

## Analysis of Effects of Product Quality, Promotion and Received Value Towards Customer Loyalty through Customer Satisfaction Grab Food

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### ABSTRACT

The purpose of this study was to determine the effect of product quality, promotion, and perceived value on customer loyalty with customer satisfaction as an intervening variable. The population of this research is Grab Food customers. The population in this study were Grab Food customers. The sample was taken by purposive sampling method with the criteria being Grab Food customers or had used it 3 times, and the samples analyzed were 125 respondents. The research method used is causal research to prove the theory with quantitative analysis approach with data analysis method using Structural Equation Model - Partial Least Square. The model test results show that the effect on customer satisfaction is strong and on customer loyalty is moderate, the predictive capability of the theory is large, and the relationship between the structural model and the measurement model is fit. The results of hypothesis testing conclude that product quality, promotion and perceived value variables affect customer satisfaction. The product quality and promotions do not affect customer loyalty either directly or through customer satisfaction. Perceived value directly affects customer loyalty but does not affect customer loyalty through customer satisfaction. And customer satisfaction does not directly affect customer loyalty.

### 1. Introduction

Technological developments to date, especially in the field of information and communication technology, have changed human behaviour, which has not been imagined in the human mind at that time. Currently, with the advancement in the field of information technology, it provides benefits to humans to facilitate their daily activities. The impact of advances in information and communication technology, especially the Internet since 1992, has impacted the business world. Companies that can take advantage of Internet advancements effectively and efficiently can compete competitively in the market they are facing, gradually live for customers with competitors.

Companies use the internet to support their business activities or obtain information for strategic decisions. Companies can plan their business, monitor competitors, measure market conditions, and communicate with customers or potential customers to market their products/services and get maximum profit with the Internet. Since 2008 Android devices were introduced and at their peak in 2009, the Android operating system was launched to support Android devices. Ojek Online is a startup business that utilizes advances in information and communication technology both for online transportation businesses or food delivery. In 2010 the Gojek company was established and in 2012, Grab was founded in Singapore and entered Indonesia in 2014 and the same year, Gojek introduced GoShop, which is the forerunner to the establishment of GoFood was officially established in 2015. The following Grab released Grab Food in 2015 so that the competition between the two until now. The competition between the two since 2019 can be seen from the surveys conducted to compare the performance of the two in the competition (*Gojek and Grab*, 2019).

According to 2019 survey data with a sample of 1000 respondents with sample characteristics aged between 18 - 45 years on the Berry Kitchen, Go-Food, Grab Food, and Kulineran applications, the result is that 58% of Indonesians choose to buy food through online applications, the second-highest after eating at restaurants. The place was chosen by 80% of the respondents. 39% of respondents said that they save time or effort in queuing and waiting, 37% of respondents said that using online applications can save time or energy in travelling to buy food, 33% of respondents said that online applications provide attractive promotions or offers (Nielson, 2019)

The most dominating online food purchase service players in Indonesia are Go-Food from Gojek and Grab Food from Grab. Consumers' main perception of Go-Food is related to service quality, while Grab Food is more associated with prices and promos. Secondary data on service performance between Go-Food and Grab Food are as follows.

Table 1. Performance Comparison Go-Food and Grab Food

No	Appraisal	Go-Food (%)	Grab Food (%)
1	Brand Image	70,9	69,0
2	Loyalty	69,9	68,9
3	Engagement	68,9	68,1
	Performance	69,9	68,7

Source: Alvara Strategic Research (Ali, 2017)

Table 1 shows that Go-Food customers are more loyal, and customer loyalty is needed to gain a competitive advantage (Andreani et al., 2012). To increase customer loyalty, it is necessary to consider the factors that cause low loyalty. Loyalty is related to post-purchase consumer satisfaction and subsequent attitudes (Tjiptono & Diana, 2019). Customer loyalty can be obtained after receiving customer satisfaction for the product or service. Customer satisfaction occurs when the total customer value received by consumers is equal to or greater than the total costs that have been incurred (Kotler & Keller, 2015).

