

THE EFFECT OF SERVICE QUALITY ON CUSTOMER RETENTION THROUGH COMMITMENT AND SATISFACTION AS MEDIATION VARIABLES IN JAVA EATING HOUSES

JAM

16, 4

Received, January 2018
Revised, March 2018
June 2018
September 2018
Accepted, November 2018

Sulva Widya Sari

Sunaryo

Mugiono

Faculty of Economics and Business Universitas Brawijaya

Abstract: The culinary business is faced with high competition to keep their customers, these conditions cause Javanese Restaurant expected to create customer retention through service quality. Therefore, this study aims to determine the relation of service quality, commitment, and satisfaction on customer retention and the effect of commitment and satisfaction as a mediator of service quality on customer retention. The analysis is based on 100 respondents who were customers of Javanese Restaurant in Kuta Utara Bali through a survey questionnaire. The measurement model of research hypothesis analysis using Partial Least Square (PLS) procedure. The result of the research indicates that service quality and commitment have no significant effect on customer retention while other variables have a significant effect. The effect of customer satisfaction fully mediates on the relationship of service quality on customer retention. This study contributes to a restaurant to combine strategies of improving service quality, commitment, and customer satisfaction, so that customer retention is realized through repeat purchases.

Keywords: Commitment, satisfaction, service quality, customer retention



Journal of Applied
Management (JAM)
Volume 16 Number 4,
December 2018
Indexed in Google Scholar

Corresponding Author:
Sulva Widya Sari, Faculty of
Economics and Business
Universitas Brawijaya,
Email: sulva13@yahoo.com,
DOI: [http://dx.doi.org/
10.21776/ub.jam.2018.
016.04.05](http://dx.doi.org/10.21776/ub.jam.2018.016.04.05)

Bali is one of the famous tourism areas in Indonesia that is growing rapidly. The development of Bali as a tourism area makes many migrants from outside Bali aim to do business. The informal sector such as restaurants, street vendors, barbers, and other businesses is the target of migrants living in Bali (Suardika, 2015).

Culinary business Javanese Restaurant is one of the most sought after businesses by migrants from

Java. The main reason Javanese Restaurant is considered promising because of the majority Muslim local immigrants, halal food is the only food they are looking for. Data says the number of businesses in the culinary sector experienced a significant increase of 1,069 (2013) to 2,058 (2014) especially in Badung Regency. The increasing number of restaurant businesses has caused intense competition, especially in North Kuta District, Badung Regency.

Strict business competition causes the need for a strategy to maintain its customers. Therefore Javanese Restaurant business people are expected to create customer retention. For Javanese Restaurant business people, it is very important if you have loyal customers and how to maintain long-term relationships with these customers, because the for-

mation of customer retention will make customers tend to be loyal and repeat purchases many times.

Customer retention will be formed due to several factors, one of which is from service quality provided. Service quality is considered a key that plays an important role when a purchase transaction takes place. The process is expected to make customers get satisfaction and the commitment of the Commitment so that customers will repeat the purchase again.

This study aims to determine the relationship on each variable and examine the mediating effects of several Commitment dimensions and satisfied customers on the relationship of service quality to customer retention in Javanese Restaurant. Researchers are very interested in testing the mediating role of Commitment and satisfaction customers in Javanese Restaurants in North Kuta District, Bali, where the area is a tourism area and with a different background of respondents. The benefits of this research output are expected to be input material and field practice evaluation, especially for service companies about relationship marketing in the perspective of consumers based on the marketing strategy that the company will do as a basis for determining the next marketing strategy step.

