CHAPTER V
CONCLUSIONS

This chapter contains the conclusions of the research results and the suggestions for further research.

5.1. Conclusions

The conclusions of this research are as the follow:

1. The product quality have a significant effect to customer satisfaction on the local food with a value of t-statistics is 29.285. The highest value of sub-indicator is taste with a value of 36.462, followed by smell (19.294), and the quality of product does not decline and tends to increase (16.823). The highest influence indicators of product quality are performance, reliability and the aesthetics indicator.

2. The customer satisfaction have a significant effect to customer loyalty on the local food with a value of t statistics is 4.873. The highest value of sub-indicators is satisfied with the decision to use the product with a value of 32.885, followed by expectation of reliability (23.275), and expectation of customization (21.092). The highest influence indicators of customer satisfaction are experience and customer expectation.

3. The product quality have a significant effect to the customer loyalty on the local food direct and indirect effect. In the direct effect, the product quality effects to the customer loyalty on the local food with a value of 3.432. While in the indirect effect, the product quality effects to the customer loyalty through the customer satisfaction with a value of 4.673. It can be concluded that the customer satisfaction is an effective mediator variable that increase the effect of product quality to customer loyalty.

4. The proposed suggestions to improve the customer satisfaction and customer loyalty are based on the three most significant effects of each variable are as follow:

    a. Improving the product quality of beef rendang by improving the raw material selection, improving the raw material storage, developing the training program to improve the knowledge and skill of chefs, and improving the finished product storage.

    b. Improving the customer satisfaction on beef rendang by conducting survey to identify the customer needs and desires, and improving the quality of product and service.

    c. Improving the customer loyalty on beef rendang by developing the reward program to the loyal customers, developing the reward program to the customers who promote the products and providing the best quality of product with a competitive price compared to the other companies.

5.2. Suggestion

This research has analyzed the effect of product quality to customer satisfaction and customer loyalty on the local food. This study is only focused on the beef rendang. Further research can be conducted to other local food. The study can also be conducted in some small and medium enterprises that produce the local food.