Customer loyalty is influenced by factors such as physical evidence/facilities, location, product and customer satisfaction (Farida et al., 2016), Perceived Value and customer satisfaction (Putri et al., 2018), Customer Relationship Management, and customer satisfaction E-Service Quality, customer trust and satisfaction (Berlianto, 2017), service quality and price (Sugiarsih Duki Saputri, 2019), promotion and consumer satisfaction (Jati Prabowo & Sitio, 2020) A pre-research survey was conducted from October 7, 2020, to October 8, 2020, on 20 respondents who are online food ordering customers. The results of the survey data processing showed that the three most dominant variables got the answer DO NOT AGREE, namely: promotion, product quality, and perceived value with gains of 37.50%, 30%, and 27.5%, respectively. Previous research that analyzed the effect of Product Quality and Promotion on Gojek Online passenger satisfaction (Farida et al., 2016), research that analyzed the effect of Perceived Value on Tokopedia customer satisfaction (Sethio & Siagian, 2018), research that analyzed the effect of Perceived Value on customer loyalty through customer satisfaction (Putri et al., 2018) and customer satisfaction have a positive effect on Gojek customer loyalty (Thung, 2019) then research will be conducted with the title: **"The Effect of Product Quality, Promotion and Perceived Value on Customer Loyalty Through Customer Satisfaction "**.

### **1.1 Research Objectives**

The purpose of the study was to examine the effect of the independent variables on product quality, promotion, the perceived value on customer satisfaction, and the effect of these independent variables on customer loyalty directly. This study also aims to examine the effect of these independent variables on customer loyalty with customer satisfaction used as an intervening variable.

## **2. Literature Review**

### **2.1 Consumer Behavior**

Consumer behaviour is defined as the study of individual or group purchasing units and exchange processes involving the acquisition, consumption, and manufacture of goods, services, experiences, and ideas (Kotler & Keller, 2015). A market is formed from each of these units so that individual markets or consumer markets emerge, group purchasing units and business markets are formed by organizations (P. Kotler & G. Armstrong, 2012).

### **2.2 Customer Loyalty**

Loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future even though the influence of the situation and marketing efforts has the potential to cause customers to switch. Customer loyalty is a customer's

commitment to a product or service, which is reflected in repeat purchases, the number of purchases in the present and future and the level of acceptance that is different from competing products or services (Kotler & Keller, 2015). Indicators of customer loyalty are repeat purchases, using line products, recommending to others, and being immune to competitors' offers (Griffin J, 2016).

**2.3 Customer Ssatisfaction**

Customer satisfaction or dissatisfaction is the customer's response to the evaluation of the perceived suitability or discrepancy between previous expectations and the actual perceived performance of the product after its use (Kotler & Keller, 2015). Customer satisfaction indicators consist of: satisfied with the quality, satisfied with the price, satisfied with the service, satisfied after the purchase, and satisfied with the ease of service (Laurent, 2016).

Customer satisfaction has an impact on customer loyalty (Hill, Brierley, and MacDougall (1999), Stauss and Neuhaus (1997) (Tjiptono & Chandra, 2016). The level of satisfaction will affect the level of loyalty as in the following table:

Table 2. Relationship of Satisfaction with Loyalty

Satisfaction level	Loyalty level	Expectation
Very satisfied	95%	Meeting the ever-increasing expectations
Satisfied	65%	Already met expectations
Neutral	15%	Other providers are no better
Not satisfied	2%	With those who are still expecting more
Very Dissatisfied	0%	Not responding to needs

**2.4 Marketing Management**

Marketing is the process of managing profitable customer relationships to attract new customers by promising value advantages and maintain and grow existing customers by providing satisfaction (P. Kotler & G. Armstrong, 2012). Marketing management plays an important role in the company because it manages all marketing activities.

**2.5 Product Quality**

Product quality is one of the marketers' main positioning means. Quality is closely related to customer value and satisfaction. Product quality is a product's characteristic related to its ability to meet customer needs stated or implied (P. Kotler & G. Armstrong, 2012). Indicators of product quality related to online motorcycle taxis are appearance, variety of menus offered, healthy, nutritious choices, taste, freshness, and temperature (Nofriyanto, 2018).

**2.6 Promotion**

Promotion is information or communication used by entrepreneurs in introducing and offering products to the public because through promotion. It can also attract to the level of encouraging to buy to increase the company's sales results (Kotler & Keller, 2015). Indicators of promotions used in previous research regarding online motorcycle taxi users, namely: promotion of service availability, prices/discounts, complete foodservice partner information, and promotions, make customers always remember (Nugroho, 2018).

