Modeling Service Quality: The Impacts of Visitor Loyalty on Culinary Tourism

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ABSTRACT

The purpose of this study is to analyze the relationship among service quality, perceived value, satisfaction, trust, and loyalty. Population in this study is the visitors to Bandung culinary tourism. The study uses Partial Least Square (PLS) with several variables of service quality, perceived value, satisfaction, trust, and loyalty. Data is obtained from distributed questionnaires to respondents. There are 270 respondents as a sample in this study. The results showed that the service quality rendered by service providers in Bandung significantly affect respondent satisfaction, but indirectly affect the perceived value. Service quality provided by culinary providers in Bandung indirectly affects respondent satisfaction, but it directly affects respondent perceived value. To achieve satisfaction, respondents had to feel the perceived value of culinary services provider in Bandung. A perceived value significantly affects respondent satisfaction and loyalty. Respondent satisfaction significantly affects respondent trust and loyalty. Respondent trust significantly affects respondent loyalty.

Keywords: service quality, perceived value, satisfaction, trust, loyalty

1. INTRODUCTION

Current development of culinary business in Bandung has increased significantly. It can be seen from the increasing number of companies that deal with culinary business from small, middle, until large scale. Data from Regional Own Source Revenue (Pendapatan Asli Daerah or PAD) in Bandung shows tourism sector contribution as follow:

Table 1 Contribution Of Tourism Sector On PAD Bandung

Year	PAD Bandung (Rp)	A contribution of Tourism Sector
2009	372.423.970.433	49%
2010	443.331.559.083	44%
2011	609.122.000.000	67%

Source: data (2015)

Based on the table above, it can be read that tourism has an important role to PAD Bandung. From 2009 until 2011, tourism contribution to PAD is almost doubled. The number of visitors to Bandung is increasing. According to data from Department of Tourism, Art, and Culture, the number of tourists in Bandung (2010 – 2013) is increasing as follow.

Table 2 Tourists Visit Bandung (2010 – 2013)

Year	Σ Tourist	Σ Guest Stay	Hotel Occupancy
2010	15.539.664	9.615.807	62%
2011	20.138.472	12.228.216	61%
2012	15.772.317	10.541.115	67%
2013	16.694.172	11.692.287	70%

Source: Departement of Tourism, Art, and Culture (2014)

Based on table above, it can be read that foreign and domestic tourist in Bandung had increased significantly (2009 – 2013), though there had been a slight decreasing in 2012. The development is closely related with regional government's role to promote tourism potency in Bandung.

As a tourism destination, Bandung provides everything to spoil its visitors from shopping to culinary. As a result, in weekend especially in a long holiday, visitors from outside of Bandung flock into the city. To improve visitor's comfort the government has increased facilities and infrastructure of tourism. It can be read in the table below:

Table 3 Restaurant and Food Stall in Bandung 2014

Classification	Number
Talam Kencana Restaurant	1
Talam Salaka Restaurant	67
Talam Gangsa Restaurant	165
Franchise Restaurant	55
Bar	12
Dine A	36
Dine B	151
Dine C	158
Total	645

Source: Departement of Tourism, Art, and Culture (2014)

Tourism sector provides a large contribution to PAD Bandung (Directorate General of Tourism). It includes hotel tax, restaurant tax, and tourist spot tax. From each aspect, culinary becomes one important thing to remember. For improving tourism, the government also participates in a creative economy process by improving a creative community. Education and creation of city infrastructure will stimulate the creation of innovative ideas. Creative ideas can be applied in culinary. Long (2004) stated that "culinary tourism is the international, exploratory, participation in the foodways of another participation including the consumption, preparation, and presentation of a food item, cuisine, meal system or eating style that is considered and belonged to a culinary system not one's own". Based on the statement it can be explained that culinary tourism is an exploring activity through consumption, preparation, and presentation of food or meal. This activity can be categorized as a tourism activity.

Although there has been an increasing contribution of revenue from tourism, especially in culinary tourism, one important question to ask is whether this development can continuously increase or not. Do government and culinary sector only focus on cost

or price aspect? Searching for and attracting new customer are important tasks to do but it needs larger cost and effort that keeping its existed customers. Research shows that a loyal customer will be more beneficial in the short-term since loyal customer willing to spend more money and has lower sensitivity (O'Brien and Jones, 1995). A loyal customer will be the important actor to improve organizational revenue (Reicheld, 1996). A loyal customer will give positive word of mouth about an organization for free (Shoemaker and Lewis, 1999). Based on profit aspect, the improvement of customer retention as 5% can improve organizational profit at 25 – 95% (Reicheld, 1995).

