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Influence Product Innovation, Corporate Image, Service Quality, and Food Safety on Catering Customer Satisfaction and Loyalty in Surabaya

Eny Rochmatulaili<sup>1</sup>, Budiyanto<sup>2</sup>, Akhmad Riduwan<sup>3</sup>

### Abstract

The catering business is currently growing in line with the needs and busy work of most people. The more people or institutions of an organization hold events, the more important the need for catering services is. Unhygienic food will make it easier for bacteria to breed so that, causing the food to be dangerous for consumption. catering and catering services in Indonesia from 32 catering entrepreneurs who are APJI members in the city of Surabaya, only 20 caterers for APJI members met the sanitation and hygiene criteria set by the Surabaya City Health Office. This type of research is descriptive quantitative and the nature of this research is explanatory research. The population in this study were 397 customers and the sample of this study was 200 respondents. This research model provides an overview of how the influence of corporate image, food safety, service quality, has a significant effect on customer loyalty and satisfaction, innovation has a significant effect on customer loyalty but customer satisfaction has no significant effect on product innovation. The findings explain that Product Innovation has no effect on customer satisfaction because customers are too Loyal to the Company's Image, Food Safety, Service Quality, in the field it is found that to meet their satisfaction, customers prefer other caterers after the first order than product innovation at the same catering.

*Keywords*: Product Innovation, Company Image, Service Quality, food safety, Customer Satisfaction, Customer Loyalty.

<sup>2</sup> Indonesian College of Economics (STIESIA), Jl. Menur Pumpungan No. 30, Menur Pumpungan, Kec. Sukolilo, City of SBY, East Java 60118, Indonesia. *budiyanto@stiesia.ac.id* 

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

Volume 21, 2022

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<sup>&</sup>lt;sup>1</sup> Indonesian College of Economics (STIESIA), Jl. Menur Pumpungan No. 30, Menur Pumpungan, Kec. Sukolilo, City of SBY, East Java 60118, Indonesia. <u>enyyosyess@gmail.com</u>

<sup>&</sup>lt;sup>3</sup> Indonesian College of Economics (STIESIA), Jl. Menur Pumpungan No. 30, Menur Pumpungan, Kec. Sukolilo, City of SBY, East Java 60118, Indonesia. <u>*akhmadriduwan@stiesia.ac.id*</u>



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### Introduction

Among the food industry for the public, there is a type of business known as catering or catering services. According to Masharyono and Hasanah (2016), Catering businesscurrently mushrooming as more and more catering service providers emerge, ranging from simple stalls, restaurants, restaurants and home catering. The motives of catering business actors also vary. According to Wulandari (2017: 3), some of them are interested in doing business because they have a hobby of cooking. However, there are also those who cannot cook at all, but have the capital and a strong desire to get involved in the catering business[1].

The catering business continues to show positive developments and bright prospects for the future[1]. Catering is one of the services that is needed in serving invited guests at party events. In fact, other events such as seminars, thanksgiving, meetings and so on also require catering services.

APJI or the Association of Indonesian Catering Service Companies is a forum for catering and catering service entrepreneurs in Indonesia. This organization was founded in 1987 and continues to follow the development of Indonesian catering services which are increasingly prevalent.

Considering that more than 90% of Indonesia's population is Muslim, the availability of halal food in Indonesia is important. Likewise, the more creative and productive catering service entrepreneurs including catering are. Coupled with the intervention of increasingly innovative technology and raw materials, halal certification is very important to guarantee halal products. For this reason, the role of APJI in supporting the availability of halal catering is clearly needed.

Given the importance of sanitation and hygiene certificates so that the catering products produced comply with food safety requirements, especially when the research was carried out during the Covid-19 Pandemic. What can be done to maintain food safety during a pandemic is to ensure a food safety system, including cleaning, sanitation, good hygienic practices, and active packaging is also needed starting from the beginning of the food chain until it is consumed by consumers. Therefore, the researchers collected data on catering customers who are members of APJI who have implemented sanitation and hygiene provisions.

The catering industry in Indonesia is experiencing rapid development, in line with the increasing income of the people. Customer loyalty is one of the core goals pursued in modern marketing. This is because with loyalty, it is hoped that the company will get long-term benefits from mutualistic relationships that exist within a certain period of time. In Fajriyati et al.'s research, (2020) argued that the occurrence of brand loyalty to customers is caused by the influence of satisfaction and dissatisfaction with the brand which accumulates continuously in addition to the perception of product quality[2].

In general, companies want to have a long-term plan in retaining consumers. In other words, customers have a definite commitment to the use of the selected product.

On the other hand, the factors that influence customer loyalty are customer satisfaction. Satisfaction efforts to fulfill something or make something adequate. Conceive satisfaction as an emotional response to the evaluation of the experience of consuming a product or service. Satisfaction is the consumer/passenger response to the evaluation that is felt between previous expectations (or other performance norms), and the product's actual performance that is felt after its use.

Efforts made to create customer satisfaction are more likely to influence consumer attitudes. Meanwhile the concept of customer loyalty places more emphasis on purchasing behavior. Loyalty is often heard by marketing experts and business practitioners, loyalty is a concept that seems easy to talk about in everyday contexts, but it becomes more difficult when its meaning is analyzed.

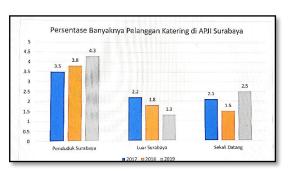
#### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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Source: APJI Surabaya data 2017-2019

#### Figure 1

Percentage of the Number of Catering Customers in Surabaya 2017-2019

In figure 1.1. it was stated that the percentage of catering customers was APJI Surabaya Members. According to the graph above, it can be concluded that there has been an increase in the number of customers coming from residents around the catering area. Meanwhile, the number of visitors from outside the district has decreased. This shows that the loyalty of catering customers who come from the area around the catering has increased. Local residents became more aware of the catering in their area and started using the catering services. The trend of customers who come once is also relatively much lower than customers who are loyal to the catering brand.

Yingying(2021); Wang et al., (2021); Wange et al., (2022); Chunli and Prentice (2021), based on previous research on consumer loyalty, it was found that loyalty is influenced by customer satisfaction variables, and service quality[3]–[6]. However, the findings of previous studies also state that this is contradictory (research gap) with the findings above, namely that loyalty is not affected by the variables of customer satisfaction and service quality, as stated by Chao et al., (2017)[7]and Liua et al., (2020)[8].

