

Analysis on Customer Authentic Perception on Fast-Food Chain's Brand Loyalty with the Mediation Variables being Perceived Quality

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ABSTRACT

The aim of this research is to examine the impact of fast-food restaurants brands toward tourist's restaurants authentic perception with the perceived quality as the mediating variables. This study uses a quantitative approach to collect empirical data and conduct hypothesis testing. The population studied in this study consists of the population of Batam City. The methodology used in this study included selecting a sample from individuals who visited a fast-food restaurant chain. Data collection occurred from Q4 to Q1 of 2022-2023, resulting in a total of 400 observations. The process of hypothesis testing was performed using the IBM SPSS Statistics software with the application of descriptive analysis, quantitative analysis, and classical assumption tests. It was found that the customer perception has significant impacts on quality variable, and it also has a significant and positive effect on customer loyalty. This suggests that consumers consider the perception they received influenced the perceived quality of the restaurants they purchase from when they decide to continue to order from them in the future. The results of this study reveal the key aspects of service quality that have the greatest impact on customer loyalty. Factors such as punctuality, accuracy, responsiveness, and staff courtesy have been proven to be important factors in customer loyalty. Therefore, it is essential for fast food restaurants to continuously invest in improving these aspects to improve the quality of their service and thereby gain customer loyalty.

Keywords: Customer Authentic Perception, Brand Loyalty, Fast-Food Restaurants

INTRODUCTION

Service quality has gradually been defined as a key factor in service differentiation, playing a significant role in customer satisfaction, employee satisfaction and profits, unlike competitors who do not care about service quality increase. Looking at the service landscape, particularly the Fast-Food Chains industry, empirical research on this claim is quite saturated. In marketing materials, brands are presented as a robust mechanism for distinguishing products. With increasing competition between different catering establishments with similar characteristics, brands have become a key differentiator. However, research on the importance and role of fast-food chain brands is especially limited (Bihamta et al., 2017).

Many companies, customer satisfaction is the most important factor for customer loyalty. Customer loyalty is a key factor for businesses that want to increase customer loyalty and financial success. Customer loyalty refers to customer reviews after using your product and how your manufacturing services compare to the products of your peers. Customers will only be satisfied if the product meets their expectations (and vice versa). Therefore, companies should build and develop service

quality, because improved service quality leads to an increased sense of loyalty. Service quality is a measure of the level of service provided to meet customer expectations. Fast food restaurant employees receive thorough training to ensure they have the skills and knowledge necessary to meet and exceed customer expectations. Learn how to provide timely and courteous service, take accurate orders, and deliver food on time. Fast food restaurants place emphasis on maintaining a hygienic and clean environment so that customers can eat in a comfortable and hygienic environment (Lin et al., 2023).

The Central Statistics Agency (BPS) reported that the gross domestic product (GDP) of the domestic food and beverage industry at current prices (ADHB) in 2021 was IDR 1.12 trillion. This value is equivalent to 38.05% of the non-oil and gas processing industry or 6.61% of the country's GDP which reached Rp 16.97 trillion. Measured by GDP at constant prices (ADHK) in 2010, the food and beverage industry grew 2.54% year-on-year to reach Rs 775.1 trillion last year. This performance was better than last year's growth of only 1.58%, but down from pre-pandemic growth of more than 7%. This performance is also far below the national GDP growth last year. The food and beverage industry are one of nine sub-sectors of the non-oil and gas processing industry which is estimated to grow in 2021. Meanwhile, 8 sub-industries out of 17 sectors recorded a decline. GDP growth for the food and beverage industry is in line with last year's 1.44% year-on-year increase in public consumption spending on food and beverage supplies (excluding restaurants). For reference, the non-oil and gas processing industry recorded a 3.67% year-on-year growth last year. Similarly, manufacturing (including oil and gas processing) will grow 3.39% year-on-year in 2021 (Viva Budy Kusnandar, 2022).

(Shamah et al., 2018) research about investigating the antecedents of African fast food customers' loyalty. The independent variables are self-congruity with the mediating variables being environment perceptions, service perceptions, product perceptions, and price perceptions. The results of the research clearly demonstrate the dominant role of self-adaptation as a precursor to loyalty in fast food restaurants and the prominent role of food as a mediator in self-adaptation/loyalty relationships.