There are may antecedent factors of loyalty, as a result, an author will not be able to investigate the joint influence simultaneously. The purposes of this study are to:
(1) analyze the characteristics of culinary tourism visitor in Bandung;
(2) decide antecedent potency of customer loyalty and test the relationship between factors that shape customer loyalty, namely, service quality, satisfaction, perceived value, and trust.

2. LITERATURE REVIEW
2.1 Service Quality
The last few decades of service quality have gained much attention from researchers and practitioners as a result of its impact on business performance, customer satisfaction, customer loyalty, and profitability. The quality of service is usually understood as a measure of the conformity of service delivery rates with customer expectations (Santos, 2003). For example, Gronroos (1984) defines the quality of a perceived service as a result of an evaluation process in which the customer compares his expectations with the perceptions of the services it receives. While Parasuraman *et al.* (1988) define service quality as an overall evaluation of the specific service that results from a comparison of the firm's performance with the customer's general expectations of how firm performance should be in the industry.

Several service quality measurement instruments have been developed to achieve and explain the service quality dimensions. Although there is little doubt, SERVQUAL is the most popular measurement instrument. The most widely used SERVQUAL version is the comparison of gaps between customer expectations and perceptions, as well as characteristics of 5 dimensions, namely reliability, responsiveness, assurance, empathy, and tangible proof.

2.2 Perceived Value
The creation of perceived value for customers is a key factor in the success of professional services firms. Vantrappen 1992 in Trassoras *et al.* (2009) states that the creation of value for the customer means a match between expectations with quality, delivery, and cost. Vantrappen (1992) in Trassoras *et al.* (2009) says each customer has a unique and growing need: a customer expects different attributes in a product, and the same customers will expect different attributes at other times.

Slater and Narver (1994) in Trassoras *et al.* (2009) propose a paradigm for maintaining superior performance and create value. They stated that: "... creating superior customer value requires more than just focusing on customers. The key questions are which competitors, and what technologies, and the target customers perceive them as alternate satisfiers. Superior value requires the seller to identify and understand the principle of competitors' short-term strengths and weaknesses and long-term capabilities and strategies ... ".

Slater (1997) proposes that "the central organizational challenge in the customer value-based theory of the firm is to maximize the effectiveness of the firm's customer value creation activities". Slater emphasizes to know what the customer needs and works to meet those needs.

Christopher (1996) notes that customer value is created when the perception of benefits earned from transactions exceeds the cost of ownership. There are 3 sources of competitive advantage in customer value creation, namely operational excellence, product leadership, and customer intimacy. One of these three strategic approaches can be used by companies to create value creations (Treacy and Wiersama, 1995).

Woodruff (1997) proposes the use of customer value-delivery orientations that organizations need to learn extensively about their target markets and customers. Deciding how the fulfillment of what the present and future customer value raise a difficult question. Woodruff (1997) adds to building customer value delivery capabilities to find and address cultural, procedural, and learning boundaries.

Different buyer values, also different attributes. Parasuraman (1997) says the basic proposition proposing the customer criteria framework for measuring values may change over time. Perhaps the more abstract the longer the relationship is established.

The value is determined by the customer. Some customers determine the low price of a product or service as a source of value. On the other hand, the expensive price is a source of value. Johnson *et al.* (1999) explain the buyer's perception of the value of representing the exchange between perceived quality or perceived benefits. Values are subjective and specific to the customer. The identification of values in selected market segments is important. Awareness about products, services, and customer-supplier relationships is equivalent to the perceptions of prices and images that customers use to evaluate the firm's value attributes (Hoisington and Naumann, 2003). Researchers emphasize that image is very important as a differentiator when a product or service is difficult to evaluate.

Like Weinstein *et al.* (2004) explain, the concept of customer value is the practice of ancient exchange. Similar to barter transactions, buyers should carefully evaluate sellers' bids when goods or services are acquired at or exceed the exchange price. Customer value is the exchange between the benefits of the product (quality, service, and image) compared to the required sacrifices (such as price, stress, time, etc.). Johnson and Weinstein (2004) add a strong competitive advantage can be obtained through consistently superior customer ratings.

2.3 Trust

Anderson and Narus (1990) point out that trust occurs when one party believes the actions of the other will bring positive results for himself. As a consequence to be trusted, customer quality perceptions must be positive.

Trust is known to be an important part in influencing relationships commitments (Morgan and Hunt, 1994) and customer loyalty (Gundlach and Murphy, 1993). When one party believes on the other, it means developing a form of positive behavior intention on the other. When customers believe in a brand, it means they form a positive buying intention on the brand (Lau and Lee, 1999).

Doney and Cannon (1997) suggest that confidence constructs are linked to the calculation process of one party's ability to fulfill its obligations and on an estimation of costs versus compensation persist in a relation. To trust a brand, customers not only

perceive positive results but also believe that these positive results will continue in the future. As a consequence, service quality must positively affect trust.