LITERATURE REVIEW

Service quality

In general, service quality is a global attitude or assessment of the superiority of services, although the real scope of this attitude is no uniformity of opinion. Parasuraman, et al. (1996), have developed a service quality measure called SERVQUAL (Service Quality), this SERVQUAL is a multi item scale with several questions that can be used to measure respondents' perceptions of service quality, namely: (1) Physical evidence (tangibles), including physical facilities, equipment, employees and means of communication. (2) Reliability, namely the ability of the staff to provide the promised service and provide satisfactory service. (3) Responsiveness, namely the desire of the staff to help customers and provide responsive services. (4) Assurance, including knowledge, ability, politeness, and trustworthiness of the staff, free from danger, risk and doubt,

and (5) Empathy, which is ease of relationship, good communication, personal attention and understanding of customers' needs

Commitment Customers

Commitment is a belief between related parties who want a continuous relationship, and are considered important to maintain the relationship. Commitment can be interpreted as a promise or pledge to maintain the relationship that has been established so far well because the relationship has an important meaning (Morgan and Hunt, 1994). Commitment has two components supported by the marketing literature namely Affective Commitment and Commitment continue (Bansal and Taylor, 1999) Affective commitment is affective or emotional attachment to service providers, so individuals are committed to identifying, engaging, and enjoying the relationships that are established Affective commitment has been defined as a tendency to continue to transact stably in the long run by utilizing social ties and familiarity with partners: Commitment calculative or continuity is a commitment that relates more to switching costs and scarcity to other alternatives (Allen and Meyer, 1990), it develops through cognitive assessment of the resulting gains and losses, if the transaction in the relationship is stopped.

Satisfaction Customers

According to Kotler (2010), said that a company must measure satisfaction customers on a regular basis because the key to customer retention is customer satisfaction. The high satisfaction customers will make customers stay loyal longer, buy more new products or products that already exist, talk about the company and its products, are not interested in competing products, and are less sensitive to prices, offers about ideas about products and services, and costs less than to serve new customers because transactions are carried out routinely.

Customer retention

Customer retention is the future tendency of customers to remain loyal or loyal to the use of goods or services (Ranaweera, 2003). According to Rust,

et al. in Khan (2012), customer retention and attractiveness of new customers are used as drivers for increasing market share and revenue. Customer retention is used to diversify customer behavior or change customer defections to be loyal or have a strong relationship with the company for the long term (Hasan, 2013)

According to Hume (2006), the definition of customer retention is the decision of consumers to engage in future activities with a service provider and the form of such activity in the future. Furthermore, Hume also believes that customer retention is the result of consumer attitudes or behavior toward the performance of the services they consume. So it can be concluded that the interest in repur-

chasing is the desire of consumers to buy or come back to the same organization.

Development of Hypotheses

The development of Javanese Restaurant in the tourist area of North Kuta Subdistrict, Bali indicates the high consumer interest in restaurants and competition within them. Javanese Restaurant to survive and compete must maintain long-term relationships with customers, one of the things that need to be highlighted is about service quality provided. Commitment and satisfaction customers formed from service quality provided by restaurants are considered as factors of customer retention. The conceptual model is shown in Figure 1 based on the research hypothesis.

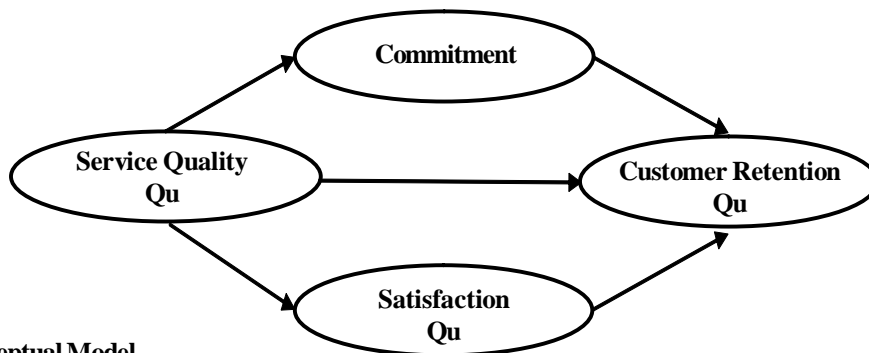


Figure 1 Conceptual Model

When the Commitment has been formed because of the relationship between customers and service providers through service quality provided, customers will assess and determine customer retention or switching to other service providers if it is assessed that service quality is not in accordance with customers' wishes (Fullerton, 2005). Based on the results of empirical studies, this research hypothesis is stated as follows:

- H1. Service quality has a significant effect on commitment
Quality of service is a level of good and bad condition provided by Javanese Restaurant to satisfy consumers. This is in accordance with Caruana (2002), statement that one of

the things that affect the level of loyalty/customer retention is the quality of service.