The importance of studying food safety in this research is because food safety is a necessity and necessity for the catering industry and the aspect of food safety is also a concern of related stakeholders (government, catering service providers, consumers, catering service suppliers).

Research on food safety is generally related to sanitation and hygiene, but in this study food safety is associated with customer satisfaction and loyalty, where at the time this research was conducted there was a Covid-19 pandemic so food safety research was very relevant and even became an interesting phenomenon to study. At the beginning of the Covid-19 pandemic there was a lockdown in several regions in Indonesia so that it had a big impact on the catering business, therefore food safety was of great concern to customers when they ordered catering.

Not only focusing on finding customers, catering service companies are also required to be able to retain their customers. In maintaining its customers, catering service companies can implement a service quality strategy.

Customer satisfaction with services can be defined by comparing the perception of the service received with the desired service expectations. When expectations are exceeded, service quality is perceived to be outstanding. When expectations are not met, however, service quality is deemed unacceptable. When expectations are confirmed by perceived service, quality is satisfactory.

Research conducted by Arnold et al., (2021) where the results show that there is a positive and significant effect of service quality on customer loyalty[9]. The above research is the result of research related to service quality variables where there is a different effect from the results of the two studies.

A marketing strategy to increase the need for Corporate Image / corporate image is important, because Corporate Image is an identifier for the product offered, with the aim of improving the competitive position of products or services, namely in the form of retaining existing customers and attracting new customers. In addition, corporate image is a guide for many people in making various important decisions. An example of such a decision is buying goods or services produced by a company where consumers subscribe (customers) and recommend the company's products to others.

A good corporate image is a competitive advantage that influences customer satisfaction which has an impact on increasing customer loyalty. Therefore, companies must periodically survey consumers to find out the image that is embedded in the minds of each customer, as stated by Osakwe et al., (2021)[10].

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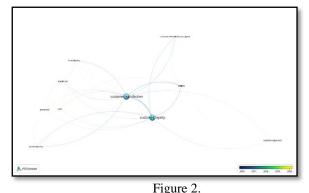
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Product innovation is the result of new product development by a company or industry, either existing or not. From old products that have reached saturation point in the market, innovation is needed to replace these old products.

According to Rejeb and Belitski (2022), a company has two important goals, the first is to create customer value, and the second is innovation.[11]. Without innovation, a company's product can sink into competition with other products that increasingly fill the market. In addition, on the other hand, consumers are also increasingly critical of what they receive and expect from a product. If it turns out that it is not in accordance with what consumers expect, the company will not only lose consumer trust but also have the potential to be abandoned by consumers.

The results of research by Wang et al., (2021), in their research show that product innovation has no effect on satisfaction and loyalty[5], but the results of the studyUtzaet al., (2022) showed that product innovation has an effect on satisfaction and loyalty[12].

The novelty of this research is the food safety variable, based on the analysis results from VOSviewer, there is no research that includes food safety variables related to customer satisfaction and loyalty. This can be seen in Figure 1.2 which explains that the variables that influence Customer Satisfaction and Loyalty include: Brand Loyalty, Brand Trust, Promotion, Customer Relationship Management, Product Quality, Service, Price, Customer Experience.



VOSviewer Analysis Results of Variables Affecting Customer Satisfaction and Loyalty

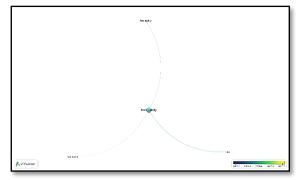


Figure 3. VOSviewer Analysis Results Variables that affect Food Safety

Meanwhile, the Food safety variable is not included in the variables that affect Customer Satisfaction and Loyalty. This can be seen in Figure 1.3. above, that the variables that affect food safety include the following: Food Quality, Food Processing, Food Supply Chain.

Therefore, the novelty in this study is to test the relationship between food safety and customer satisfaction and loyalty.

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

# Volume 21, 2022



Available Online: https://economics.academicjournal.io

### LITERATURE REVIEW

#### Service Dominant Logic (SDL)

Service-Dominant Logic (SDL) is a new marketing paradigm that prioritizes service in the exchange process. The emergence of SDL was initiated due to a shift in marketing perspective that focuses on invisible resources, shared and relational value creation. This perspective shift develops from the microeconomics school of thought, marketing management to the formation of service phenomena that are outside of microeconomics or service marketing.

According to Vargo and Lusch (2018: 52), the marketing perspective is centered on a new marketing logic that emphasizes the priority of service over goods. One of the basic premises of Service-Dominant Logic reads "Service is the fundamental basis of exchange".[13]. This rationale explains that the focus of economic exchange is the service or services being exchanged. Each party who wants to get benefits must have special skills and knowledge in the exchange process. Meanwhile goods function as a mechanization of exchange.

This illustrates the difference between services in the traditional view and services in the Service-Dominant Logic concept. The initial emergence of SDL thinking is a new perspective on the marketing concept. This new marketing paradigm shifts the concept of Goods Dominant Logic towards Service-Dominant Logic.

In building the concept of Service Dominant Logic, Vargo and Lusch (2018: 74), also describes a marketing perspective that originates from service knowledge[13]. In this perspective, customers are operant resources and collaborators in value creation.

This means that the marketing model applied is to involve customers as an internal part. Vargo and Lusch (2018: 48), explain that collaborative patterns are reflected in closer working relationships, alliances, joint ventures, partnerships, and tendencies towards searching for resources.[13]. Vargo and Lusch's Service-Dominant Logic Perspective (2018:75), consists of eight aspects (see table 2.1.)[13]

No	GD Logic	SDLogic
1	Operands	Operant
	resources	Resources
2	Resource	Resource search
	acquisition	
3	Goods and	Service and
	services	experience
4	Price	Value plan
5	Promotion	Dialog
6	Network supply	value creation
	chain	
7	Maximize	Learning through
	behavior	exchange
8	Market to	Marketing
		Collaboration

 Table 2.1.

 Perspective Change from Goods Dominant Logic to Service-Dominant Logic

Source: Vargo and Lusch (2018).

The tabel1 leads to the conclusion that SDL as a new marketing paradigm emphasizes the provision of services as the main goal of economic exchange and marketing according to Spiller et al., (2020)[14]. Goods, money, organizations and networks are the intermediaries of these service exchange activities.

The most fundamental principle in the service exchange process is specialized knowledge and skills. Activities in SDL are customer oriented where customers play a role as part of the value creation (co-creation of value). The issues raised in this study are focused on the marketing concept according to the perspective of Service-Dominant Logic. The marketing model in this concept is collaboration between companies and customers. This research was conducted on catering customers who are members of APJI Surabaya.

