

Product Development and Brand Image Effect on Customer Satisfaction in KFC BSD Serpong Branch

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ABSTRACT

This study aims to determine product development and brand image on consumer satisfaction at KFC BSD Serpong Branch. The method used is explanatory research with analysis techniques using statistical analysis with regression testing, correlation, determination and hypothesis testing. This study's results show product development significantly affects consumer satisfaction by 41.3%; the hypothesis test obtained $t_{count} > t_{table}$ or $(8,047 > 1,985)$. Brand image has a significant effect on customer satisfaction by 36.8%; hypothesis testing obtained $t_{count} > t_{table}$ or $(7,320 > 1,985)$. Product development and brand image simultaneously have a significant effect on consumer satisfaction with the regression equation $Y = 10.370 + 0.404X_1 + 0.338X_2$ and the influence contribution is 49.7%, the hypothesis test obtained $F_{count} > F_{table}$ or $(44.882 > 2,700)$.

Key words: Product Development; Brand Image; Customer Satisfaction.

INTRODUCTION

The development of business ventures in the current era of globalization is increasingly rapid, marked by competition between companies that are getting higher and tighter (Sunarsi, 2018). This situation causes companies to strive to maintain their uniqueness, develop the company, and obtain optimal profits in the face of competing companies to maintain or seize existing market share (Papilaya et al., 2015; Zainal et al., 2018).

The restaurant business franchise is a profitable business in the market for fast food products in Indonesia. Competition in the franchise business becomes very competitive, especially with many franchise restaurants with foreign and local licenses that dominate most of the market (Jasmani & Sunarsi, 2020). A Coupled with the emergence of new players and various advantages that have enlivened the business competition map. It is a challenge for every franchise company to make innovations or product development according to consumer needs, so companies must always keep up with the times and compete to improve their products' quality to maintain a brand image that can provide consumers' satisfaction.

There are many aspects, how companies build corporate consumer loyalty (Djafar et al., 2019; Junus et al., 2016; Pratiwi et al., 2019). First, how the company reaches them, what the company is doing is customer-oriented. It means that companies must be able to understand the demand from their side. Then, how can companies communicate with them, engagement in today's terms? Then the company also penetrates the market well too. If the company's stores in the area do not exist, it will be useless.

To build relevance, companies try to look internally to know its core strength in doing business (Crowne et al., 2020). The company builds because the core strength is built on differentiation, not from the business's commonality (Vafeas & Hughes, 2021; Yeo, 2020). Talking about the core strengths of the fast-food business is the menu that the company focuses on. Regarding the menu, of course, the price side is one aspect that the company pays attention to. Because the company knows, what customers are looking for is value, and value is not just about price. Companies build overall value, starting afar when they see the company ad; or when they are in the store they interact with the company crew; how they get the food according to consumer expectations (F.G. Reis et al., 2021; Zhao et al., 2021).

South Tangerang is one of the pillars of the capital city of Jakarta, which grows and develops a lot of culinary and fast food with a fast food business that has quality and trust, which has made the city a centre for the development of the trade economy and service industry as well as an increase in the per capita income of the city population.

The relationship between product development and brand image can be illustrated that the company must continually develop and continue to strive to seize market share and form an image for its products. The level of customer satisfaction is caused by two main factors, namely internal and external factors. Internal factors of the company include a decline in product quality, product development, customer service and more so that consumers experience saturation or a decrease in the value of products in the market. External factors occur because they are out of reaches, such as changes in consumer tastes, government policies, the emergence of substitutes, and new competitors' entry.

Quality is defined as the totality of a product's characteristics that supports its ability to satisfy specified or defined needs to increase internal and external consumer satisfaction (F.G. Reis et al., 2021; Park & Sohn, 2021; Van Looy, 2021). Meanwhile, according to Peterson and Wilson (Zhu et al., 2021) consumer satisfaction is the consumer's response to evaluating the discrepancy and disconfirmation between previous expectations and the felt product's actual performance after use.

Based on the basic understanding of quality and satisfaction, quality and development always focus on customer-focused quality. Quality in statistical process control is how well an output (goods and services) meets the company's design department's specifications and tolerances. Based on the background of the problem above, the authors are interested in researching the Effect of Product Development and Brand Image on Customer Satisfaction at the KFC BSD Serpong Branch.

