# Analysis Factor of Customer's Decision in Choosing an Indonesian Restaurant from Service Quality Perspective

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## Abstract:

Culinary business such as restaurant is a promising opportunity in Taiwan in relation to the migrant workers from Indonesia who definitely yearn for special foods from Indonesia. However, service quality is one of important factors in making decision to purchase meals in a restaurant. Objective of the research was to analyze variables, which become factors that encourage consumers in making decision to buy meals at the Indonesian restaurant in Kaohsiung City. The research took 100 respondents as representatives of consumers in the restaurant. Data of the research was primary data, which was derived from questionnaires. There were 20 variables, which were observed using factor analysis as analysis tool. The obtained data was processed by computer using SPSS 23 program. Results of the research showed that there were three factors, which had been formed in the research that included social communication, restaurant environment, and guarantee on both products and services. Social communication showed the highest Eigen value, 10.383; restaurant environment was 1.348, and guarantee on both products and services were 1.047. Therefore, it showed that communication between employee and consumer highly affect on decision-making to purchase and it was followed by the atmosphere in the restaurant, as well as guarantee on both products and services.

Keywords --- **Service quality, Indonesian Restaurant,** *Factor analysis, Barlet Test Sphericity, eigenvalue, correlation matrix, loading factor*

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## Introduction

The economic change against the Indonesian people in the overseas countries has grown rapidly. Therefore, such rapid growth has created good opportunity for businessmen who run their business on restaurants. The effect of the increasing numbers of Indonesian workers in Taiwan is the development of Indonesian restaurants in the country. Such situation has been utilized by some businessmen to provide Indonesian special foods in the country.

Today, competition in culinary business is getting strict, particularly among Indonesian restaurants. The facts show that the enhanced purchasing power of the Indonesian people to the Indonesian restaurants can be seen from the increasing numbers of Indonesian workers year-by-year. The condition has motivates the businessmen, particularly who run their businesses on restaurant, to improve their innovations in offering the best services that will satisfy the customers via superior products and services; therefore, in order to reach the goal, the businessmen should have personal comprehension against the consumers' demand, so that they will be able to compete with other restaurants.

This research observed the consumer behavior in making decision to purchase meals at the Indonesian restaurant in accordance with service quality that based on the SERQUEL theory, and it is expected that the Indonesian restaurant will improve its services to customers.

## Literature Review

## Marketing concept

Kotler (2007) suggested that there are some concepts in marketing science, namely production concept, product concept, selling concept, and society. In production concept, the consumers prefer easy product and competitive price. In product concept, on the other hand, the consumers prefer qualified, quantity, prestigious, and innovative products. Moreover, based on the selling concept, the consumers will purchase when the producer manufacturer has aggressiveness against sales and promotion. In marketing concept, the producer/ manufacturer should be more effective in understanding target of the market, consumer's demand, integrated marketing, and profitability.

## Consumer Behavior

Schiffrman and Kanuk (2007) identified the consumer's behavior as follows: The term of Consumer's Behavior

means behaviors of the consumer in looking for, purchasing, using, evaluating, and consuming products and services, which are expected to be able to satisfy their needs".

According to Solomon (2009), consumer's behavior refers to" it is the study of the processes involved when individuals or group select, purchase, use or dispose of products, services, ideas and experiences to satisfy needs and desires". According to Kotler and Keller (2009: 233), Consumer's Behavior is "A Study that concerns with how individuals, group, and organization select, purchase, and use, as well as how products, services, ideas, and experiences are able to satisfy their needs and desires".

**Decision-Making to Purchase**

Decision-making of the consumer is considered as three different stages, but they are interrelated to each other: input, process, and output. In input stage, it affects the introduction of the consumers to products as they need. This stage consists of two main information sources: company's marketing (integrated marketing of company that includes: product, price, promotion, and distribution channel) and socio-cultural environment that refers to various non-commercial influences, which include:

family, friends, neighbors, social class, culture, and subculture.

According to Engel (2001), there are three types of decision-making taken by the consumer: extended problem solving, limited problem solving, and routine problem solving. Decision-making to purchase or consume specific brand of product will be initiated by some steps as follow: (i) Introduction to what we need, (ii) Looking for information, (iii) Alternative evaluation, (iv) Purchasing, (v) Behavior after purchasing.

Munandar (2001) stated that decision-making to purchase consists of recognizing what we need most, looking for information, evaluation, and selection as alternative, selecting the distribution channel, and making decision to purchase the products as the consumer's needs.

**Service Quality**

Service is attitude in offering service or how to serve the consumers, so that the consumer will feel to be respected, appreciated, and satisfied (Tjiptono, 2012). And it was supported with explanation by Kotler and Amstrong (2004), which stated that service is activity to offer intangible and useful thing to others, which has no transfer of ownership status. Parasuraman *et al*. in

Lupiyoadi (2001) described that service refers to the extent of difference between fact and expectation of the consumer toward the service.