**2.7 Perceived Value**

Perceived value is the difference between the evaluation results for all benefits and all costs (Kotler & Keller, 2015). This concept is extended by describing the customer's perceived value as a proportion between the total customer value and the customer's total cost. In the research that has been done, it is stated that perceived value is an assessment given by consumers of the benefits of a product that has been felt, whether it is positive or negative, with the following indicators: emotional value, Social value, performance value, and price/value of money (Utomo & Sanaji, 2018)

**2.8 Hypothesis Development**

When consumers purchase a product, be it goods or services, the quality of the product will be one of the considerations. So that product quality is one of the factors that will affect the level of consumer satisfaction after making a purchase (Supranto, 2011). Previous research has been conducted by (Wijaya & Nurcaya, 2017) with the result that product quality has a positive and significant effect on customer satisfaction at Mcdonald's in Denpasar City. Another study by (Zain & Saidu, 2016) results that there is a positive relationship between product quality and consumer satisfaction on retail products in Malaysia. The hypotheses that can be put forward in this study are:

**H1: Product quality has a positive and significant effect on customer satisfaction**

Product quality is one factor that creates value for customers, subsequently creating customer satisfaction, which results in customer loyalty (Griffin J, 2016). Customers who have gotten what they need more than their sacrifices will then make repeat purchases and even refer them to other consumers. Previous research has been conducted by (Wijaya & Nurcaya, 2017), with the results stating that product quality has a positive and significant effect on brand loyalty resulting in customer loyalty at Mcdonald's in Den Pasar. In another study by (Xhema et al., 2018), the results state that product quality positively affects customer loyalty. Previous research has been conducted by (Ramadhan, 2017) with the results that product quality has a positive and significant effect on customer satisfaction through customer satisfaction. Other hypotheses that can be proposed in this study:

**H2: Product quality has a positive and significant effect on customer loyalty**

**H3: Product quality has a positive and significant effect on customer loyalty through customer satisfaction**

Continuous communication, developing promotions for customers, developing value-added product promotions need to be considered by companies to provide customer satisfaction (Griffin J, 2016). Promotions can achieve maximum customer satisfaction (Aslina, 2008). Research conducted by (Jati Prabowo & Sitio, 2020) explains that promotion has a positive and significant effect on passenger satisfaction. The research of (Wahab et al., 2016) said that promotion positively affects consumer satisfaction. Other hypotheses that can be proposed in this study :

**H4: Promotion has a positive and significant effect on customer satisfaction**

The promotional program was implemented to get potential customers to increase company sales. The promotion positively affects customer loyalty, as revealed by (Jati Prabowo & Sitio, 2020) and research by (Wahab et al., 2016) which states that promotion has a positive and significant influence on consumer loyalty. Prospective buyers or customers need honest and trustworthy promotions so that the right and appropriate promotions can get as many customers as possible and ultimately be loyal to the company (Hurriyati & Ratih, 2019).

The promotion has a positive effect on customer loyalty through customer satisfaction, as expressed by (Jati Prabowo & Sitio, 2020), (Novianti et al., 2018),(Farida et al., 2016), which states that promotion has a positive and significant influence on customer loyalty through customer satisfaction. Other hypotheses that can be proposed in this study:

**H5: Promotion has a positive and significant effect on customer loyalty**

**H6: Promotion has a positive and significant effect on customer loyalty through customer satisfaction**

Factors perceived value consumers affect consumer satisfaction directly or indirectly (Mowen & Minor, 2002). This depends on what he gets after making a purchase, whether the sacrifice is following what he gets from the purchase. Previous research conducted by (Putra & Rahyuda, 2018) results that Perceived value has a positive and significant effect on consumer satisfaction. Another study by (Hapsari et al., 2016) stated that perceived value directly affects consumer satisfaction. Other hypotheses that can be proposed in this study:

**H5: Perceived value has a positive and significant effect on customer satisfaction**

Customer value is obtained when what is obtained from the purchase of goods or services exceeds the sacrifice of money, the energy that has been expended. Through customer value, customer loyalty is created, and the company should be able to maintain customer loyalty needed for the long term (Hurriyati & Ratih, 2019). By maintaining customer value and customer loyalty, the company will be able to compete in the competition. Previous research conducted by (Sethio & Siagian, 2018) shows that good perceived value will make customers satisfied, which can ultimately make customers loyal to Tokopedia. Another study by (Luo et al., 2020) stated that perceived value has a positive and significant effect on tourist destination loyalty to Chinese millennial tourists.