#### **Customer loyalty**

In an effort to build and become loyal customers of the company for its products, a marketer must build customer loyalty. This process takes a long time with different emphasis and attention for each stage, because each stage has different needs. By paying attention to each stage and meeting the needs at each stage, the company has a greater opportunity to form potential buyers into loyal customers and corporate clients.

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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# Volume 21, 2022



# Academic Journal of Digital Economics and Stability Volume 21, Sep-2022

**ISSN 2697-2212** 

## Available Online: https://economics.academicjournal.io

Sussie et al., (2020) define loyalty as a deeply held commitment to rebuild and rejuvenate a preferred product or service in the future despite situational influences and marketing efforts that have the potential to cause behavioral switching. Customer loyalty is seen as the strength of the relationship between relative attitudes of individuals and repatronage[15]. Even though customer satisfaction is an important part of business, satisfaction alone cannot take a business to the top. Loyalty building requires companies to focus on the value of their products and services and to show that they are interested in fulfilling desires or building relationships with customers, this was stated by Keinz and Marhold (2021)[16].

The importance of increasing first-time customers to become lifetime buyers according to Keinz and Marhold (2021)[16], is:

- a. Sales will increase because customers will buy more from you.
- b. It strengthens position in the market if customers buy from you and not from competitors.
- c. Marketing costs will go down because you don't have to spend as much money to attract customers as you already know them. Likewise, satisfied customers will tell their friends, thereby reducing advertising costs.
- d. Will be able to isolate from price competence because loyal customers are not easily influenced by discounts from competitors.
- e. Finally satisfied customers will be happy to try your other products, thereby, helping you to gain a wider market share.

Factors Affecting customer loyalty Ogbonnaya et al., (2020), states that the factors that influence customer loyalty are as follows[17]:

- a. Value (price and quality), use of the brand for a long time will lead to loyalty, therefore the company must be responsible for maintaining the brand. It should be noted, reducing the quality standards of a brand will disappoint even the most loyal customers as well as price changes. Therefore, the company must control the quality of the brand and its price.
- b. Image (both from the personality it has and the reputation of the brand), the image of the company and the brand begins with awareness. Products that have a good image will be able to generate customer loyalty to the brand.
- c. Convenience and convenience to get the service of a particular product or service. In situations that are full of pressure and market demands that demand convenience, companies are required to provide products that are comfortable and easy to obtain.
- d. Satisfaction felt by consumers.
- e. Service, with good service quality offered by providers of goods/services can affect customer loyalty to the brand.
- f. Guarantees and warranties provided by manufacturers providing goods/services.
- Customer loyalty occurs in several phases. According to Sussie et al., (2020), this phase starts from [15]:
- a. Cognitive loyalty or loyalty based solely on brand beliefs.

b. Affective loyalty or preference or attitude towards a brand is based on the opportunity to use cumulative satisfaction.

- c. Conative loyalty which shows a condition of loyalty that contains whether at first appearance shows a deep commitment to buy.
- d. Loyalty action (action loyalty), where intentions are converted to action.

### 1.1. Customer satisfaction

Customer satisfaction is the level of customer feelings after comparing what he received and his expectations, according to Uzir et al., (2020), customer satisfaction is considered a key factor in determining an organization's success in today's competitive market.[18]. A customer, if he is satisfied with the value provided by a product or service, is very likely to be a customer for a long time.

According to Kottler's theory in the journal Carlos et al., (2020) states that the key to retaining customers is consumer satisfaction[19]. Indicators of customer satisfaction can be seen from:

- a. *Re-purchase*: buy back, where the customer will return to the company to look for goods / services.
- b. Creating Word-of-Mouth: In this case, the customer will say good things about the company to others.
- c. Creating Brand Image: Customers will pay less attention to brands and advertisements than competitors' products.
- d. Making Purchase decisions at the same Company: Buying other products from the same company.

#### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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### Available Online: https://economics.academicjournal.io

### *Food safety*(Food Safety)

Food safety is the assurance that food will not cause harm to the customer if it is prepared or eaten according to its purpose and use (FAO/WHO 1997). Meanwhile, the definition of food safety is according to Government Regulation of the Republic of Indonesia Number 86 of 2019. Food Quality and Nutrition are conditions and efforts needed to prevent food from possible biological, chemical and other contaminants that can interfere, harm and endanger human health.

According to Gougouli et al., (2021). Factors that cause food to be unsafe, are as follows[20]:

a. Contamination

Contamination is the entry of unwanted foreign substances into food. Contamination is grouped into 4, namely: a. Microbial contamination such as mold, bacteria, fungi and yeast. b. Physical contamination such as hair, nails, bones, dust, soil, wood chips, glass splinters, insects and other debris. c. Chemical contamination such as fertilizers, pesticides, mercury, arsenic, cyanide and so on. d. Radioactive contamination such as radiation, alpha rays, gamma rays, radioactivity, cosmic rays, and so on. The occurrence of contamination can be divided into 3, namely: a) Direct contamination, namely the presence of contamination, namely contamination that occurs indirectly as a result of ignorance in food processing. c) Re-contamination, namely contamination that occurs on food that has been cooked perfectly.

b. Poisoning

Is the emergence of clinical symptoms of a disease or other health problems due to consuming food that is not clean. Foods that cause poisoning are generally contaminated with harmful doses of physical, microbial or chemical elements. This condition is due to food processing that does not meet health requirements and does not pay attention to hygiene and sanitation principles.

#### **Service Quality**

It is imperative for companies to provide the best quality of service in order to survive and remain trusted by customers. The creation of customer satisfaction can provide benefits including the relationship between the Company and the customer to be harmonious, the customer will make repeat purchases to create customer loyalty, and form a word of mouth recommendation that benefits the company.

According to Kotler and Keller (2016: 143), quality is the completeness of the features of a product or service that has the ability to satisfy a need.[21].

Tjiptono (2019: 127), reveals that the factors that are influenced by service quality, namely [22]:

- a) Quality is concerned with meeting or exceeding consumer expectations
- b) Quality applies to human services, processes and the environment
- c) Quality is an ever-changing condition.