- H2. Service quality has a significant effect on satisfaction
Previous research has shown that the drivers of customer retention are quality or satisfaction, switching costs, and many others such as alternatives, interests, and social influences (Bansal and Taylor 1999). Based on the results of empirical studies, this research hypothesis is stated as follows:
- H3. Service quality has a significant effect on customer retention
- H4. Commitment has a significant effect on customer retention.

H5. Satisfaction has a significant effect on customer retention

Research on the role of Commitment as a mediator between service quality and consumer retention (Izogo, 2017), shows that service quality and Commitment of customers are determinants of customer loyalty until now it is known about the mediating effect of Commitment on the relationship between service quality dimensions and customer loyalty. In addition, Anggraini (2014), confirms the influence of service quality on customer retention through customer satisfaction (mediator) so that the better the service quality is given, the customers are automatically satisfied and loyal. Based on the results of empirical studies, this research hypothesis is stated as follows:

H6a. Commitment mediates the relationship between service quality and customer retention

H6b. Satisfaction mediates the relationship between service quality and customer retention

METHOD

Research design

The research data collection method uses questionnaire instruments and Likert scale measurements. Before distributing the questionnaire, instrument testing (pilot test) is required using the SPSS program. Instruments are said to be good if they fulfill three main requirements, namely: (1) valid or valid; (2) reliable or reliable; and (3) practical (Cooper, 1995).

Operational definitions of variables are used in measuring the construct of statement items in the questionnaire. Variable definitions must be done to assist measurement techniques and provide easy observation in data collection in the field. Operational definitions of variables in the study are shown in Table 1.

Population and Samples

The population in this study were all consumers in Javanese Restaurant in North Kuta District. The sampling criteria in this study used purposive

sampling where the researcher has certain criteria or goals for the sample to be studied. The researcher sets out certain criteria to obtain the following samples: (1) Respondents are customers Javanese Restaurant (2) Respondents have made purchases at Javanese Restaurant which are the object of research at least three times a maximum of one month. (3) Respondents are decision makers in the purchase transaction.

The number of samples taken is adjusted to the analysis tool used, in this study using PLS, for a sample size of at least 30 to 100 (Ghozali, 2008). In addition, in discriminant analysis, many researchers suggest using a ratio of 20x to the number of predictor variables (Hair, 2006). Based on these provisions, the number of samples determined in the study amounted to 100 respondents customers of food houses in Java in North Kuta District, Badung Regency, Bali.

Data analysis method

The collected data is then processed by statistical data to test the hypothesis proposed in the study. The statistical method used is Partial Least Square (PLS) with the help of Smart PLS software version 3.0. The reasons for using PLS are (1) this statistical method is used to test the predictive effect of relations between latent variables in a model, (2) PLS can be run on small numbers of samples, does not require data to be normally distributed, and can test research models on a basis weak (3) PLS can combine regression methods and factor analysis in one statistical technique.

RESULTS AND DISCUSSION

Descriptive Analysis of Respondents

On the characteristics of respondents based on sex, the data states that of the 100 respondents who filled out the questionnaire as much as 82% percent were respondents consisting of men while the remaining 18% were female respondents. The age of the respondents who became the most customers Javanese Restaurant was 65% aged 20-31 years and at least 5% aged 17-19 years. The number of members in the age range of 20-31 years. The edu-