(Uddin, 2019) research is about investigating the factors influencing the satisfaction of customer and customer loyalty in the fast-food restaurant industry. The independent variables are Food Quality, Price Location, and Environment Service Quality with the mediator being Customer Satisfaction. Results (significant at $p < 0.01$ and $p < 0.05$) showed that food quality, price, and service quality were positively correlated with customer satisfaction. Customer satisfaction was positively correlated with customer loyalty. Empirical results found an inverse relationship between restaurant location and environment and customer satisfaction.

(Hanaysha et al., 2021) research is about testing the role of social media marketing features (interactivity, perceived relevance, entertainment, and informativeness) in affecting brand loyalty in the fast-food industry. The independent variables as stated before are interactivity, perceived relevance, entertainment, and informativeness. The result of the research is that interactivity and perceived

relevance were found to have a positive impact on brand loyalty. However, contrary to expectations, we found that entertainment had a marginal impact on brand loyalty. Finally, the results confirmed that informativeness was a significant predictor of brand loyalty.

(Lika Trisela & Hermanto, 2022) research is about determining whether brand identification, brand satisfaction, and social media marketing can predict brand loyalty of fast-food restaurants in Indonesia directly or indirectly through brand love. The independent variables being Brand Identification, Social Media Marketing, and Brand Satisfaction with the mediating variables being Brand love. The result shows that only social media marketing, brand love, and brand satisfaction can positively and significantly predict brand loyalty, but brand identification cannot predict brand loyalty. Additionally, brand identification and brand satisfaction can be used to positively predict brand loyalty for fast food restaurants, whereas social media marketing is not a positive predictor of brand loyalty. Furthermore, brand love can be used to actively mediate brand identification and brand satisfaction when predicting brand loyalty, whereas brand love can be used to positively mediate brand loyalty for Indonesian fast-food restaurants. Additionally, brand loyalty cannot be used to actively mediate social media marketing.

(Lin et al., 2023) research is about how KFC's products and services have garnered a good deal of online attention due to their consideration and reliability. While there are many high-profile fast-food chains out there, KFC has been able to expand its business rapidly across the globe. The question of how to maintain customer loyalty is posed by their success. The result is their study on the impact of service quality on customer satisfaction and the resulting impact on customer loyalty in KFCs in South and Southeast Asia provided valuable insights into trends in the fast-food industry. A thorough analysis of customer perceptions and experiences reveals that service quality plays an important role in shaping customer satisfaction. The positive relationship found between customer satisfaction and loyalty highlights the importance of providing excellent service in fostering long-term customer relationships.

This paper presents an analysis of the performance of the fast-food Industry following the recent war between Palestine and Israel with the heaviest impacts on this sector. This study is notable for its investigation into the effects on how fast-food chains stock plummeted drastically last November. It fills a gap in the existing literature as the first inquiry on this specific topic, providing new insights into the results that arise from changes within Fast-food restaurants industry.

The objective of this study is to assess the effects of recently Indonesian fast-food chain owner campaign in November 2023 on the association with the headquarters. This will be achieved by conducting a comparative analysis of the customers perception and perceived quality towards the brand loyalty between 2022 and 2023. The research findings can serve as a valuable resource for researchers in evaluating the actions of customers perceptions towards the restaurants perceived quality providing their sense of Brand loyalty.

METHOD

The present study utilizes a quantitative approach to gather empirical data and conduct hypothesis testing. The Brand Loyalty is considered the independent variable in this study, while the customer Perceptions and Perceived quality is regarded as the dependent variable.

The total population of this study was 1,240,792 people, and the maximum percentage error of the sample used was 5% (0.05). This data was obtained from the latest data of the Batam City Population and Civil Affairs Bureau. In this study, multiple regression analysis was used to examine the data collected. The survey period is from the third quarter to the first quarter of 2022-2023. The type of non-probability sampling is purposive sampling that selects a sample of the urban population, resulting in a total of 250 respondents.