Dimensions of service quality according toGrewalet al.,(2022) suggests that service quality has several dimensions, including[23]:

- a. Performance (Performance) is the operating characteristics and core product (core product) purchased. For example speed, ease and comfort in using additional features or features, namely secondary or complementary characteristics.
- b. Conformance to specifications (Conformance to Specifications) is the extent to which the design and operating characteristics meet predetermined standards. For example quality control and design, standard operational characteristics.
- c. Reliability, namely the small possibility that it will be damaged or fail to use. For example quality control and design, standard operational characteristics.
- d. Durability is related to how long the product can continue to be used. This dimension includes technical age and economic age.
- e. Aesthetics (Esthetica) namely the attractiveness of the product to the five senses. For example the beauty of product design, the uniqueness of product models, and combinations.
- f. Perceived quality is the customer's perception of the overall quality or superiority of a product. Usually due to the buyer's lack of knowledge of the attributes or characteristics of the product to be purchased, the buyer perceives its quality from the aspects of price, brand name, advertising, company reputation, and the country of manufacture.

#### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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### **Corporate Image**

Every company has an image, consciously or not, attached to the company. Not a few goods or services produced by the company have such a strong image in the minds of consumers.

- According to Thomas and Liegl (2021), there are four components of image formation, including[24]:
- a. Perception is defined as the result of observing environmental elements associated with a process of meaning in other words. Individuals will give meaning to stimuli based on their experience of stimuli. This perceptual ability can continue the process of image formation. Individual perceptions or views will be positive if the information provided by stimuli can fulfill individual cognition.
- b. Cognition, namely an individual's self-confidence in the stimulus of this belief will arise if the individual must be given sufficient information to influence the development of his cognition.
- c. Existing motivation and attitude will drive the response as desired by the stimulus. Motive is a state in a person's personality that encourages the individual's desire to carry out certain activities in order to achieve goals.
- d. Attitude is a tendency to act, perceive, think and feel in the face of objects, ideas, situations or values. Attitude is not behavior but is a tendency to behave in certain ways, attitudes have a driving force or motivation, attitudes determine whether people have to be pro or con against something, determine what is liked, expected and desired, attitudes contain evaluative aspects meaning they contain pleasant or unpleasant values fun, attitudes are also taken into account or changed.

According to Madleňáková and Turskaa (2019), the factors that influence corporate image are as follows[25]:

- a. Appearance of physical facilities The company's physical facilities and adequate products must be the initial thought in order to attract and retain customers. The situation of physical facility services is associated with the company's image so that it influences the customer's perception of whether the company's image is good or not.
- b. Employee service and guarantee for quality service The services provided by employees in their service to customers must be in accordance with existing ethics and regulations so that customers feel comfortable. Guarantees for services obtained at the initial stage of service lead to perceptions of the company's image for the next service stage, so that customers are satisfied with the service as a whole.
- c. Service quality and reliability

Service quality is the ability of a product to carry out its functions. Service quality can be assessed from the product's ability to create customer satisfaction. For this reason, the quality of a product must be continuously updated by improving performance on one or even all of the dimensions that exist in the product. By increasing the ability of a product, a competitive advantage will be created so that customers become more satisfied and loyal.

d. Price offered

Price is a determining component in the success of selling a product. The price level offered will raise the perception of a quality product or not. In the 4P marketing theory (Pricing, Promotion, Product, Placing), price is one that must be considered. Companies can charge high prices to create or maintain a prestigious image.

e. Organizational commitment

Employee organizational commitment is a factor that influences company image because with good commitment from employees, it can affect customer perceptions, so that it can give the impression that the company has a good image.

According to Rahayu & Aries Setiawan (2015), the willingness to provide positive word of mouth for a company's image which includes the company's good name, reputation or expertise is a factor that often influences buyer decisions in the service sector compared to the product sector.[26]. Fostering and maintaining a strong image is very important for a service organization if it wants to attract customers and maintain loyalty.

The higher the dimension of a company, the higher the brand equity, the dimension of corporate image. According to Gorp et al., (2020) includes[27]:

a. quality dimension

The quality dimension is high attention to consumers, high quality service products, trust, and innovation.

- b. Performance dimension
  - The performance dimension is a company that has the opportunity to grow and develop and a company that is well managed.

#### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022





- c. responsibility dimension The responsibility dimension is a company that cares about the environment and a company that has social responsibility.
- d. The attractiveness dimension The attractiveness dimension is that the company is an ideal place to work and the company has quality employees.

### **Product Innovation**

According to Kotler and Armstrong (2018: 454), in his book states that: Product innovation is a combination of various processes that influence one another[21].

There are types of innovation based on experts. According to Felnhofer (2021:139), innovations that entrepreneurs can do are[28]:

- a. Introduction of a new item, or improvement of an existing item
- b. Introduction of new production methods
- c. Opening of new markets, especially export markets in new areas
- d. Creation or procurement of new raw or semi-finished materials
- e. Creation of a new form of industrial organization

According to Kotler and Keller (2018: 478), the innovative character of the product itself willdeterminediffusion speed supported by five factors, namely relative advantage, compatibility, complexity, divisibility and communicability[21]. The five characteristics are described as follows:

a. Relative Advantage

Relative advantage is the degree to which innovation is perceived as better than changing products. This does not refer to the goal of gaining advantage in the new product but to the adopter's subjective perception of the advantage. An innovation that offers greater profit is believed to have greater acceptance, a higher rate of diffusion.

b. compatibility

Compatibility is the degree to which an innovation is perceived as compatible with existing consumer value systems, experiences, and needs. Consumers are more likely to adopt a new product early if the product is more compatible with their existing values and needs, and they don't have to change anything to use the product. For potential adoption, higher product compatibility also means less uncertainty and smaller gaps between product attributes and consumer needs. A positive compatibility innovation with the acceptance.

c. Complexity

Complexity is the degree to which an innovation appears difficult to understand and use and is a subjective perception. Some of the new products will be easier to understand for most people in the community, but others seem very complex and take longer to understand. An innovation that is less complex can spread more quickly. An innovation requires an adoption process to learn new skills or increase their understanding because it may not be accepted quickly, thus, the adoption of the innovation may be delayed.

- d. Divisibility
- Divisibility is the degree to which an innovation can be tried piecemeal.
- e. Communicability

Communicability is the degree to which the results of using an innovation can be observed or explained to others. Product innovation is a way of increasing value as a key component of the success of a business operation that can bring a company a competitive advantage and become a market leader.