Table 1 Variable Operational Definitions

Variable	Dimension	Item	Source
Service quality (KL)	<i>Tangible</i> (KLa)	Convenience (KL1) Menu availability (KL2)	Parasuraman (1996)
	<i>Reliability</i> (KLb)	Prioritizing service quality (KL3) Accurate and accurate performance (KL4) As promised (KL5)	
	<i>Responsiveness</i> (KLc)	Response service (KL6) Willingness to provide assistance (KL7)	
	<i>Assurance</i> (KLd)	Fast and accurate delivery of information (KL8) Proper handling (KL9)	
	<i>Emphaty</i> (KLe)	Hospitality (KL10) Ease of communication (KL11)	
Commitment Customers (KO)	Commitment	Feelings of assumption as part of the family (KO1)	Han (2008)
	Affective (KOa)	Emotional attachment (KO2)	
	Commitment	Comparison of competitors which is considered more detrimental (KO3)	
	Calculative (KOb)	Will not receive treatment like in this restaurant is in another place (KO4)	
		A little option or choice of restaurants in the area (KO5)	
Satisfaction Customers (KP)		Satisfaction with the experience of visiting a restaurant (KP1)	Han (2008)
		Comfort place satisfaction	
		Satisfaction with restaurant services (KP3)	
		The customer experience that exceeds expectations or expectations (KP4)	
		Feelings of wisdom if you still choose Javanese Restaurant (KP5)	
Customer retention (RP)		Interested in revisiting restaurants (RP1)	Kotler (2012); Hume (2006)
		The frequency of visiting restaurants (RP2) more often	
		Interested in recommending restaurants to others (RP3)	
		Interested in bringing a family to the restaurant (RP4)	
		Restaurants become a priority in purchasing compared to competitors (RP5)	

cational background taken at least SMA is 71%, and S1 is 23%.

Respondents with the last education D1 were obtained as much as 4 percent, while for the last education D3 and S2 were only 1%. Javanese Restaurant respondent's profession is private employees of 76%, and 14% are entrepreneurs who are migrants from outside Bali. The place of origin of

the Javanese Restaurant respondents is known to be the majority of foreign migrants from the Bali region, which is equal to 47%, while the number for local people is also not nearly as close to the number of non-Bali migrants as 42%. Another 11% of respondents were from abroad where on average they were traveling in Bali.

Test the Validity and Reliability of Research Instruments

The instrument validity test results shown in Table 2, on the item Service quality (KL), Commitment Customers (KO), Satisfaction Customers (KP) and Customer retention (RP) items consisting of 26 statement items obtained the coefficient of product moment correlation (r count) is valid. The use of the provisions of the correlation coefficient value must be greater than the r -table for the number of respondents 30 is > 0.361 indicating that the item Service quality (KL), Commitment Customers (KO), Satisfaction Customers (KP), and Customer retention (RP) statements are valid and can be used in the subsequent analysis process.

Reliability test data can be seen that the item Service quality (KL), Commitment Customers (KO), Satisfaction Customers (KP), and Customer retention (RP) items have a cronbach alpha coefficient of more than 0.60. This value shows if the instruments of Service quality (KL), Commitment Customers (KO), Satisfaction Customers (KP), and Customer retention (RP) statements in this study are declared reliable and can be used in the subsequent analysis process.

Data Processing Analysis Results

The results of data analysis in Figure 2, show the value of the outer loading of each indicator. The

outer loading value explains the validity of the indicator in measuring related variables. The outer loading value is said to be valid if the latent variable can be explained by the indicator more than 50% or > 0.50 , based on this the outer loading obtained in all variables of this study has been valid because it fulfills a value of more than 0.50.

The summary results of the analysis of the direct effect of Service quality (KL) on Commitment Customers (KO) are shown in Table 3, obtained a t -statistic value of 5.982. This value is greater than t -table which shows that there is a positive and significant influence between Service quality (KL) on Commitment Customers (KO) so that hypothesis 1 is accepted.

Hypothesis 1: Service quality has a significant effect on Commitment Customers

The t -statistic value of the direct effect of the Service quality (KL) variable on the Satisfaction Customers (KP) variable is 5.848 which exceeds the t -table value, indicating that there is a positive and significant effect of Service quality on the Satisfaction Customers. The positive and significant influence of the variables proves that hypothesis 2 is accepted.