The Current study used secondary data cited from previous study from all around the continents available on the Google Scholar to be cited on. The statistical data used from data on the cited scientific paper before the year 2022, representing the data before the pandemic was officially over. While the current produced data for 2023, reflecting the different data after the pandemic are said to be officially over.

The approach used is multiple linear regression. This methodology is used to analyze the relationship between independent factors and dependent variables. Data processing in this study is performed using IBM SPSS.

Hypotheses development

Customer authentic perceptions are an important factor in influencing customer's positive emotion toward some food. To develop a theoretical understanding of how consumers consume their food, (Lu et al., 2015) has developed an integrated framework that identifies brands as authentic and presents the precedents and consequences of perceived brand authenticity. Their paradigm suggests that consumers use a variety of cues to assess brand authenticity (i.e., brand personification). Their model provides an important theoretical basis for the development of current research on the relationship between authenticity and perceived quality in ethnic restaurants. All cues in the (Lu et al., 2015) model are consumer ratings/perceptions of objective information, performance, and value of branded products. In fact, how a branded product/service works, the message and value that a branded product/service conveys to customers are the most important determinants for consumers to perceive a brand's quality.

Perceived quality is considered a key component of customer-related brand loyalty. (Phung et al., 2019) defines the term as "a consumer's subjective judgment of the overall excellence or superiority of a product." The higher the perceived quality of a brand, the more likely it will be chosen over its competitors. This yields more return on reinvestment in the company's brand loyalty. He suggested seven elements of product quality. In the context of fast food-themed restaurants, some of them can be used to study perceived service. For example, exterior and interior design, facility

style, and staff performance may lead customers to make clear comparisons between fast food restaurants and competitors.

The restaurant meets the customer's desire to experience authentic fast-food cuisine and service and is regarded as a better service. In other words, customer perceptions of authenticity can evolve from their overall evaluation of food quality and service.

According to (Lin et al., 2023) Loyalty is a measure of a customer's willingness to maintain a relationship with or do business with a company. The continued preference for a company's products and services over those of its competitors is known as customer loyalty. Keeping track of their loyalty and repeating purchases is the key to customer loyalty. In other words, even if the product or service is rare in the market, customers are willing to recommend it to friends, family, etc. Customer loyalty ensures higher profits and market growth. It's difficult to convince customers who are committed to a company on factors like cost and accessibility. They want to spend more money to receive the same services and products as before.

From the literature review and theory for perceived quality (PQ), the following observed variables were included in the study. These were identified as superior ingredients, delicious taste, and enticing smell (Sornsaruht & Sawmong, 2017).

Many researchers have proposed a positive relationship between high service quality and customer loyalty. This is because excellent service enhances the brand's sense of superiority and leads to repeat purchases. For example, in a study that examined the impact of five dimensions of customer perceptions of quality (touchability, responsiveness, trustworthiness, safety, and empathy) on attitudes toward brand loyalty in the fast-food industry, two dimensions concludes that: Specificity and responsiveness directly affect brand loyalty.

In contrast, an effective use of customer perceptions that align with the specialties of fast food establishments may create a strong structure. Not only does this study consider the impact of consumer brand loyalty on these factors, but it also takes into consideration the degree to which they affect each of these external factors. A more detailed, comprehensive, and thorough examination is necessary. Combined with unproductive factors that affected the current study.

Based on the research above, the hypothesis model that is being constructed are as below:

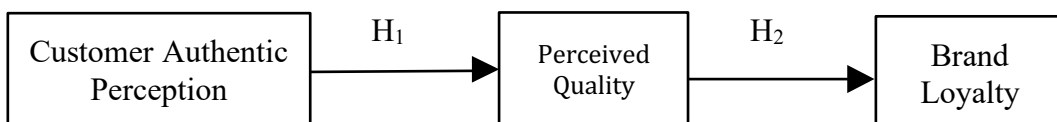


Figure 1. Research framework
Source: (Zhang et al., 2019)

H₁: Customer Authentic Perception has a positive and direct effect on Perceived Quality

H₂: Perceived quality has a positive and direct effect on Brand Loyalty

RESULT AND DISCUSSION

Descriptive statistic

Based on the findings presented in Table 1, it can be inferred that the descriptive statistics obtained from 250 respondents indicate that the dependent variable, namely Perception, has a minimum value of 2,33 and a maximum value of 5. The mean value of Perception is 3,86, which exceeds its standard deviation of 0,55. This implies that the data exhibits little deviation, suggesting a reasonably uniform distribution of values