Trust also reflects credibility (Ganesan, 1994) and credibility affects long-term customer orientation with a risk reduction of opportunistic behavior of firms (Erdem *et al.,* 2002; Ganesan, 1994). Trust reduces uncertainty for customers in vulnerable environmental conditions when they know they can rely on a trusted brand (Chaudhuri and Holbrook, 2001). Customer confidence in mobile phone operators reduces the uncertainty with previous service delivery or to be sent. Reductions of uncertainty, a relative increase of alternative uncertainty and cost peraliahan perception.

2.4 Customer Satisfaction

Research on satisfaction has received widespread attention from researchers. As a subjective concept, satisfaction has different definitions in some literature. Kotler (2003) states satisfaction is the feeling of pleasure or disappointment of a person as a result of a comparison of the performance of the perceived product with expectations. Satisfaction is closely related to customer expectations. The thinner the gap between the customer's expectations and the actual performance of the product or service, the higher the customer's satisfaction (Hutcheson and Moutinho, 1998).

Customer satisfaction can be measured on a single item or multi-item construct obtained from the satisfaction of each service component. For example, Cronin and Taylor (1992) measure customer satisfaction with a single item scale about customer feelings for the organization. Meanwhile, Anderson and Srinivasan (2003) used a 6 item construct to measure customer satisfaction in the e-commerce sector. For a comparison of these two methods, LaBarbera and Mazursky (1983) suggest that the use of multi-item scales does not improve reliability over time but can result in poor response rates and artificial responses from respondents.

Customer satisfaction is known as a fundamental determinant of customer loyalty. Anderson and Sullivan (1993) found that satisfied customers had a greater tendency to survive and reject alternative choices. Meanwhile, Fornell (1992) states the result of high customer satisfaction is increased loyalty, more difficult to be approached by competitors. In addition, satisfaction enhances repeat purchases and positive word of mouth from customers (Reichheld and Sasser, 1990; Wirtz, 2003).

2.5 Customer Loyalty

Customer loyalty is often tested in terms of behavior by measuring the number of repeat purchases, the amount of expenditure and the frequency of purchase. A commonly used assumption that loyalty is considered to be the number of repeat purchases from the same supplier over a period of time (Egan, 2004). Oliver (1999) defines loyalty as an in-depth commitment to re-purchase or re-patronize consistent products/services consistently in the future. Although the definition of its loyalty based on repurchase behavior does not result in a holistic view of this complex concept. This encourages researchers to propose a more comprehensive alternative and definition. Dick and Basu (1994) stated that loyalty has two elements of attitude and behavior and is determined by the strength of the relationship between relativity of attitudes and patron of repeat purchase. Loyalty testing under the lens of attitude is based on psychological, favoritism, and goodwill links to the product or service (Oh, 1995 in Kim *et al.,* 2004).

While there are slight differences in approach to definition and loyalty conceptualization, it is generally agreed that behavioral features and attitudes should be

included. Behavior features are typically based on a frequency of repeat purchase and brand switching. Meanwhile, the attitude approach assumes that loyalty is derived from psychological connections, preferences and focus on issues such as recommendations, resistance to superior products, repurchase intentions, and willingness to pay premium prices (Cronin and Taylor, 1992).

3. CONCEPTUAL FRAMEWORK

Bolton and Drew (1991) provide empirical evidence of the difference between service quality and the value of a perceived service. This study also confirmed the direct effect of service quality on value. These results are consistent with previous studies conducted. This relationship has been confirmed in other service contexts, such as transportation services (Chen, 2008), cellular services (Kuo *et al.,* 2009) and small service enterprise (Seesaiprai, 2016). For tourism services, the relationship between service quality and value leads to different conclusions. Hutchinson *et al.* (2009) show no relationship between service quality and value in the context of golf hobbyists, while Chen and Chen (2010) indicate a positive relationship in the context of world heritage tourism. Although the tourism context indicates a difference in outcomes, most service research results in a positive relationship between service quality and value.

Several studies in the context of services have confirmed the relationship between service quality and satisfaction. The relationship between service quality and satisfaction has clearly been shown not only in tourism by Baker and Crompton (2000), Chen and Chen (2010) and Gonzalez *et al.* (2007) but also in small service enterprise (Seesaiprai, 2016).

Service quality research in the early 1980s concluded that service quality is closely related to trust and commitment and has a direct impact on a corporate image (Gronroos, 1984, Lehtinen and Lehtinen, 1985). Brodie *et al.* (2009) in the context of air transport companies shows the relationship between corporate trust and employee trust is positively related to service quality and image. Harris and Goode (2004) in e-commerce companies show a positive relationship between service quality and trust. Likewise, research Hazra and Srivastava (2009) in the insurance company showed the same results.