Previous studies discussing the effect of perceived value on customer loyalty through customer satisfaction have been conducted by (Megadewi, 2016), (Ndoen & Kusumadewi, 2018), (Wahyuni & Ihsanuddin, 2019), with the results of their research showing that perceived value affects customer loyalty through customer satisfaction. Other hypotheses can be proposed in this study:

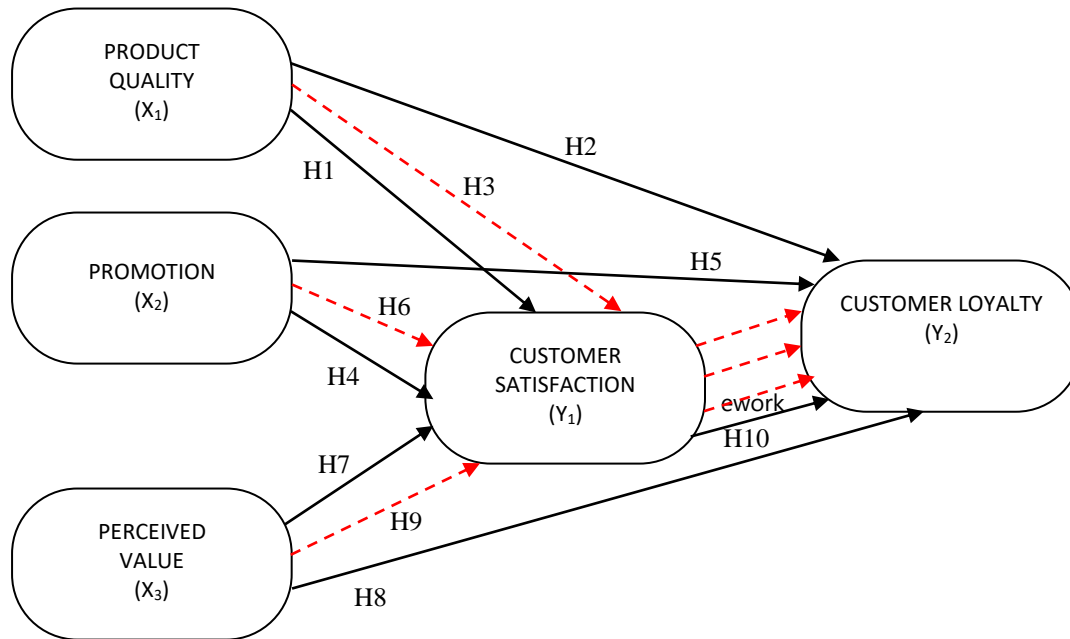
**H8: Perceived value has a positive and significant effect on customer loyalty**

**H9: Perceived value has a positive and significant effect on customer loyalty through customer satisfaction**

Satisfied consumers can become loyal customers or disloyal customers. This shows a relationship between satisfaction and customer loyalty (Tjiptono & Diana, 2019). Previous research conducted by (Thung, 2019) with research results stating that customer satisfaction has a positive influence on Gojek customer loyalty, and other studies by (Jati Prabowo & Sitio, 2020),

(Khairunnisa et al., 2018) stated that consumer satisfaction has a positive and significant effect on customer loyalty. Other hypotheses that can be proposed in this study:

**H10: Customer satisfaction has a positive and significant effect on customer loyalty.**



**3. Research Methods**

**3.1 Research Design**

This research belongs to the type of causal research with a quantitative approach to prove the theory, whether product quality, promotion, and perceived value on customer loyalty with customer satisfaction as an intervening variable. The quantitative analysis itself was chosen to determine the relationship between variables using values expressed in numerical form, placing more emphasis on data in the form of numbers that were processed mathematically with the partial least squares (PLS) square equation model (SEM) analysis model. The PLS-SEM analysis model was chosen with the consideration that PLS can show causality (cause-and-effect) relationships between various variables and the advantages do not require data to be normally distributed and in the case of using a small number of samples (Ghozali I, 2015).

**3.2 Population and Sample**

The population in this study are Grab Food customers in Jakarta and its surroundings. Sampling will use a purposive sampling technique because this study aims to examine Grab Food's customer loyalty. The sample criteria are Grab Food customers or at least have ordered food through the Grab Food application 3 times. The number of samples to be surveyed follows the Hair formula, where the number of PLS samples can be determined by calculating 5/10 times the number of measurement variables (Ghozali I, 2015). The method of filling out the form used a Likert scale (choice 1-5). In this study using 23 indicators, the minimum requirement for this research is to use a sample of 115 respondents and in the respondent survey activity in the period from January 19, 2021, to January 31, 2021, 129 data have been collected. Through the selection of data, 125 sample data will be processed at the data analysis stage.