Consumer satisfaction refers to the feeling of pleased or disappointed after comparing the expectation over the product or service and reality that is accepted by the consumer; meanwhile, Tjiptono (2005) suggested that customer satisfaction is the customers' assumption toward what they will get. Customers' expectation is standard of prediction in assessing satisfaction. Consumers' expectation will enhance time after time along with the development of information and experiences that have been gained by the consumers, so that they will affect on consumers' satisfaction.
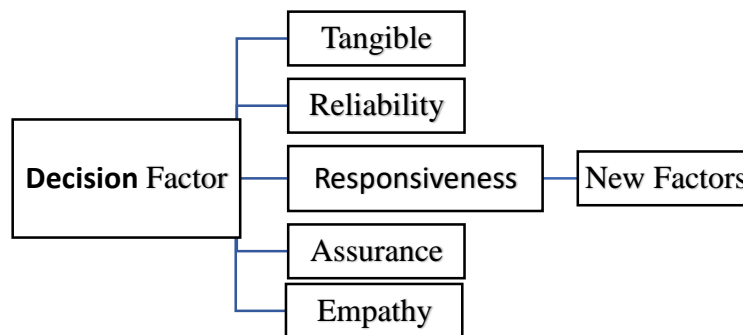
**Research Conceptual Framework**



Figure 1. Research Conceptual Framework

**Hypothesis**

It was assumed that the estimation of decision making of customers to purchase in Indonesian restaurant has the new factors that explained the overall variable.

**Research method**

The research was a quantitative research. Populations of the research were Indonesian people who live in Taiwan. Sample collecting technique of the research used *non-probability sampling* with sampling quota. It took 100 samples. Samples were determined by criteria as follow: their ages

range 15-60 years old, Indonesian people, they have eaten at the Indonesian restaurant in Kaohsiung.

Variable of this study consist of 20 variables from service quality and will explain below:

### Tangible

Q1: Exquisite and attentive of restaurant decor
Q2: The restaurant is clean and comfortable
Q3: Restaurant staff wears neat clothes.
Q4: The restaurant has a lot of parking area.

### Reliability

Q5: The ingredients in the restaurant are fresh
Q6: Staff provides fast service.
Q7: The accuracy of the information provided by staff.
Q8: The chef is professional and reliable.

### Responsiveness

Q9: Service is provided accurately.
Q10: Immediate response to consumers demand.
Q11: Service staff can handle the customer opinions patiently.
Q12: Restaurant staff does not need to ask the supervisor to be able to provide better services directly.

### Assurance

Q13: The image and reputation of the restaurant.

Q14: The quality and nutritious of the restaurant meal.
Q15: The restaurant meals are delicious.
Q16: Available food is guaranteed halal for consumption.

### Empathy

Q17: Service staff has good communication with consumers.
Q18: Waiter staff can understand consumer desires
Q19: Restaurants can really respond to your opinions about restaurants, service staff, and food.
Q20: Restaurant staff pays individual attention to consumer.

### Data analysis

Method used by the writer was distributing questionnaires via online with google form and literature review. Questions of the questionnaire used the method of *Five Likert Scale*. At first, the researcher performed validity test and reliability test on those 100 samples using SPSS program. This research used factor analysis as procedure to reduce and summarize the data (Malhotra: 1999). Model of the analysis is presented below:

$X_i = A_{i1} F_1 + A_{i2} F_2 + A_{i3} F_3 + .. + A_{lm} F_m + V_i U_i$

Whereas:

$X_i$ = Estimation of the-i factor

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Aij    = Multi regression coefficient or loading factor of variable i against common factor j

F    = Common factor

Vi    = Standardized regression coefficient or loading factor of variable i against common factor j

Ui    = Specific coefficient of variable i

m    = Numbers of common factors

The expected result from the factor analysis model is that specific factor may not correlate to each other and may not correlate with common factors. Malhotra (1999) suggested that common factor is linear combination of variable, which is counted using the equation below:

$$Fi = Wil\ X1 + Wi2\ X2 + Wi3\ X3 + \ldots\ldots + Wik\ Xk$$

Whereas :

Fi    = Estimation of the-i loading factor
Wi    = Weight or factor value coefficient
k    = Numbers of variable

## Research result

From 100 respondents' answers for 20 variables with certain choices the results are as follows: strongly agree 48%, agree 38%, neutral 11%, disagree 1.6% and strongly disagree 1.4%.

## Reliability Test

Reliability test has shown the instrument's ability to measure a symptom at different times and get the same relative results. This can be determined by the Cronbach Alpha value. The criterion is that the Cronbach Alpha value must be $\geq 0.70$. According to the table this study, the value is 0.950. Result of study is $> 0.70$, so that this research has been sufficiently reliable and valid

## Sample Adequacy Test

The numbers of sample in this study were 100 correspondents. The adequacy of this sample can be seen from the Kaiser Mayer Olkin index (KMO). The criterion is that the KMO value must be $\geq 0.80$ but Sharma (1996) stated that KMO of $> 0.60$ can be tolerated. The KMO index of this research is 0.924 which means $> 0.60$. So that sample of this research is considered sufficient (adequate).