Zeithaml (1988) indicates the value of services is an important factor in loyalty. The empirical evidence shows a positive relationship between the value of customer service and customer loyalty (Roig *et al.,* 2009; Harris and Goode, 2004; Kuo *et al.,* 2009; Seesaiprai, 2016). These studies conclude when customers have high perceptions of value, their loyalty will increase in the form of word of mouth, service recommendations to others, and return for themselves. In the context of tourism, when the perception of tourists is high on tourist sites, then the intention of positive behavior in the form of word of mouth and future visits (Chen and Chen, 2010; Hutchinson *et al.,* 2009).

It is widely understood that there is a direct influence between satisfaction and loyalty in the form of repeat purchases, recommendations to others and positive word of mouth, as well as indirect relationships with alternative searches (Bodet, 2008; Cooil *et al.,* 2007; Voss *et al.* , 2010; Seesaiprai, 2016). In the context of tourism, the relationship between satisfaction and loyalty is shown by the research of Chen and Chen (2010), Hutchinson *et al.* (2009), and Zabkar *et al.* (2010).

Trust is known to be a factor in reducing price sensitivity in customer purchasing decisions (Delgado-Ballester and Munuera-Aleman, 2010). Although in the tourism context there is no research showing the relationship between trust and loyalty, research

in other contexts produces positive things, such as Harris and Goode (2004) in e-commerce, Kim *et al.* (2008) in hospital services.
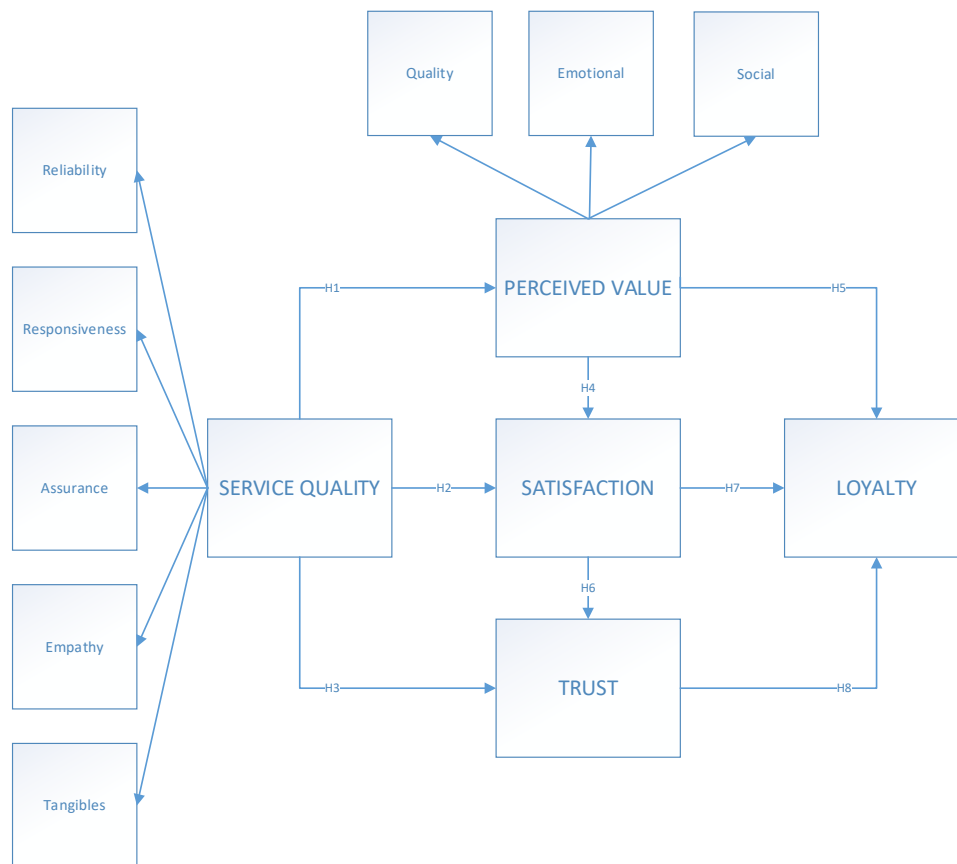

Figure 1 Conceptual Model

Thus, hypotheses proposed in this study based on the conceptual model above are as follows:
H1: Service quality affects the perceived value
H2: Service quality affects satisfaction
H3: Service quality affects trust
H4: Perceived value affects satisfaction
H5: Perceived value affects loyalty
H6: Satisfaction affects trust
H7: Satisfaction affects loyalty
H8: Trust affects loyalty

4. RESEARCH METHOD

This research is performed in Talam Gangsa Restaurants in Bandung. Talam Gangsa Restaurant is chosen since it has the most branches among other restaurants. Sampling is expected to represent the proper population for the study. The study lasted for two months from September to October 2015. Sampling is performed at the end of the week for the last two months.