According to Eide and Saether (2020), personal factors that drive innovation are[29]:

- a. Desire for achievement, this is shown by self-discipline related to work, which is with high encouragement and motivation, and cares about efforts to achieve an achievement and excellence.
- b. There is a curious nature, a situation that makes a person feel curious that makes him try something new.
- c. Desire to take risks, creative people are more likely to take risks with new ideas, and try new and better ways of doing things, even if the people around them are not supportive
- d. Educational factor, education produces a knowledge, where it will lead to an understanding of a problem or a new idea (foreign thing) into a context that has long been known.
- e. Experience factor, experience is a valuable teacher that triggers business start-up. Meanwhile, the environmental factors that encourage innovation are:

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- a. There is an opportunity, seeing that there is a situation that can be exploited will trigger a feeling of wanting to innovate to take advantage of this opportunity.
- b. Experience, an experience gained in the past can be used as a reference for innovating by modifying it to become something that is superior.
- c. Creativity, creative attitude is the main factor that drives innovation, because with creative thinking an action will be born to realize these thoughts or what is commonly called innovative.

### Method

The selection of a research paradigm as a research approach or strategy is carried out after the research feels suitable with the focus and research problem. Based on the selection of the research paradigm, the research approach in this study uses a quantitative research approach. The depth of analysis of this research is inferential analysis. The research method uses a survey instrument research using a questionnaire.

#### Population

The population in this study were catering customers who had at least used the catering services of members of APJI (Indonesian Catering Service Entrepreneurs Association) who already had hygiene and sanitation certificates from the Surabaya City Health Office in the period 2017 - 2020 as many as 397 spread across 20 catering members APJI city of Surabaya. This consideration is due to catering customers who have at least used the catering services of members of APJI (Indonesian Catering Service Entrepreneurs Association) who already have hygiene and sanitation certificates from the Surabaya City Health Office in the 2017-2020 period in related fields as respondents who represent and have the competence to conduct an assessment of product innovation, corporate image, service quality, and food safety on customer satisfaction and loyalty.

#### Sample

The sampling in this study uses the Slovin formula because in sampling, the number must be representative so that the research results can be generalized and the calculation does not require a table of the number of samples, but can be done using simple formulas and calculations. The Slovin formula for determining the sample is as follows: Information:

$$n = \frac{N}{1 + N(e)^2}$$

n =Sample size/number of respondents

N =Population size

=Percentage of accuracy allowance sampling error

which can still be tolerated;

e

In the Slovin formula there are the following provisions: Value e = 0.1 (10%) for a large population Value e = 0.2 (20%) for a small population Sample Calculation:

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{397}{1 + 397(0.05)^2}$$
$$n = 199.247$$

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So, the number of samples to be studied was 199,247. In this study, the samples to be studied were rounded up to 200 catering customers.

Sampling was carried out with the consideration that the existing population was very large, making it impossible to examine the entire existing population, so a representative population was formed. In this study, the samples to be taken were 200 catering service customer respondents from 20 members of APJI (Indonesian Catering Service Entrepreneurs Association) in the city of Surabaya.

#### Variable Classification

An explanation of the specifications and indicators in this study can be explained as follows:

#### **Exogenous Variables**

Is a variable that affects or becomes the cause of the change or the emergence of dependent or dependent (endogenous) variables, both positively and negatively, that is, if there are exogenous variables, endogenous variables are also present with every unit increase in exogenous variables, and there is also an increase or decrease in the variable endogenous. In this study there are four exogenous variables, namely: 1. Product Innovation, 2. Corporate Image, 3. Service Quality, 4. Food Safety.

#### **Endogenous Variables**

The endogenous variables in this study are customer satisfaction and customer loyalty.

The variables above are defined (concepts) and operationalized, so that they can be used as guidelines in conducting research. According to Flage et al., (2022) a conceptual definition is a concept that is defined through reference to other concepts that are useful for making the logic of the hypothesis formulation process[30]. While the operational definition is a definition is a definition stated in a criterion that can be tested specifically

#### Variable Operational Definitions

According to Koesten et al., (2020) Research variables are anything in any form that is determined by researchers to be studied so that information about this is obtained, then conclusions are drawn[31].

The researcher determines theoretically and operationally the variables and indicators to be studied, namely the conceptual and operational definitions of the variables as follows:

1. Customer loyalty

To measure customer loyalty in this study, researchers refer to the opinion of Chunli and Prentice (2021), namely customer loyalty can be measured through indicators including[3]:

- 1. First choice
  - a. The main choice is choosing a caterer.
  - b. Top choice in terms of taste.
- 2. Positive attitude towards the company
  - a. Looking for catering information.
  - b. Become a loyal consumer.
- 3. Usereturn
  - a. Repeat purchase.
  - b. Not switching to other caterers.
- 2. Customer satisfaction

To measure customer satisfaction in this study, researchers refer to the theory of Kotler and Keller (2018: 144)[21], Customer satisfaction indicators can be seen from:

1. Line product development

a.Repeat purchase.

b. Interested in using catering in the future.

2.New product

- a. Recommend to others.
- b. Give testimonials.
- 3.Buying decision

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- a. Do not buy other products.
- b. Order catering for another event.
- 3. Food safety/ Food Safety

To measure food safety in this study, the researchers did not refer to the opinions of other experts, but the researchers developed their own food safety indicators, namely:

- 1. Equipment sanitation
  - a. Clean equipment.
  - b. Equipment is stored in a special box.
  - Hygiene implementation for waiters
  - a. Wash hands before serving.
  - b. Wear a special uniform.
- 3. Application of sanitation when serving dishes
  - a. Using gloves.
  - b. Avoid cross contamination.
- 4. Service Quality

To measure service quality in this study, researchers refer to the opinion of Tjiptono (2019: 67), where service quality indicators can be seen from[22]:

1. Tangible

2.

- a. Presentation neatness
- b. Waitress appearance
- 2. reliability
  - a. Satisfying service
  - b. Timeliness of presentation
- 3. responsiveness
  - a. Speed of serving complaints
  - b. Provide a detailed description of the product package
- 4. Guarantee
  - a. Taste guarantee
  - b. Guaranteed quantity ordered
- 5. Quality Empathy
  - a. Service according to expectations
  - b. Provide product offers as needed
- 4. Corporate Image
  - Corporate image indicators can be seen from:
- 1. Reputation
  - a. Get rewarded
  - b. The catering name is widely known
- 2. prestige
  - a. Good corporate identity
  - b. Become a member of the association
- 3. Comparison with competitors
  - a. Has a different characteristic from other catering
  - b. More flexible payment methods
- 5. Product Innovation
- Product innovation can be measured through:
- 1. Line product development
  - a. Have a superior product.
  - b. Products compete with other caterers.
- 2. New product
  - a. Diverse menu.
  - b. The new menu is attractively presented

### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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- 3. Brand new product
  - a. A new menu that doesn't exist in other catering.
  - b. Use of new materials and designs.