## Determination of Factor Number

By using the SPSS program, new factors are found. These factors are determined by Eigen value $\geq 1$. If the Eigen value is less than 1, so that the factor is excluded from the model. Results of this research are as follow:

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## Table 1. Total Variance Explained

| Factors Number | Eigen Value % | Variant % | Variant Cumulative |
| --- | --- | --- | --- |
| 1 | 10.383 | 51.917 | 51.917 |
| 2 | 1.348 | 6.740 | 58.657 |
| 3 | 1.047 | 5.235 | 51.917 |

Source: This Study (2019)

### Factor Rotation Results

This research used Varimax rotation. This rotation type was chosen due to it will give better results than other rotations. The variable has loading factor value minimum 0,5. Variables that have loading factor < 0,5 will be excluded from the model. Variable grouping in factor is presented in Table 2. Based on data about total variances as explained above and combined with results of factor rotation, which include Eigen value of each factor, so that from those three new factors, the common factors have been constructed in the Table 2 below :

## Table 2. Rotated Component Matrix[a]

| | Component | | |
| --- | --- | --- | --- |
| | 1 | 2 | 3 |
| Q18 | ,824 | - | - |
| Q20 | ,794 | - | - |
| Q19 | ,778 | - | - |
| Q13 | ,645 | - | - |
| Q17 | ,606 | - | - |
| Q8 | ,503 | - | - |
| Q3 | - | ,852 | - |
| Q7 | - | ,747 | - |
| Q6 | - | ,684 | - |
| Q9 | - | ,606 | - |
| Q2 | - | ,524 | - |
| Q5 | - | ,520 | - |
| Q1 | - | ,510 | - |
| Q4 | - | - | ,778 |
| Q11 | - | - | ,655 |
| Q16 | - | - | ,650 |
| Q15 | - | - | ,578 |
| Q14 | - | - | ,569 |
| Q10 | - | - | ,547 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

Source: This Study (2019)

*Availableat www.ijsred.com*

**Table 3. Interpretation Common Factor**

| Factor | % of Varian | Cumulative % | Variable Factor | Factor Loading | Eigen value |
|---|---|---|---|---|---|
| 1 | 51.917 | 51.917 | Q18 | 0.824 | 10.383 |
|   |   |   | Q20 | 0.794 |   |
|   |   |   | Q19 | 0.788 |   |
|   |   |   | Q13 | 0.645 |   |
|   |   |   | Q17 | 0.606 |   |
|   |   |   | Q8 | 0.503 |   |
| 2 | 6.740 | 58.657 | Q3 | 0.852 | 1.348 |
|   |   |   | Q7 | 0.747 |   |
|   |   |   | Q6 | 0.684 |   |
|   |   |   | Q9 | 0.606 |   |
|   |   |   | Q2 | 0.524 |   |
|   |   |   | Q5 | 0.520 |   |
|   |   |   | Q1 | 0.510 |   |
| 3 | 5.235 | 51.917 | Q4 | 0.778 | 1.047 |
|   |   |   | Q11 | 0.655 |   |
|   |   |   | Q16 | 0.650 |   |
|   |   |   | Q15 | 0.578 |   |
|   |   |   | Q14 | 0.569 |   |
|   |   |   | Q10 | 0.547 |   |

Source: This Study (2019)

Based on the table above, some new factors are interpreted as follow:

Factor 1 consists of Q18, 20, 19, 13, 17 and 8, which explain about Understanding of customer desires, Individual attention to customers, really responsive to customers opinions, image and reputation of the restaurant, good communication to customers, and the chef is professional and reliable. Those factors refer to social communication with customers of the Indonesian restaurant.

Factor 2 consists of Q3, 7, 6, 9, 2, 5, and 1. Those factors are Staff wear neat clothes, the accuracy of staff information, fast service, give the service accurately, the restaurant is clean and comfortable, ingredients are fresh, and decoration of the

restaurant is exquisite and attentive. Those factors refer to restaurant environment.

Factor 3 consist of Q4, 11, 16, 15, 14, and 10. Those factors explain about the availability of parking area, staff can handle the customer opinions patiently; availability of halal food, meals are delicious, quality and nutrition of meals and staff gives immediate response to customers demand. Those factors refer to guarantee of product and service.

## Conclusion

Based on results of the research, some conclusions were drawn as follow:

1. Result of the analysis factor showed that there are three factors that have been built. The first is social communication, the second is about restaurant environment, and the third is about guarantee on product and service.

2. The biggest factor is derived from social communication between staff and customers with % of variance 51.917 %, while the least factors is derived from guarantee on product and service with % of variance 5.235 %.

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