence of customer satisfaction on customer loyalty explained that the variety seeking needs low result of CR value of 4,506 with a probability of 0,000 and explained that the variety seeking needs high yield value of CR for 4,250 with a

probability 0,000. Therefore, the CR value greater than 1,96 and a probability value $>0,05$, it can be concluded that the variable variety seeking needs proved a significant effect in moderating the influence of customer satisfaction on customer loyalty.

In addition explained that the groups variety seeking needs low variability in customer loyalty can be explained by customer satisfaction is quite high at 59,1%, as well as explained that the group variety seeking needs high variability of customer loyalty can be explained by customer satisfaction is high at 43%. Our results corroborate with Junaidi & Dharmmesta (2002) findings that the variety seeking moderating variables that affect the relationship between the consumer dissatisfaction to the decision to brand switching.

The Effect of Customer Satisfaction on Customer Loyalty Tests

Parameter estimation for testing the effect of service quality on customer satisfaction shows the CR value of 6,045 with a probability of 0,000. Therefore, the CR values greater than 1,96 and a probability value $> 0,05$. Then, it can be concluded that customer satisfaction variables proved to have a significant effect on customer loyalty. Our results corroborate with Espejel et, al (2008) findings that customer satisfaction has significant influence to customer loyalty. As suggested by Wijaya & Thio (2007), the evidence we found points to the significant role of customer satisfaction on customer loyalty in restaurant.

CONCLUSION

Based on the research result on respondents perceptions of the quality of products illustrates that the perception of the respondents is not yet at the maximum level / very high, then it needs to be repaired and improved the quality of existing products because it is based on research it is known that there is a positive influence between product quality to customer satisfaction which means quality is significant importance in creating customers satisfaction, research on respondents perceptions of service quality shows that the perception of the respondents is not yet at the maximum level / very high, then it needs to be repaired and improved quality of existing services because it is based on the research note that the existence of a positive influence on the quality service to customer satisfaction, in terms of the satisfaction for Mc Donald's is the price. Policy implications for Mc Donald's should maintain the price positioning of the existing ones, in order to create the impression / image quality or reduce the size of the products but the quality remain the same. The level of customer loyalty of Mc Donald's is in the medium category which is being complained of respondents of Mc Donald's can use integrated design with the garden or fishing concept as a variation, but still do not leave the main symbols

of Mc Donald's. Variable variety seeking needs also has significant impact between on customers satisfaction and the relationship customer loyalty. Then, the policy implication of this study is that the future Mc Donald's should try to improve customer stimulation.

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