Data collection in this study is primary and secondary data which have a qualitative and quantitative trait. Primary data is data that are Collected and arranged by field

researchers through an interview or questionnaires distribution. Meanwhile, secondary data is collected from kinds of literature, and other sources.

The study uses a survey method through direct interview with related parties. Population in this study is the visitors to Talam Gangsa Restaurant in Bandung. The author uses a nonprobability sampling method through convenience sampling. This kind of method is chosen by distributing questionnaires to the visitors of Talam Gangsa Restaurant in Bandung. Not all visitors willing to fill and follow the survey, yet there are still more respondents than willing to fill the survey questionnaires.

Based on the identification of research problems and the relationship among the variables of customer loyalty from Structural Equation modeling Partial Least Square (SEM PLS), an acceptable sample is 30 – 100 respondents. The amount of this sample is critical in sampling measurement that uses the variance approach (Partial Least Square Path Modeling – PLS PM) (Yamin & Kurniawan, 2011). The bigger the amount of the sample, the better the sample model will be. A sample used in this study is 270 respondents.

Smart PLS as a part of SEM analyses will be performed in two evaluation models, they are outer model measurement and inner structural model evaluation. Evaluation on measurement model can be grouped into evaluation on a reflective model and formative model. This study uses and analyses the reflective model. Outer model evaluation is performing through 5 criteria, loading factor, composite reliability, average variance extracted (AVE), root square AVE and cross-loading (Ghozali, 2008).

There are five latent variables in this study, they are, service quality, customer satisfaction, perceived value, customer trust and customer loyalty. Each latent variable has a reflective indicator that reflects variable. Analyses method used in this study is to know the significant direct positive influence of exogenous and endogenous variables.

5. RESULT AND DISCUSSION
5.1 Characteristics of Respondents
Respondents characteristic of the visitors in Talam Gangsa Restaurant in Bandung is female (56,1%) and male (43.9%). Range coverage in this study is 21 – 25 years old as 44,8%, unmarried at 59,4% and has worked as a private employee as 41,0%. For each visit, the customer spends less than Rp 200.000,00 per person.

5.2 Structural Analysis of Equation Modeling Partial Least Square
PLS analyses are used to know the relationship among latent variables and their construct indicators. PLS model is based on the number of visitors.

5.2.1 Model Measurement Evaluation (Outer Model)
Convergent validity of measurement model with reflective indicators can be seen from the correlation between item score and construct score. Indicators are considered reliable if they have correlation value more than 0,70 but it is still accepted if loading scale between 0,50 – 0,60 (Ghozali, 2008).
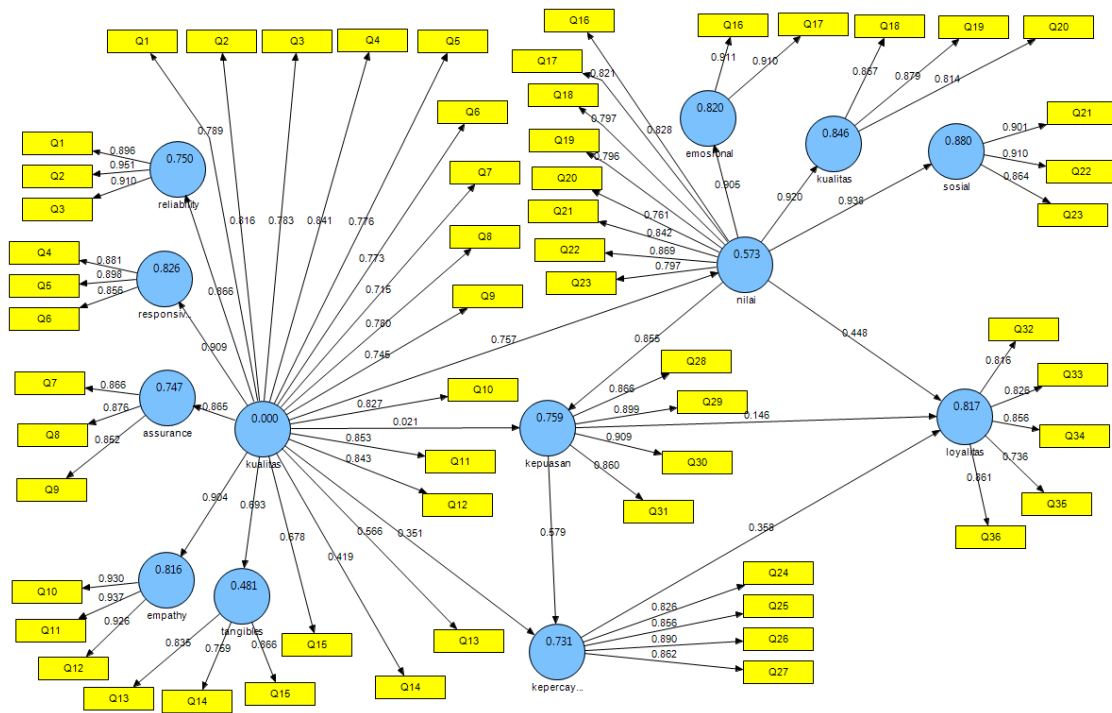
Figure 2 Beginning Algorithm PLS Model