### **Research Instruments**

#### Validity test

This study uses the questionnaire method, it is necessary to test the validity. This validity test is used to determine the validity or suitability of the questionnaire used by researchers to obtain data from respondents or research samples.

Testing the validity in this study uses Product Moment Person Correlation which in principle is to correlate or connect between each item score with the total score obtained from the respondents' answers. The principle of the Pearson product moment validity test is to correlate or connect each item score with the total score obtained from the respondents' answers to the questionnaire.

Criteria for validity testing, can be based on the following provisions:

- a. Based on the correlation value: if r count > r table, then the questionnaire items are declared valid. Conversely, if r count <r table, then the questionnaire items are declared invalid.
- b. Based on the significance value: if the significance value is > 0.05 then the questionnaire items are declared invalid. Conversely, if the significance value is < 0.05 then the questionnaire items are declared valid.

The basis for decision making in the product moment validity test is carried out in two ways, namely:

- 1) Comparing the calculated r value with the r table value. If r count > r table then the questions are declared valid. If r count <r table then the question items are declared invalid.
- 2) Comparing the Sig. (2-tailed) with a probability of 0.05. If the value of Sig. (2-tailed) < 0.05 and the Pearson Correlation is positive, so the question items are valid. If the value of Sig. (2-tailed) < 0.05 and the Pearson Correlation is positive, so the question items are invalid. If the value of Sig. (2-tailed) > 0.05 then the question item is invalid. Based on the output of "Correlations" it is known that the value of r is calculated (the value of Pearson Correlation IP 1 with a total IP is 0.838. Then looking for the value of r table for N = 30 at a significance level of 5% it is found that the value of r table is 0.361

### **Reliability Test**

In addition to being valid, research data must also be reliable because curation requires consistency. The reliability test is a way of testing how consistent the concept of the measuring instrument is. Reliability testing is carried out to determine the extent to which an instrument can be trusted or relied upon. The high and low reliability of the instrument is indicated by the value of the reliability coefficient.

To test the reliability of the data in this study using the Cronbach Alpha reliability coefficient ( $\alpha$ ) greater than or equal to 0.70.

After testing the product moment validity with SPSS, then so that the questionnaire used in this study is truly trusted as a data collection tool, the questionnaire needs to be tested for reliability to determine the consistency level of a questionnaire used by researchers, so that the questionnaire can be relied upon to measure this research variable. , even though this research was carried out repeatedly with the same questionnaire.

The basis for decision making in the reliability test is if the value of Cronbach's Alpha > r table then the questionnaire is declared reliable. Meanwhile, if the value of Cronbach's Alpha < r table then the questionnaire is declared unreliable. Based on the output of "Reliability Statistics".

### Location and Time of Research

### **Research time**

The time used by researchers for this research was carried out from the date of issuance of research permits in a period of approximately 3 (three) months (February-May 2022). Two months of data collection and one month of data processing which includes presentation in the form of a dissertation and the guidance process takes place.

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#### **Research Place**

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The place for conducting this research was in 20 catering members of APJI (Indonesian Catering Service Entrepreneurs Association) in the city of Surabaya.

#### **Data Collection Procedures**

The distribution of questionnaires was aimed at catering customers who had at least used catering services for members of APJI Surabaya in the period 2017 - 2020, the caterers used had hygiene and sanitation certificates from the Surabaya City Health Office were used to determine population criteria so that the population in this study was more homogeneous.

While the distribution of questionnaires was carried out directly by researchers through face-to-face meetings with research respondents and online due to face-to-face restrictions/lockdown during the Covid-19 pandemic.

### **Result and Discussion**

The instrument for measuring all variables in this study used a questionnaire or questionnaire, submitted to respondents to be able to give statements according to what they felt and experienced. The questionnaire as an instrument must meet the main requirements, namely valid and reliable. The following are the results of testing the validity and reliability of the research questionnaire.

#### **Customer Loyalty Correlation (LP)**

Statement Items	Total	Information
LP1	.538**	VALID
	.000	Because 0.538 > 0.361
	30	
LP2	.416**	VALID
	.000	Because 0.416 > 0.361
	30	
LP3	.537**	VALID
	.000	Because 0.537 > 0.361
	30	
LP4	.640**	VALID
	.000	Because 0.640 > 0.361
	30	
LP5	.742**	VALID
	.000	Because 0.742 > 0.361
	30	
LP6	.754**	VALID
	.000	Because 0.754 > 0.361
	30	

Based on the output of "Correlations", it is known that the value of Sig. (2-tailed) for the relationship or correlation of LP 1 with a total LP of 0.000 <0.05, the Pearson Correlation is positive, which is equal to 0.538, it can be concluded that LP1 is valid. Because these statement items are declared valid, these questions can be used as an accurate data collection tool in this study. In the same way it can be seen that the statement items of LP 2, LP 3, LP 4, LP5 and LP 6 are valid.

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### **Correlation of Customer Satisfaction (KP)**

Because the r count value of KP1 is 0.568 > r table 0.361, then as the basis for decision making in the validity test it can be concluded that KP1 is valid. In the same way it can be concluded that KP2, KP3, KP4, KP5, KP6, KP7 and KP8 are valid.

Statement Items	Total	Information
KP1	.568**	VALID
	.000	Because 0.538 > 0.361
	30	
KP2	.484**	VALID
	.000	Because 0.484 > 0.361
	30	
KP3	.517**	VALID
	.000	Because 0.517 > 0.361
	30	
KP4	.670**	VALID
	.000	Because 0.670 > 0.361
	30	
Statement Items	Total	Information
KP5	.732**	VALID
KP5	.732** .000	
KP5		
KP5 KP6	.000	VALID Because 0.732 > 0.361 VALID
	.000 30 .784**	Because 0.732 > 0.361 VALID
	.000 30 .784** .000	Because 0.732 > 0.361
KP6	.000 30 .784** .000 30	Because 0.732 > 0.361 VALID Because 0.784 > 0.361
	.000 30 .784** .000 30 .770**	Because 0.732 > 0.361 VALID Because 0.784 > 0.361 VALID
KP6	.000 30 .784** .000 30 .770** .000	Because 0.732 > 0.361 VALID Because 0.784 > 0.361
KP6 KP7	.000 30 .784** .000 30 .770** .000 30	Because 0.732 > 0.361 VALID Because 0.784 > 0.361 VALID Because 0.770 > 0.361
KP6	.000 30 .784** .000 30 .770** .000	Because 0.732 > 0.361 VALID Because 0.784 > 0.361 VALID