Hypothesis 2: Service quality has a significant effect on Satisfaction Customers

Figure 2. Outer Model

Table 2 Test the Validity and Reliability of Research Instruments

Variable	Dimension	Item	r-count	Cronbach Alpha
Service quality (KL)	Tangible	Convenience (KL1)	0,644	0,737
		Menu availability (KL2)	0,568	0,736
	Reliability	Prioritizing service quality (KL3)	0,520	0,739
		Accurate and accurate performance (KL4)	0,605	0,737
		As promised (KL5)	0,577	0,737
	Responsiveness	Response service (KL6)	0,671	0,737
		Willingness to provide assistance (KL7)	0,693	0,736
	Assurance	The accuracy of fast and accurate information delivery (KL8)	0,638	0,738
		Proper handling (KL9)	0,664	0,737
	Emphaty	Hospitality (KL10)	0,522	0,739
		Ease of communication (KL11)	0,671	0,737

The Effect of Service Quality on Customer Retention Through Commitment

Commitment Customers (KO)	<i>Commitment Affective</i>	Feeling of a restaurant as part of the family (KO1)	0,538	0,733
	<i>Commitment Calculative</i>	Feelings emotionally bound (KO2)		
		Comparison of competitors which is considered more detrimental (KO3)	0,617	0,730
		Will not receive treatment like in this restaurant is in another place (KO4)	0,504	0,736
		Little options or choices of restaurants in the area (KL5)	0,502	0,736
Satisfaction Customers (KP)		Satisfaction with the experience of visiting a restaurant (KP1)	0,510	0,740
		Convenience of restaurants (KP2)	0,619	0,739
		Satisfaction with restaurant service quality (KP3)	0,532	0,738
		The customer experience that exceeds expectations or expectations (KP4)	0,512	0,738
		Continue to choose Javanese Restaurant (KP5)	0,776	0,736
Customer retention (RP)		Interested in revisiting restaurants (RP1)	0,387	0,742
		The frequency of visiting restaurants (RP2) more often	0,474	0,740
		Interested in recommending restaurants to others (RP3)	0,611	0,738
		Interested in bringing a family to the restaurant (RP4)	0,544	0,737
		Restaurants become a priority in purchasing compared to competitors (RP5)	0,544	0,736

Source: SPSS (2017)