Loading value in this study is set as 0,5. Therefore, indicators which have a value of less than 0,5 (Q14) has to be dropped.
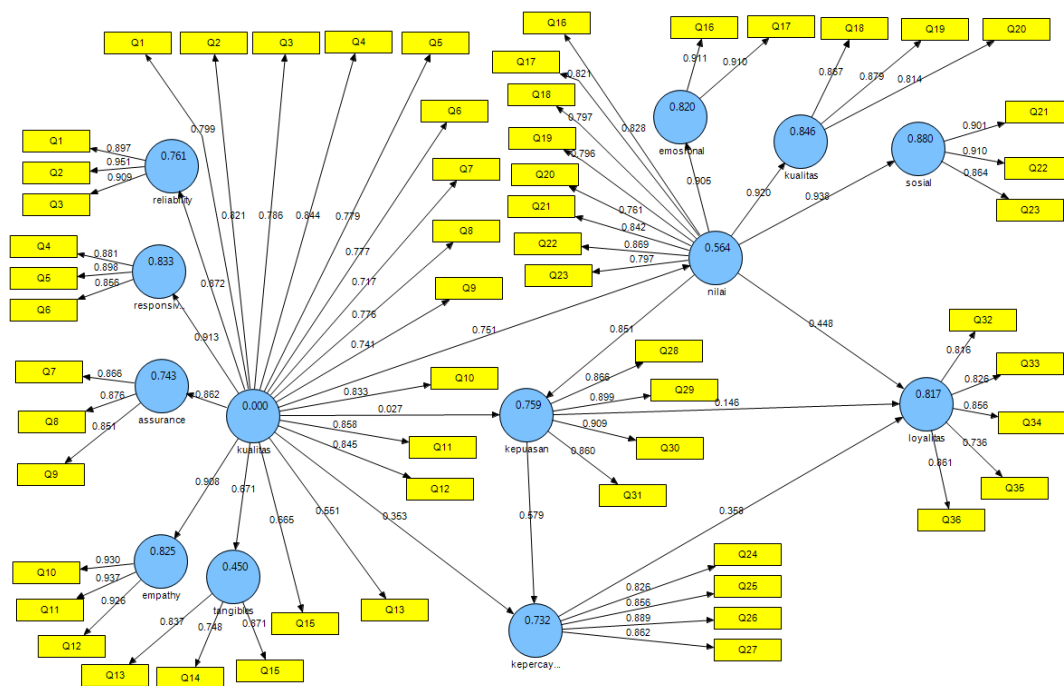

Figure 3 Dropped Algorithm PLS Model

Discriminant validity is used to estimate construct validity by seeing AVE value. A model is considered good if AVE value from each construct is more than 0,50.

Table 4 AVE Value

Latent Variable	Loading
Assurance	0.747463
Emotion value	0.828831
Empathy	0.866461
Trust	0.737128
Satisfaction	0.780827
Service quality	0.600592
Quality value	0.728936
Loyalty	0.672731
Perceived value	0.663613
Reliability	0.845392
Responsiveness	0.771254
Social value	0.795886
Tangibles	0.672701

Source: Data (2015)

Reliability construct testing is measured from two criteria, composite reliability and Cronbach alpha from an indicator that measures constructs. A construct is considered reliable if composite reliability and Cronbach alpha value are more than 0,70. Table 5 contains the output result of Smart PLS.

Table 5 Composite Reliability and Cronbach Alpha

Variabel Laten	Composite Reliability	Cronbach Alpha
Assurance	0.898767	0.831091
Emosional	0.906405	0.793485
Empathy	0.951136	0.922933
Trust	0.918091	0.880888
Satisfaction	0.934393	0.906213
Service quality	0.954187	0.947567
Quality value	0.889609	0.813392
Loyalty	0.911089	0.877596
Perceived value	0.940331	0.927288
Reliability	0.942508	0.908197
Responsiveness	0.909999	0.851608
Social value	0.921209	0.871570
Tangibles	0.859964	0.763089

Source: Data (2015)

5.2.2 Structural Model Testing (Inner Model)

Testing on a structural model can be done by seeing R-Square (R^2) value which becomes the part of the goodness of fit model. First order model is service quality, perceived value, customer satisfaction, trust, and loyalty have R square value as follow.