Table 1. Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Std. Deviation
Perception	250	2,33	5,00	3,8600	0,55000
Quality	250	2,20	5,00	3,9900	0,53000
Loyalties	250	2,00	5,00	3,9300	0,57000
Valid (listwise)	N 250				

Source: Processed Primary Data (2023)

Quality, serving as the mediating variable, consists of 250 respondents ranging from a minimum value of 2,20 to a maximum value of 5. The variable has a mean value of 3,99, which exceeds its standard deviation of 0,53. This implies that the data exhibits little deviation, suggesting a reasonably uniform distribution of values. The Loyalties, serving as the dependent variable, consists of 250 respondents ranging from a minimum value of 2,00 to a maximum value of 5. The variable has a mean value of 3,93, which exceeds its standard deviation of 0,57. This implies that the data exhibits little deviation, suggesting a reasonably uniform distribution of values.

Descriptive statistics results show that the average number of people who responded positively exceeded the number of people who responded negatively. This is led by a situation where an individual is satisfied with all the restaurants that serve them to gain their loyalty.

Normality Test

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		84
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.66142567
Most Extreme Differences	Absolute	.107
	Positive	.064
	Negative	-.107
Test Statistic		.107
Asymp. Sig. (2-tailed)		.019c

Based on the test The condition for normality is met when the significance is > 0.05 , indicating that the residual data follows a normal distribution. A significance level of 0.19 was obtained, which is > 0.05 , confirming that the residual data is normally distributed.

Table 3 One-Sample Kolmogorov-Smirnov Test

N		84
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.36833115
Most Extreme Differences	Absolute	.101
	Positive	.069
	Negative	-.101
Test Statistic		.101
Asymp. Sig. (2-tailed)		.034c

While for table 3 the condition for normality is met when the significance is > 0.05 , indicating that the residual data follows a normal distribution. A significance level of 0.34 was obtained, which is > 0.05 , confirming that the residual data is normally distributed.

Multicollinearity test

To avoid issues related to multicollinearity, it is essential for all variables analyzed in this study model to have Variance Inflation Factor (VIF) values below

10, The results of the data processing, as presented in Table 4, indicate that all the examined variables have Variance Inflation Factors (VIF) values that are less than 10. This finding suggests that there is no significant correlation between the independent and control variables used in this study, thus indicating that all variables successfully meet the multicollinearity criterion. Therefore, this research model is suitable for further examination.

Table 4. Multicollinearities Test

Variable	Tolerance	VIF	Conclusion
BL > PQ	1.000	1.000	No multicollinearities happen
PQ > CAP	1.000	1.000	No multicollinearities Happen

Heteroscedasticity test

Data must have a significance value below 0.05 to be considered free from heteroscedasticity. The results of the heteroscedasticity test conducted in this research indicate a significant value of 0.0212, which is below the conventional threshold of 0.05. This observation suggests the presence of heteroscedasticity within the research model. However, the issue of heteroscedasticity can be addressed by using robust methodologies

Table 5. Heteroscedasticity test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.625	1.718		-.364	.717
	Quality	.039	.101	.050	.383	.703
	Perception	.236	.154	.201	1.534	.129

in the heteroscedasticity test, significant values > 0.05 were obtained for Quality (0.703) and Perception(0.129). These results indicate that the data does not exhibit heteroscedasticity problems, ensuring the accuracy of the regression model

F test Result

The F test in multiple linear regression analysis aims to determine the effect of the independent variables simultaneously. The test results are shown in Table 6 below.

Table 6. F Test

Variable	Sum of Squares	df	Mean Square	F	Sig.
Regression	487.556	1	487.556	95.300	0.000 ^b

Source: Primary Processed Data (2023)

From the table above it can be seen that the significance value is 0.000 and is less than 0.06. This shows that the independent variable has a significant effect on the dependent variable simultaneously.