Food safety correlation (FS)

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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Statement Items	Total	Information
FS 1	.638**	VALID
	.000	Because 0.638 > 0.361
	30	
FS 2	.544**	VALID
	.000	Because 0.544 > 0.361
	30	
FS 3	.617**	VALID
	.000	Because 0.617 > 0.361
	30	
FS 4	.870**	VALID
	.000	Because 0.870 > 0.361
	30	
FS 5	.832**	VALID
	.000	Because 0.832 > 0.361
	30	
FS 6	.884**	VALID
	.000	Because 0.884 > 0.361
	30	

To test the product moment validity with SPSS for food safety correlation, it is carried out in the same way. Product moment validity test with SPSS for food safety correlation produces the output above, because the value of r count for FS 1 is 0.593 > r table 0.361, then as the basis for decision making in the validity test it can be concluded that FS1 is valid. In the same way it can be concluded that FS 2, FS 3, FS 4, FS 5 and FS 6 are valid.

### Service Quality Correlation (KL)

To test the product moment validity with SPSS for the correlation of service quality differentiation is carried out in the same way. Product moment validity test with SPSS for service quality differentiation correlation produces output, because the KL1 r count value is 0.742 > r table 0.361, so as the basis for decision making in the validity test it can be concluded that KL1 is valid.

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Statement	Total	Information
Items		
KL 1	.558**	VALID
	.000	Because 0.558 > 0.361
	30	
KL 2	.437**	VALID
	.000	Because 0.437 > 0.361
	30	
CL 3	.517**	VALID
	.000	Because 0.517 > 0.361
	30	
CL 4	.670**	VALID
	.000	Because 0.670 > 0.361
	30	
CL 5	.732**	VALID
	.000	Because 0.732 > 0.361
	30	
CL 6	.784**	VALID
	.000	Because 0.784 > 0.361
	30	
CL 7	.770**	VALID
	.000	Because 0.770 > 0.361
	30	
CL 8	.455**	VALID
	.000	Because 0.455 > 0.361
	30	
CL 9	.398**	VALID
	.000	Because 0.398 > 0.361
	30	
KL 10	.439**	VALID
	.000	Because 0.439 > 0.361
	30	

### **Corporate Image Correlation (CP)**

To test the validity of the product moment with SPSS for the correlation of corporate image is done in the same way. The product moment validity test with SPSS for corporate image correlation produces output, because the CP1 r count value is 0.682 > r table 0.361, so as the basis for decision making in the validity test it can be concluded that CP 1 is valid.

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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	<u> </u>	
Statement Items	Total	Information
CP 1	682**	VALID
	.000	Because 0.682 > 0.361
	30	
CP 2	.444**	VALID
	.000	Because 0.444 > 0.361
	30	
CP 3	.517**	VALID
	.000	Because 0.517 > 0.361
	30	
CP 4	.670**	VALID
	.000	Because 0.670 > 0.361
	30	
CP 5	.732**	VALID
	.000	Because 0.732 > 0.361
	30	
CP 6	.784**	VALID
•	.000	Because 0.784 > 0.361
	30	2002000 0.104 - 0.501

### **Product Innovation (IP) Correlation**

To test product moment validity with SPSS for product innovation correlation, it is carried out in the same way. Product moment validity test with SPSS for product innovation correlation produces output. The r table value is compared with the r calculated value, because the IP1 r calculated value is 0.838 > r table 0.361, so as the basis for decision making in the validity test it can be concluded that IP1 is valid.

Statement Items	Total	Information
IP 1	838**	VALID
	.000	Because 0.838 > 0.361
	30	
IP 2	.744**	VALID
	.000	Because 0.744 > 0.361
	30	
IP 3	.817**	VALID
	.000	Because 0.817 > 0.361
	30	
IP 4	.870**	VALID
	.000	Because 0.870 > 0.361
	30	
IP 5	.832**	VALID
	.000	Because 0.832 > 0.361
	30	
IP 6	.884**	VALID
	.000	Because 0.884 > 0.361
	30	

ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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ISSN 2697-2212

### Available Online: https://economics.academicjournal.io

### Food safety Significant Influence on Customer Loyalty

*Food safety*explained through the perspective of clean equipment, equipment stored in special boxes, washing hands before serving, using special uniforms, using gloves and avoiding cross contamination.

Based on the results of hypothesis testing, it can be concluded that food safety has a significant effect on customer loyalty, findings in the field explain that equipment sanitation also has an effect on customer loyalty, the presence of clean equipment and equipment stored in special boxes can make customers feel safe to consume the food provided, besides In addition, the hygiene of waiters in their actions to wash their hands before serving, especially the use of special uniforms, greatly affects customer loyalty which can have an impact on making them the main choice and reusing these catering services.

The highest average rating on food safety is shown through special uniforms, while the lowest average rating on food safety is shown through cleanliness of equipment, this is contrary to what was stated by Strid.P and Erikson (2021), with differences of opinion from research Previously, the researcher made this a problem that needed to be examined in the formulation of the problem[32].

#### Service Quality Has a Significant Influence on Customer Loyalty

Based on the results of hypothesis testing, it can be concluded that service quality has a significant effect on customer loyalty. This means that the higher the application of service quality, the higher customer loyalty. The factor that makes customers satisfied is the quality of service.

#### Corporate Image Has a Significant Influence on Customer Loyalty

Based on the average rating of respondents, it can be explained that in carrying out its business, the effectiveness of corporate image has been well practiced. Corporate image is explained through a comparison between getting an award, a good corporate identity, being a member of an association, more menu variations, more flexible payment methods.

The highest average rating on corporate image is shown in getting an award, while the lowest average rating is shown in a more flexible payment method. This is contrary to what was found by Zhao and Bacao (2020)[33].

The findings from this study state that reputation, good corporate identity, being a member of an association make the catering the top choice, and there is a positive attitude that ultimately customers will reuse the catering services. The important thing is that flexible payment methods will affect customer loyalty.

#### Product Innovation Has a Significant Influence on Customer Loyalty

Based on the results of hypothesis testing, it can be concluded that product innovation has a significant effect on customer satisfaction, meaning that the high application of product innovation will increase customer loyalty. Product innovation has a positive effect on customer loyalty, one of the possibilities is the high innovation indicator, namelyProduct line development, New product, Brand new product.