**4. Data Analysis**

**4.1 Respondents Descriptive Analysis**

The results of descriptive analysis of respondents who filled out the questionnaire obtained the type of the majority of respondents aged between 26 - 35 years, the education level of the majority of respondents was D3/S1, the majority of respondents worked as private employees, with incomes between 5 - 10 million, the majority of respondents were male and already married.

**4.2 Measurement Model Testing**

Testing the measurement model (outer model) is carried out to determine the specification of the relationship between latent variables (constructs) and manifest variables (indicators). Outer model testing includes convergent validity, discriminant validity, and composite reliability.

Convergent validity aims to determine the validity of each relationship between indicators and constructs with the value of outer loadings or factor loadings. An indicator is categorized as good and meets convergent validity if it has a factor loading value > 0.7 (Ghozali I, 2015).

Composite reliability (CR) and Cronbach's alpha (CA) testing aims to test the reliability of data collection instruments in a research model. If all latent variable values have CR and CA values 0.7, the construct has good reliability, or the questionnaire used as a data collection tool is reliable and consistent (Ghozali I, 2015). The results of calculations with SmartPLS obtained the results of factor loadings, AVE, CR, and CA as follows.

Table 3. Constructs, Indicators, and Test Results of Measurement Models

<b>Constructs and Indicators</b>	<b>Mean</b>	<b>FL</b>	<b>AVE</b>	<b>CR</b>	<b>CA</b>
Product Quality					
• The food order looks clean	4.032	0.821			
• The taste of the food ordered tastes good	3.560	0.769	0.606	0.884	0.836
• The portion purchased satisfies hunger	3.744	0.718			
• Foods received warm	3.936	0.868			
Promotion					
• Grab Food promotion in terms of price (discount)	3.872	0.819			
• Grab Food promotion provides complete food outlets	4.008	0.776	0.610	0.862	0.787
• Grab Food promotions make you always remember	3.864	0.803			
Perceived Value					
• Positive emotions when ordering food	3.864	0.804			
• Ordering food improves self-concept	3.424	0.815	0.685	0.897	0.847
• Ordering food gets more value	3.640	0.848			
• The food ordered outweighs the cost	3.696	0.843			
Customer Satisfaction					
• Satisfied with the quality of the food ordered	3.936	0.857			
• Satisfied with the price of the food ordered	3.704	0.828	0.653	0.882	0.822
• Satisfied with the driver deliver food	3.936	0.707			
Customer Loyalty					
• Order food online regularly	3.792	0.800			
• Recommend Grab Food to others	3.656	0,837	0.637	0.840	0.716
• Invulnerable to services other than Grab Food	2.936	0.745			

Source: SmartPLS Data Processing Results (2021)

Based on Table 3 above, the value of factor loadings obtained is as recommended, namely 0.706 so that the indicators used in this study are valid or have met the convergent validity requirements, plus consideration of the AVE value for each variable having a value of 0.606 indicating that the AVE value is good for each construct because it has met the discriminant validity requirements. The measurement of discriminant validity uses the "Cross Loadings" criterion, which can be seen in the cross-loadings between the indicators and their constructs. An indicator is declared valid or meets the requirements of discriminant validity if the value of the cross-loadings indicator on the variable is the largest compared to other variables (Ghozali I, 2015), and the results of the calculation of cross-loadings meet the requirements of discriminant validity. According to table 3, the values of CA 0.716 and CR 0.84 are obtained so that it can be said that the overall construct has good reliability.

**4.3 Structural Model Testing**

Structural model analysis (inner model) is carried out to ensure that the structural model built is robust and accurate. Models with R-Square values above 0.7 are said to be strong and below 0.67 are said to be moderate (Ghozali I, 2015) chin. Testing the structural model by looking at the R-Square value is shown in table 4 below.

Table 4. R-Square Value Test Results

Variable Endogen	R-Square
Customer Satisfaction	0.726
Customer Loyalty	0.500

Source: SmartPLS Output Data Processing (2021)

Based on Table 5, it indicates that the independent variable influences the mediation variable model of Customer Satisfaction by 72.6% (strong) and the Customer Loyalty variable are influenced by the independent variable and the mediation variable is 50% (moderate), the rest is influenced by other variables not explained in this study.