T Test Result

The t-test is used to partially determine the effect of the independent variables. How does Perceived Quality and Customers' Authentic Perception influence consumer Brand Loyalty at fast food restaurants in Batam City?

Table 7. T Test

Variable	Unstandardized Coefficients		Standardized Coefficients <i>B</i>	t	Sig	Conclusion
	B	Std. Error				
BL > PQ	1.110	.114	.527	9.762	.000	Not significant
PQ > CAP	.982	.060	.723	16.492	.000	Not significant

Source: Primary Processed Data (2023)

Based on the standardized B coefficient value, the effect of brand loyalty on perceived quality is 0.527. This score is positive, meaning that the higher the brand loyalty score, the higher the person's perception of the quality of the restaurant. Then Perceived Quality has a positive effect on the Customer Authentic Perception of 0.723 by consumers. This shows that the higher the Perceived Quality score, the higher the consumer's actual perception of fast-food restaurants goes higher.

Discussion

The test results show that there is a statistically significant and positive relationship between customer perception and brand loyalty. This suggests a measurable increase in customer awareness in 2023. Researchers believe there is a social link between customers' perceptions of restaurants and brand loyalty. This aligns with what (Lin et al., 2023) concreting that Customer perception has a positive impact on customer loyalty. We can conclude that both customer perception and service quality affect customer loyalty.

The importance of authentic customer perceptions of quality seems to have a significant effect. This is because the significance value obtained in the t-test is below the minimum value of 0.05, which is 0.00. The results of this study are in line with research (Sornsaruht & Sawmong, 2017) that Customer Authentic Perception has a positive effect on Perceived Quality. These finding also align with (Phung et al., 2019) saying that the restaurant meets the customer's desire to experience authentic fast-food cuisine and service and is regarded as a better service. In other words, customer perceptions of authenticity can evolve from their overall evaluation of food quality and service.

In (Shamah et al., 2018) research, The results of the research clearly demonstrate the dominant role of self-adaptation as a precursor to loyalty in fast food restaurants and the prominent role of food as a mediator in self-adaptation/loyalty relationships. This clearly proves that food, as one of the items in perceived quality, has a significant effect on how the customer loyalty will be strengthened as food was one of the main reasons why people are loyal to the brand.

CONCLUSION

The purpose of this study is to analyze how genuine customer testimonials and perceived quality affect consumer brand loyalty at fast food restaurants in Batam City. This research was conducted for approximately four months to collect 250 sample data for this study. From the test results it can be concluded that clear evaluation and customer quality clearly have a positive effect on brand loyalty.

The results of the genuine customer perception test show that real customer perception has no significant positive effect on the perception of restaurant quality. This shows that the visible quality of the restaurant, such as restaurant interior and exterior, table setting, decoration, music, aroma, lighting, color, appearance of the place, restaurant cleanliness and uniform cleanliness of waiters are not always influenced by consumer reviews in visible places especially These restaurants in the future, how to visit again, recommend the restaurant to others and share positive things about the restaurant with others. It was found that the quality variable has a significant and positive effect on customer loyalty. This suggests that consumers consider the perceived quality of the restaurants they purchase from when they decide to continue to order from them in the future. However, restaurants must pay attention to the quality of food and service quality offered to consumers, because the more they improve the quality that is seen being offered, the higher the consumer rating of the restaurant, which ultimately has a positive effect on the restaurant's customer base in future loyalty.

This study has several limitations, including the sample used in this study only from the city of Batam, so the results obtained cannot represent other regions in Indonesia. In addition, the research was only conducted at fast food restaurants in Batam City which cannot be extrapolated to other restaurant industries without changing the magnitude and direction of the relationship in the research model.

Another limitation, the test results of the coefficient of determination show that the effect of 72.2% on other factors not tested in this study can affect consumer loyalty to fast food restaurants in Batam City.

In future research, a larger group of respondents can be considered by spreading to various regions in Indonesia to see whether there are differences in consumer behavior intentions in a particular region in the future. In addition, further research suggests conducting research using mediating variables such as customer satisfaction attitude and which can convey the relationship between the independent variable and the dependent variable in such a way that the results obtained are significant. In addition, future research may also use other variables, such as perceived value, Brand Equity, Brand image, and any other research variable.

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