METHOD

The population in this study amounted to 94 respondents KFC BSD Serpong Branch. The sample in this study amounted to 94 respondents. The type of research used is associative, where the aim is to determine the effect of the independent variable on the dependent variable either partially or simultaneously. The data are analyzing using instrument tests, classical assumption tests, regression, coefficient of determination, and hypothesis testing (Creswell & Clark, 2017; Feters et al., 2013).

RESULT AND DISCUSSION

Descriptive Analysis

This test is used to determine the minimum and maximum score, the mean score, and each variable's standard deviation. The results are as follows:

Table 1
Descriptive Statistics Analysis Results

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Product development (X1)	94	32	48	38.55	3,798
Brand image (X2)	94	30	46	38.37	3,666
Customer satisfaction (Y)	94	32	46	39.27	3,499
Valid N (listwise)	94				

Product development obtained a minimum variance of 32 and a maximum variance of 48 with a mean score of 38.55 with a standard deviation of 3.798. The brand image obtained a minimum variance of 30 with a maximum variance of 46. Mean score of 38.37 with a standard deviation of 3.666. Customer satisfaction is obtained by a minimum variance of 32 with a maximum variance of 46. Mean score of 39.27 with a standard deviation of 3,499.

Verification Analysis.

This analysis aims to determine the effect of the independent variable on the dependent variable.

Multiple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

Table 2
Multiple Linear Regression Test Results

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10,730	3,034		3,537	.001
Product development (X1)	.404	.084	.439	4,820	.000
Brand image (X2)	.338	.087	.354	3,885	.000

a. Dependent Variable: Customer satisfaction (Y)

Based on the test results in the table above, the regression equation $Y = 10.370 + 0.404X_1 + 0.338X_2$ is obtained. From this equation, it is explained as follows:

1. A constant of 10.370 means that if there is no product development and brand image, then there is a consumer satisfaction value of 10.370 points.
2. The product development regression coefficient is 0.404; this figure is positive, meaning that every time there is an increase in product development of 0.404, consumer satisfaction will also increase by 0.404 points.
3. The regression coefficient for the brand image is 0.338; this number is positive, meaning that every time there is an increase in the brand image of 0.338, consumer satisfaction will also increase by 0.338 points.

Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the level of strength of the relationship between the independent variable and the dependent variable either partially or simultaneously. The test results are as follows:

Table 3
Correlation Coefficient Testing Results of Product Development on Customer Satisfaction.

Correlations^b			
		Product development (X1)	Customer satisfaction (Y)
Product development (X1)	Pearson Correlation	1	.643 **
	Sig. (2-tailed)		.000
Customer satisfaction (Y)	Pearson Correlation	.643 **	1
	Sig. (2-tailed)	.000	

The test results obtained a correlation value of 0.643 means that product development has a strong relationship with customer satisfaction.

Table 4
Test Results Correlation Coefficient of Brand Image Against Customer Satisfaction.

Correlations^b			
		Brand image (X2)	Customer satisfaction (Y)
Brand image (X2)	Pearson Correlation	1	.607 **
	Sig. (2-tailed)		.000
Customer satisfaction (Y)	Pearson Correlation	.607 **	1
	Sig. (2-tailed)	.000	

The test results obtained a correlation value of 0.607, meaning that brand image has a strong relationship with customer satisfaction.

Table 5
Correlation Coefficient Testing Results of product development and brand image simultaneously on consumer satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.705a	.497	.486	2,509

a. Predictors: (Constant), Brand image (X2), Product development (X1)

The test results obtained a correlation value of 0.705 means that product development and brand image simultaneously have a solid relationship to customer satisfaction.

Analysis of the coefficient of determination

The coefficient of determination is intended to determine the independent variable's influence on the dependent variable either partially or simultaneously. The test results are as follows:

Table 6
Testing Results of the Determination Coefficient of Product Development on Consumer Satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643a	.413	.407	2,695

a. Predictors: (Constant), Product development (X1)

Based on the test results, it was found that the determination value was 0.413, meaning that product development had a 41.3% influence on consumer satisfaction.