#### Food safetySignificant To Customer Satisfaction

Based on the results of hypothesis testing, it can be concluded that food safety has a significant effect on user satisfaction, meaning that the better the application of food safety, the higher user satisfaction.

The findings from this study explain that equipment sanitation, waiter hygiene, serving sanitation affect customer satisfaction in purchasing decisions. By not buying other products and ordering catering for other events, customers will be satisfied with the safety of the food served.

#### Service Quality Has a Significant Influence on Customer Satisfaction

Based on the results of hypothesis testing, it can be concluded that service quality has a positive and significant effect on customer satisfaction. This means that the higher the application of service quality, the higher customer satisfaction.

The findings in this study explain that in determining the level of satisfaction, there are several main factors that must be considered by the company. Among other things is product quality, where customers will be satisfied if the results of their evaluation show that the products they use are of high quality. service quality, where especially for the service industry, customers will feel satisfied if they get good service or as expected. Emotional where the customer will feel

#### ISSN 2697-2212 (online), Published under Volume 21 in Sep-2022

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ISSN 2697-2212 Available Online: https://economics.academicjournal.io

proud and gain confidence that other people will be amazed at him when using products with certain brands that tend to have a higher level of satisfaction.

#### Corporate Image Has a Significant Influence on Customer Satisfaction

Based on the results of hypothesis testing, it can be concluded that corporate image has a significant effect on user satisfaction, meaning that the higher the application of corporate image, the higher customer satisfaction.

The results of this study are in line with the results of research studiesPernot(2021) argues that customers are satisfied with the products purchased in accordance with what consumers want and expect[34]. If the product has provided satisfaction, the customer usually does positive word of mouth to people related to the brand on the product they have purchased.

The findings in this study explain that many companies deliberately provide product satisfaction, in order to increase profits or profits for the company. Therefore, the formation of products on products is very necessary, because it is an attitude or behavior decision for consumers. So a positive company image will lead to customer satisfaction.

#### Product Innovation Has No Significant Effect on Customer Satisfaction

Based on the results of hypothesis testing, it can be concluded that product innovation has a negative effect on customer satisfaction, meaning that the high application of product innovation will reduce customer satisfaction.

Product innovation has a negative effect on customer satisfaction. One possibility is that in general companies use standards, namely 1. Having superior products 2. Products competing with other caterers, 3. Diverse menus. 4. The new menu is presented attractively. 5. A new menu that doesn't exist in other catering. 6. The use of new materials and designs is possible for the Superior Product to increase which is disproportionate to the results of User Satisfaction obtained.

Judging from these indicators, to achieve good customer satisfaction certainly requires a new menu that does not exist in other catering but what happens in the field the researcher finds that there is a customer perception that is afraid to take risks with a new menu that does not exist in other caterings where the invited guests have not certainly like the taste of the new menu.

#### Customer Satisfaction Has a Significant Influence on Customer Loyalty

Based on the results of hypothesis testing, it can be concluded that customer satisfaction has a positive and significant effect on customer loyalty. This means that the higher customer satisfaction will encourage higher customer loyalty.

The findings in this study explain that if customer satisfaction is not fulfilled then what arises is consumer dissatisfaction. The lower the level of customer satisfaction with the product produced, the more likely the customer is to leave the product, the higher the customer satisfaction will encourage higher customer loyalty.

### Conclusions

Based on the results of the analysis of studies and discussions conducted quantitatively, the following conclusions can be drawn.

- a. *Food safety*has a significant effect on customer loyalty, the better the application of food safety, the higher the user satisfaction. Food safety has a significant effect on customer loyalty. This means that food safety in catering companies has been able to utilize the resources they have and are able to carry out their activities properly, so that it has an effect on increasing customer loyalty.
- b. Service quality has a significant effect on customer loyalty. The higher the application of service quality, the higher customer loyalty. In this case, loyalty is earned not because of the quality of the product, but social value or self-esteem that makes customers satisfied with certain brands.
- c. Corporate image has a significant effect on customer loyalty, the higher the application of corporate image, the higher customer satisfaction. Assessment of corporate image relates to customer loyalty, therefore these findings emphasize the importance of the ability to achieve predetermined goals, for example explained through a comparison between getting awards, getting awards, good corporate identity, being a member of an association, more menu variations, ways more flexible payments.
- d. Product innovation has a significant effect on loyalty which can be seen from the high application of product innovation which will increase customer loyalty. Product innovation has a positive effect on customer loyalty, one

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possibility is the high innovation indicators, namely 1) excellent product, 2) good taste. 3) diverse menu, 4) new menu, 5) low prices and 6) comparable taste; there is a possibility that the new menu will increase in proportion to the results of customer loyalty obtained.

- e. *Food safety*has a significant effect on user satisfaction, the better the application of food safety, the higher user satisfaction. Food safety has a positive and significant effect on customer satisfaction. This means that food safety in catering companies has been able to utilize the resources they have and are able to carry out their activities properly, so that it has an effect on increasing customer satisfaction.
- f. Service quality has a significant effect on customer satisfaction, the higher the implementation of service quality, the higher customer satisfaction. In this case, the satisfaction obtained is not because of the quality of the product, but social value or self-esteem that makes customers satisfied with certain brands.
- g. Corporate image has a significant effect on user satisfaction, the higher the application of corporate image, the higher customer satisfaction Assessment of corporate image with regard to customer satisfaction, therefore this finding emphasizes the importance of the ability to achieve predetermined goals, for example explained through a comparison between getting an award, getting awards, good corporate identity, being a member of an association, more menu variations, more flexible payment methods.
- h. Product innovation has no significant effect on satisfaction. It can be seen that the high application of product innovation will reduce customer satisfaction. Product innovation has no significant effect on customer satisfaction, one possibility is the high innovation indicators, namely 1) Having superior products, 2) Products that compete with other caterers. 3) Various menus, 4) New menus are presented attractively, 5)A new menu that doesn't exist in other cateringand 6) Use of new materials and designs; there is a possibility that there are many menu choices, customers are confused about choosing the menu to be served because the customer has exhausted enough of his thoughts to prepare for the event to be held.

Customer satisfaction has a significant effect on customer loyalty, the higher customer satisfaction will drive higher customer loyalty. This explains that the presence of high enough customer satisfaction with a product or service will greatly affect the creation of customer loyalty. So customer loyalty is a function of customer satisfaction.

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