Predictive Relevance (Q-Square) is used to measure how well the model generates the observed value and also its parameter estimates, Q-Square > 0 indicates that the model has a Predictive Relevance value, while the Q-Square value < 0 indicates that the model lacks Predictive Relevance. This test is conducted to determine the predictive capability if the value obtained is 0.02 (prediction capability is small), 0.15 (medium), and 0.35 (large) (Ghozali I, 2015). Based on the results of the Q-Square test, a value of 0.863 means that the prediction capability of this model is large, namely 86.3% so that the model is feasible to use.

The Goodness of Fit Model (GoF) value is obtained from the average AVE multiplied by the average R2 model value. Small GoF = 0.10, medium GoF = 0.25, large GoF = 0.38 (Ghozali I, 2015). From the calculation results, the GoF value is 0.673, so that the model can be said to be fit or has great relevance between the measurement model and the structural model.

**Hypothesis Test**

The Bootstrapping calculation procedure can obtain significant values to determine whether it is significant or not significant using the t-table value at alpha 0.05 (5% level) = 1.96, then compared with T-statistics (T count). Here are the results of hypothesis testing with Bootstrapping calculations:

Table 5. Hypothesis Test Result

No	Hypothesis	Result		
		Coefficient	P Values	Conclusion
H1	Product Quality -> Customer Satisfaction	0.319	0.000	Accepted
H2	Product Quality -> Customer Loyalty	0.034	0.703	Rejected
H3	Product Quality -> Customer Satisfaction -> Customer Loyalty	0.081	0.122	Rejected
H4	Promotion -> Customer Loyalty	0.243	0.000	Accepted
H5	Promotion -> Customer Loyalty	0.107	0.339	Rejected
H6	Promotion -> Customer Satisfaction -> Customer Loyalty	0.061	0.137	Rejected
H7	Perceived Value -> Customer Satisfaction	0.442	0.000	Accepted
H8	Perceived Value -> Customer Loyalty	0.391	0.009	Accepted
H9	Perceived Value -> Customer Satisfaction -> Customer Loyalty	0.111	0.072	Rejected
H10	Customer Satisfaction -> Customer Loyalty	0.252	0.077	Rejected

Source: SmartPLS Data Processing Output (2021)

**5. Discussion**

Based on the results of hypothesis testing as shown in Table 5, hypothesis 1 is accepted, product quality has a positive and significant effect on customer satisfaction. The results of this study are in line with research conducted by Nofriyanto (2018), Astika et al. (2017) and Khoirulloh et al. (2018) which states that product quality influences customer satisfaction. Product quality affects customer satisfaction by 31.9%, with at count > t table that is 4.365. Based on the respondent's description data, it can be seen that the majority are aged between 26 - 45 years, with jobs as middle-income employees, with their busy lives, many of them fulfil their food needs using applications such as Grab Food. With the quality of food with the priority of tasting good,

warm, clean and the right portion, the priority is based on the t count value of the largest indicator then will give satisfaction especially: (1) satisfied with the quality of the food ordered, (2) satisfaction with the price, and (3) satisfaction after the food arrives. So that by improving product quality from the taste of delicious, warm, clean food and the right portions, it will certainly increase customer satisfaction. To support this, it is necessary to serve fast food and drivers who come quickly to the restaurant and quickly deliver it to the customer's place. This is related to customers with these characteristics very strictly in terms of time.

**The results of hypothesis 2 are rejected.** Product quality has a positive and insignificant effect on customer loyalty. The results of this study are in line with the research of (Azazi et al., 2019) which states that product quality has no significant effect on customer loyalty. This research is in line with the research of (Jannah et al., 2019) where product quality has no significant effect on customer loyalty. The direct effect of product quality on customer loyalty is 3.4% with a calculated T value of 0.382 so it can be said that the effect is very small and even opposite. To increase customer loyalty through product quality, it is necessary to involve other reinforcing factors such as customer trust. Regarding the majority of respondents who get satisfaction with food that is delicious, warm, clean, and the right portion, which usually always orders regularly, if you invite friends you will not necessarily follow it and because there are more offers attractiveness from a competitor, Grab Food, was even influenced by the invitation of his friends so he tried to change the service. Things like this will result in low loyalty weights or even become disloyal. This can be concluded as (Hill et al., 2018), (Tjiptono & Chandra, 2016), although the customer satisfaction may not be sufficient to make him loyal.