Table 6 R-Square

Construct	R-Square
Perceived value	0.564
Satisfaction	0.759
Trust	0.732
Loyalty	0.817

Source: data (2015)

Construct significance rate can be seen from the parametric coefficient and t-statistical value as a table below.

**Table 7 Evaluation of Structural Model Coefficient and Research Hypotheses**

Hypotheses	Path	Loading	T Statistics	Conclusions
1	Service quality to perceived value	0.751	24.722	Accepted
2	Service quality to the satisfaction	0.027	0.440	Not accepted
3	Service quality to trust	0.353	6.443	Accepted
4	Perceived value to satisfaction	0.851	16.156	Accepted
5	Perceived value to loyalty	0.448	5.439	Accepted
6	Satisfaction to trust	0.579	11.099	Accepted
7	Satisfaction to loyalty	0.146	2.142	Accepted
8	Trust to loyalty	0.358	4.484	Accepted

Source: data (2015)

Based on table 7 above, it can be analyzed that service quality positively influences perceived value and customer trust, but it does not positively affect customer satisfaction. This positive influence can be seen from t-count value which is larger than t-table value (24,772 and 6,443 > 1,96). A result from this study is in line with Chang and Wang (2013), Chenet (2013) and Seesaiprai (2016) who said that there was a positive influence of service quality on perceived value. The negative influence of service quality on customer satisfaction is not in line with Chang and Wang (2011) and Butt & Aftab (2013). The customer feels satisfied after they get a positive perception. This study shows that perceived value positively influences customer visit. This positive influence supports previous studies by Chang and Wang (2011).

Besides, perceived value positively influences customer loyalty. The influence of perceived value on customer loyalty is smaller than the influence of perceived value on customer satisfaction. Perceived value, directly and indirectly, influences customer loyalty through customer satisfaction. A positive influence of perceived value on

customer satisfaction and customer loyalty is in line with Chang & Wang (2011) and Seesaiprai (2016).
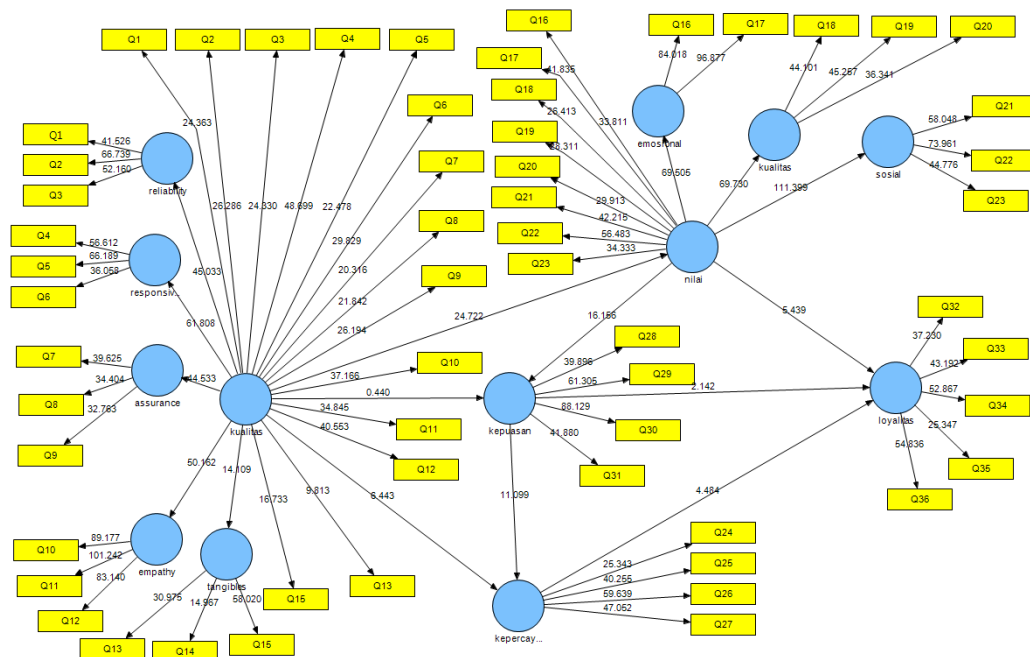
Figure 4 Bootstrapping Model

Customer satisfaction also influences customer trust to visit the restaurant. The influence of customer satisfaction on customer trust is larger than the influence of customer satisfaction on customer loyalty. It is in line with Butt & Aftab (2013) and Kassim & Abdullah (2010).

Customer trust positively influences customer loyalty. It is in line with Butt & Aftab (2013) and Kassim & Abdullah (2010). Therefore, the restaurant manager needs to manage customer trust because it will finally influence customer loyalty.