Table 7
The Result of Testing the Coefficient of Determination of Brand Image on Customer Satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.607a	.368	.361	2,796

a. Predictors: (Constant), Brand image (X2)

Based on the test results, the determination value of 0.368 means that the brand image has an influence contribution of 36.8% on customer satisfaction.

Table 8
Testing Results of the Determination Coefficient of Product Development and Brand Image on Consumer Satisfaction.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.705a	.497	.486	2,509

a. Predictors: (Constant), Brand image (X2), Product development (X1)

Based on the test results, the determination value of 0.497 means that the simultaneous development of product and brand image influences 49.7% on customer satisfaction, while other factors influence the remaining 50.3%.

Hypothesis testing

Partial hypothesis test (t-test)

Hypothesis testing with the t-test is used to determine which partial hypothesis is accepted. The first hypothesis: There is a significant influence between product development on customer satisfaction.

Table 9
Hypothesis Test Results for Product Development on Customer Satisfaction.

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	16,438	2,850		5,767
	Product development (X1)	.592	.074	.643	8,047

a. Dependent Variable: Customer satisfaction (Y)

Based on the test results in the table above, the value of t count > t table or (8,047 > 1,985) is obtained; thus, the first hypothesis that is proposed is that there is a significant effect between product development on consumer satisfaction is accepted.

Table 10
Hypothesis Test Results for Brand Image on Customer Satisfaction.

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	17,050	3,049		5,593	.000
Brand image (X2)	.579	.079	.607	7,320	.000

a. Dependent Variable: Customer satisfaction (Y)

Based on the table above are test results, the $t \text{ count} > t \text{ table}$ or $(7,320 > 1,985)$ is obtained; thus, the second hypothesis proposed a significant effect between the brand image consumer satisfaction is accepted.

Simultaneous Hypothesis Test (Test F)

Hypothesis testing with the F test is used to determine which simultaneous hypothesis is accepted. The third hypothesis There is a significant influence between product development and brand image on customer satisfaction.

Table 11
Hypothesis Test Results for Product Development and Brand Image on Consumer Satisfaction.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	565,283	2	282,642	44,882	.000b
	Residual	573,068	91	6,297		
	Total	1138,351	93			

Based on the table above's test results, the calculated F value $> F \text{ table}$ or $(44,882 > 2,700)$, the third hypothesis proposed a significant effect between product development and brand image on consumer satisfaction is accepted.

Effect of product development on consumer satisfaction

Product development has a significant effect on consumer satisfaction with a correlation of 0.643 or has a strong relationship with a contribution of influence of 41.3%. Hypothesis testing obtained the value of $t \text{ count} > t \text{ table}$ or $(8,047 > 1,985)$. Thus, the first hypothesis proposed a significant effect between product development on customer satisfaction is accepted.

The Influence of Brand Image on Customer Satisfaction

Brand image has a significant effect on consumer satisfaction with a correlation of 0.607 or has a strong relationship with a contribution of influence of 36.8%. Hypothesis testing obtained the value of $t_{count} > t_{table}$ or $(7,320 > 1,985)$. Thus, the second hypothesis proposed that there is a significant effect between brand image and consumer satisfaction is accepted.

The Influence of Product Development and Brand Image on Customer Satisfaction

Product development and brand image significantly affect consumer satisfaction by obtaining the regression equation $Y = 10.370 + 0.404X_1 + 0.338X_2$, the correlation value is 0.705 or has a strong relationship with the contribution of the influence of 49.7% while factors influence the remaining 50.3%. Hypothesis testing obtained the value of $F_{count} > F_{table}$ or $(44,882 > 2,700)$. Thus, the third hypothesis proposed that there is a significant effect between product development and brand image on consumer satisfaction is accepted.

CONCLUSION

Product development has a significant effect on customer satisfaction with a contribution of the effect of 41.3%. Hypothesis test obtained $t_{value} > t_{table}$ or $(8,047 > 1,985)$. Brand image has a significant effect on customer satisfaction with the contribution of the effect of 36.8%. Hypothesis test obtained $t_{value} > t_{table}$ or $(7,320 > 1,985)$. Product development and brand image significantly affect consumer satisfaction with an influence contribution of 49.7%, while other factors influence the remaining 50.3%. Hypothesis testing obtained the value of $F_{count} > F_{table}$ or $(44,882 > 2,700)$.

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