**The results of hypothesis 3 are rejected.** The effect of product quality on customer loyalty indirectly through customer satisfaction is a positive and insignificant effect with a large effect of 8.1% with a t value of 1.549. These results are in line with the research of (Zakki et al., 2019) which states that satisfaction cannot mediate product quality on loyalty. So that indirectly through customer satisfaction, the product quality factor will not affect Grab Food's customer loyalty. Table 2 can be used as a guideline that the level of loyalty obtained can be low and seen from the influence of quality and satisfaction which are both small, namely 3.4% and 8.1% will further reduce customer loyalty. Because satisfaction is only valid in the short term, in services such as Grab Food, even though the product quality is considered good according to the customer, but if one day there is an attractive offer, for example, a lower price (price satisfaction) it will make customers try other services, this is possible because the majority of customers according to the analysis of respondents' descriptions include middle income. Another thing in ordering satisfaction often occurs if you initially order with Grab Food but the time you eat trying other services will be faster, causing the main satisfaction with Grab Food to decrease or even disappear.

**The results of hypothesis 4 are accepted,** that promotion has a positive and significant effect on customer satisfaction. The results of this study are in line with the research of (Putri et al., 2017) and (Saputra et al., 2020) which state that promotion has no significant effect on customer satisfaction. Promotion does not affect customer satisfaction with only the effect of 24.3% and the T count value of 3.560 which almost affects customer satisfaction. The effect of promotion in terms of discounted prices, complete outlets, and customer recall did not adequately affect customer satisfaction. This can happen because the discount price program from Grab Food is rare. Outlets that are not as complete as competitors make customers less satisfied with Grab Food services. So, to increase customer satisfaction, Grab Food needs to run a discount price program as it has often been done before and add outlets that are sought after by customers. Another reason is that the discount for outlets is too large, causing many outlets to be reluctant to become Grab Food partners.

**The results of hypothesis 5 are rejected.** The promotion has a positive and insignificant effect on customer loyalty. The results of this study are in line with the research of (Anggraini & Budiarti, 2020) and (Fernandes & Solimun, 2018) which state that promotion has no significant effect on customer loyalty. Promotion is not an important factor that influences customer loyalty with an effect of only 10.7% and the calculated T value is 0.957 so it can be said that the effect is very small. So there is no need to increase promotions to increase customer loyalty, but other factors must accompany promotions to be able to influence Grab Food's customer loyalty.

**The results of hypothesis 6 are rejected.** The effect of promotion on customer loyalty indirectly through customer satisfaction has a positive and insignificant effect with an effect of 6.1% with the t-count value of 1.489. So with the existence of customer satisfaction, promotional factors still do not affect increasing customer loyalty. Customer satisfaction alone will not be enough and only applies to the short term while customer loyalty applies to the long term, so in addition to customer satisfaction, promotional factors to get an increase in loyalty must be accompanied by other factors. Based on the relationship table of satisfaction and loyalty, promotional factors and the level of customer satisfaction will affect customer loyalty (Hill, Brierley and MacDougall and Stauss and Neuhaus in (Tjiptono & Chandra, 2016)). If the promotional program gets a positive response from customers but the satisfaction obtained is low, the possibility of customer loyalty is not formed.



**Hypothesis 7 is accepted.** That perceived value has a positive and significant effect on customer satisfaction. The results of this study are in line with research conducted by (Tala, 2016) which states that product quality influences customer satisfaction. The perceived value affects customer satisfaction by 44.2%, with a t count > t table that is 4.610. Based on the respondent's description data, it can be seen that the majority are aged between 26 - 45 years, with jobs as middle-income employees, with their busy lives, many of them fulfill their food needs using applications such as Grab Food. To support this, the Grab Food application must provide value to customers to provide a high level of satisfaction. With the priority of positive feelings when ordering food, self-confidence, getting more value and more benefits than costs, it will give satisfaction, especially: (1) satisfied with the quality of the food ordered, (2) satisfaction with price, and (3) satisfaction after the food arrives. So that by increasing providing benefits to customers, it will increase customer satisfaction.