The result also shows the responsiveness dimension which dominantly influences the shaping of service quality compared with other dimensions, empathy, reliability and assurance, and tangibles. Social dimension dominantly influences perceived value compared with other quality and emotional dimensions. Dominant indicators shape constructs as follow:

Table 8 Loading Indicator Value

Constructs	*Dimensions*/Indicators	Loading
Service Quality	*Responsiveness*	*0.913*
	The waiter is able to provide a proper answer to face customer complaint	0.898
	The waiters actively ease their service to customers	0.881
	A customer gets a clear answer related to restaurant's facility	0.856
	Empathy	*0.908*

Constructs	*Dimensions*/Indicators	Loading
	Waiter cares about customer needs and wants	0.937
	A customer can communicate easily with employee	0.930
	A customer can use the service easily	0.926
	Reliability	*0.872*
	Waiter's punctuality in serving a customer	0.951
	The easiness of purchasing transaction	0.909
	Waiter's ability to overcome customer problems	0.897
	Assurance	*0.862*
	The waiter can provide friendly and nide information to the customers	0.876
	There is a guarantee on cleanness and health related to the meal served	0.866
	The customer feels comfortable and safe eating in the restaurant	0.851
	Tangibles	*0.671*
	Assured waiter's appearance	0.871
	Accessible restaurant location	0.837
	Safe parking place	0.748
Perceived Value	*Social Value*	*0.938*
	The customer feels satisfied after visiting this restaurant	0.910
	This restaurant is a proper culinary place to visit	0.901
	This restaurant serve clean food	0.864
	Quality Value	*0.920*
	Suitable price with the value	0.879
	Affordable price	0.867
	Suitable price with the service	0.814
	Emotional Value	*0.905*
	Good service of the restaurant	0.911
	Distinctive taste	0.910
Satisfaction	I believe that this restaurant can give a satisfying experience	0.909
	I have filled my expectation about having a meal in this restaurant	0.899
	According to my experience, I feel glad about having a meal in this restaurant	0.866

Constructs	*Dimensions*/Indicators	Loading
	In general, I believe that this restaurant please the customers	0.860
Trust	I trust the price of the food from this restaurant	0.889
	I trust that restaurant will not cheat their customer	0.862
	I feel that this restaurant provides the best service	0.856
	I trust the service of this restaurant	0.826
Loyalty	Customers told positive things about this restaurant	0.861
	Customer trust that this restaurant is the best restaurant	0.856
	Customer rarely move to eat at other places	0.826
	I will probably eat in this restaurant again	0.816
	Customer recommends others to eat in this restaurant	0.736

Source: data (2015)

5.3 Managerial Implication

Service quality is an important factor to shape customer loyalty. To improve service quality, an organization can raise, eliminate, reduce and create other products (Kim and Mauborgne, 2005). Talam Gangsa Restaurants need to improve responsiveness in facing customer complaint, ease its service and provide a clear answer on related facilities. These three things become dominant indicators in shaping service quality. In addition, an organization needs to care for other aspects in service quality, such as waiter readiness in solving customer problems, easy transactional process, guarantee on clean food, and accessible location of the restaurant.

Based on the result, this study shows that service quality directly influences perceived value and customer trust, but indirectly influences customer satisfaction. It means that service quality does not automatically improve customer satisfaction but it firstly influences perceived value. A positive perceived value will not only influence customer satisfaction but also customer loyalty. Prioritized perceived value includes logical price, price suitable with the service, distinctive taste of the food.

Customer trust in the restaurant must be preserved carefully. Customer trust reflects that the customers do not feel cheated, the customer feels that they become the focus of attention and customer feels that they have been properly served.

The culinary service provider needs to keep and preserve its organizational perspectives through a good managerial system. From operational management, an organization needs to preserve its service quality through tight assurance of raw material until finished products supervision. Management of an organization needs to apply united performance system which includes product, process, and human resources (Gasperz and Fontana, 2011). Based on human resources view, the application of Standard Operating Procedure for an employee has to improve its implementation and provide rewards for

high performer employee. Besides, management also needs to provide regular training sessions in order to reach more optimum performance.

6. CONCLUSION

A general characteristic of visitors in Talam Gangsa Restaurant in Bandung is female (56,1%) and male (43.9%). Range coverage in this study is 21 – 25 years old as 44,8%, unmarried at 59,4% and has worked as a private employee as 41,0%. For each visit, the customer spends less than Rp 200.000,00 per person.

Based on the results of this study, service quality does not influence customer satisfaction but it positively influences perceived value and customer trust. It indicates that the higher the service quality, the higher the perceived value and customer trust will be. Customer satisfaction is indirectly influenced by service quality and perceived value. Perceived value also influences customer loyalty. Customer loyalty is indirect influences customer satisfaction and customer trust. It shows that the higher the perceived value, customer satisfaction and customer trust, the higher customer loyalty will be.

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