**Hypothesis 8 is accepted.** That perceived value has a positive and significant effect on customer satisfaction. The results of this study are in line with research conducted by (Tala, 2016) which states that perceived value influences customer loyalty. The perceived value affects customer loyalty by 39.1%, with a value of t count > t table that is equal to 2.628. Based on the respondent's description data, it can be seen that the majority are aged between 26 - 45 years, with jobs as middle-income employees, with their busy lives, many of them fulfill their food needs using applications such as Grab Food. By prioritizing positive feelings when ordering food, self-confidence, getting more value, and more benefits than costs will increase customer loyalty.

**The results of hypothesis 9 are rejected.** The effect of perceived value on customer loyalty indirectly through customer satisfaction is a negative and insignificant effect with an effect of 11.1% with a T statistic value of 1.802. The results of this study are in line with research that has been conducted by (Tala, 2016) which states that perceived value influences customer satisfaction. This happens because the level of customer satisfaction is too low so that the effect of perceived value on customer loyalty indirectly does not affect it. Although perceived value directly has a positive and significant effect on customer satisfaction and customer loyalty, a very large T arithmetic value with an influence above 72%.

**The results of hypothesis 10 are rejected.** Customer satisfaction has a negative and insignificant effect on customer loyalty. The results of this study are in line with research conducted by (Imaningsih et al., 2019) which states that green satisfaction does not affect green loyalty. The results of this study are also in line with research conducted by Annas et al. (2016) and Khoirulloh et al. (2018), which states that satisfaction does not have a positive and significant effect on customer loyalty. In this study, customer satisfaction affects customer loyalty by 25.2%, with a T arithmetic value of 1.772. This means that increasing customer satisfaction will not have much effect on customer loyalty. This can be due to the low level of satisfaction obtained by Grab Food customers so that it is not enough to make loyal customers (Tjiptono & Chandra, 2016).

## 6. Conclusion and Suggestions

### 6.1 Conclusion

1. Product quality has a positive and significant effect on customer satisfaction. This means that increasing product quality can increase Grab Food's customer satisfaction.
2. Product quality has a positive and insignificant effect on customer loyalty. This means that increasing product quality cannot increase Grab Food's customer loyalty.
3. Product quality has a positive and insignificant effect on customer loyalty through customer satisfaction. This means that increasing product quality through customer satisfaction cannot increase Grab Food's customer loyalty.
4. The promotion has a positive and significant effect on customer satisfaction. This means that increasing promotions can increase Grab Food's customer satisfaction.
5. The promotion has a positive and insignificant effect on customer loyalty. This means that increasing promotions cannot increase Grab Food customer loyalty.
6. The promotion has a positive and insignificant effect on customer loyalty through customer satisfaction. This means that increasing promotions through customer satisfaction cannot increase Grab Food's customer loyalty.
7. Perceived Value has a positive and significant effect on customer satisfaction. This means that increasing perceived value can increase Grab Food's customer satisfaction.
8. Perceived Value has a positive and significant effect on customer loyalty. This means that increasing perceived value can increase Grab Food customer loyalty.
9. Perceived Value has a positive and insignificant effect on customer loyalty through customer satisfaction. This means that increasing perceived value through customer satisfaction cannot increase Grab Food's customer loyalty.
10. Customer satisfaction has a negative and insignificant effect on customer loyalty. This means that increasing customer satisfaction cannot increase Grab Food's customer loyalty.

## 6.2 Suggestion

From the results of the study and based on the conclusions above, the following suggestions can be given.

- 1) For further research  
Based on the results of the test, the influence model of product quality, promotion, and perceived value variables on customer satisfaction is 72.6% while 27.4% is explained by other variables outside the study and the influence model of product quality, promotion, perceived value and mediating variables. customer satisfaction on customer loyalty is 50%, while other variables outside the study explained 50%. Suggestions that can be considered in future research are to examine variables that have not been explained in this study, such as location, customer relationship management (CRM), price perception, e-Service Quality, service quality, trust, facilities, and other variables to see how much influence they have on customer loyalty.
- 2) For practical  
Increasing customer loyalty for Grab Food cannot be done by simply increasing product quality and promotion factors, but other factors need to be considered, such as increasing the perceived value factor that can increase Grab Food customer loyalty. Customer satisfaction cannot mediate product quality, promotion, and perceived value to increase Grab Food customer loyalty, so choosing other mediating variables to increase Grab Food customer loyalty, such as perceived value is necessary.

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