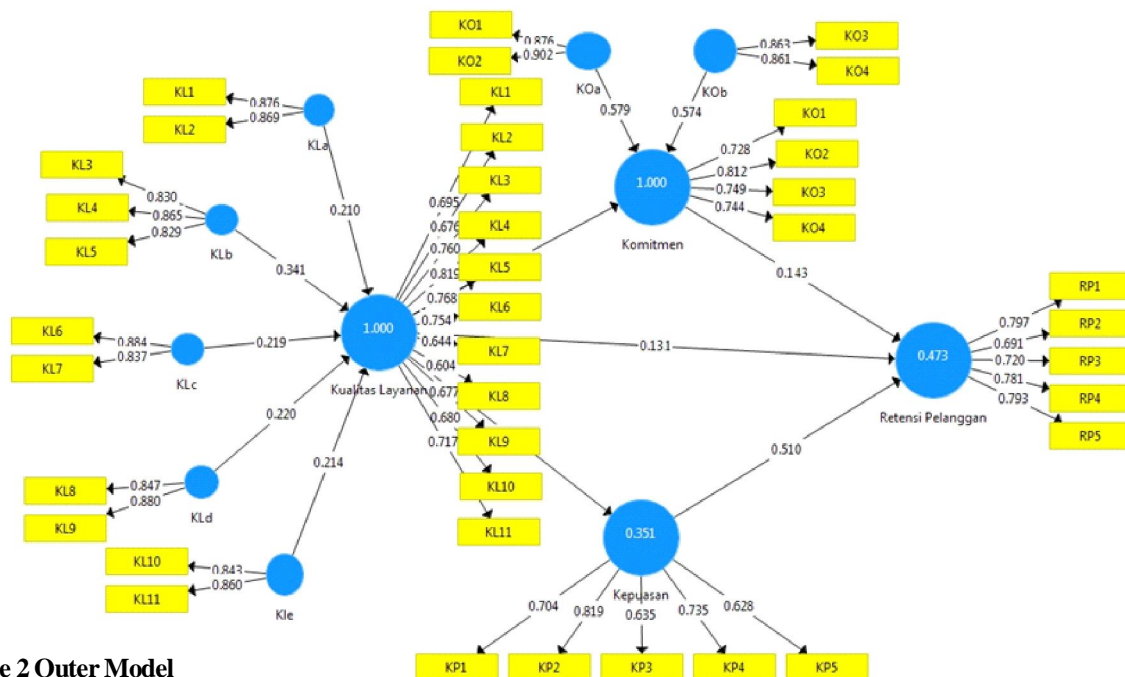


Figure 2 Outer Model
Source: SmartPLS (2017)

The results of the analysis of the direct effect of Service quality (KL) on Customer retention (RP) obtained a t-statistic value of 1.333. This value is smaller than the t-table value which shows that there is no positive and significant influence between Service quality on Customer retention, the absence of these influences indicates that Hypothesis 3 is rejected.

Hypothesis 3: Service quality (KL) has a significant effect on Customer retention Customers (RP).

The t-statistic value of the direct effect on Commitment Customers (KO) on Customer retention (RP) is 1.595 where the value is smaller than the t-table value. This value shows that there is no positive and significant relationship between Commit-

ment Customers and Customer retention, so it is concluded that hypothesis 4 is rejected.

Hypothesis 4: Commitment Customers (KO) has a significant effect on Customer retention Customers (RP).

The results of the analysis of the direct effect of Satisfaction Customers (KP) on Customer Retention (RP) obtained a t-statistic value of 4,576. This value is greater than the t-table value which indicates that there is a positive and significant influence between the Satisfaction Customers and Customer Retention. Based on the statement, it is concluded that hypothesis 5 is accepted.

Hypothesis 5: Satisfaction Customers (KP) has a significant effect on Customer retention Customers (RP).

Table 3 Structural Output

<i>Direct Effect</i>	Path coefficient	t-value	Result
H1 : Service quality → Commitment	0,430	5,982	Significant
H2 : Service quality → Satisfaction	0,592	5,848	Significant
H3 : Service quality → Customer Retention	0,131	1,333 ^{ts}	Not significant
H4 : Commitment → Customer Retention	0,143	1,595 ^{ts}	Not significant
H5 : Satisfaction → Customer Retention	0,510	4,576	Significant
Description: ts, not significant, t-value > t-table α: 5% = 1.96			

Source: SmartPLS (2017)

The role of mediation in Figure 3, the commitment variable and satisfaction is known by the multiplication of service quality relationship coefficient with Commitment Customers which is equal to 0.061 (a) and the relationship between Commitment customers and Customer retention (b). The value of the multiplication is smaller than the value of c, which is 0.131. Decision based on this value and Interpretation of mediation variables in Hair’s opinion (2010), that the determination of variable properties as mediation if the values of a, b, and c are significant then the Commitment Customers variable is not a mediator so that hypothesis 6a is rejected.

Hypothesis 6a: Commitment Customers (KO) mediates the relationship of Service quality to Customer retention Customers (RP).

The mediating role of the Satisfaction Customers variable is known to be 0.301 which is obtained from the result of the service path relationship coefficient multiplication with the Satisfaction Customers (a1) and the relationship between the Customer and Customer retention Satisfaction (b1). The value of the multiplication result is smaller than the value of c1 which is 0.131. Decision based on this value and the interpretation of the mediating variable determining the nature of the variable as mediation if the values of a1 and b1 are significant and c1 is not significant, the Satisfaction Customers variable is a perfect mediator so that hypothesis 6b is accepted.

Hypothesis 6b: Satisfaction Customers (KO) mediates the relationship of Service quality to Customer retention Customers (RP)

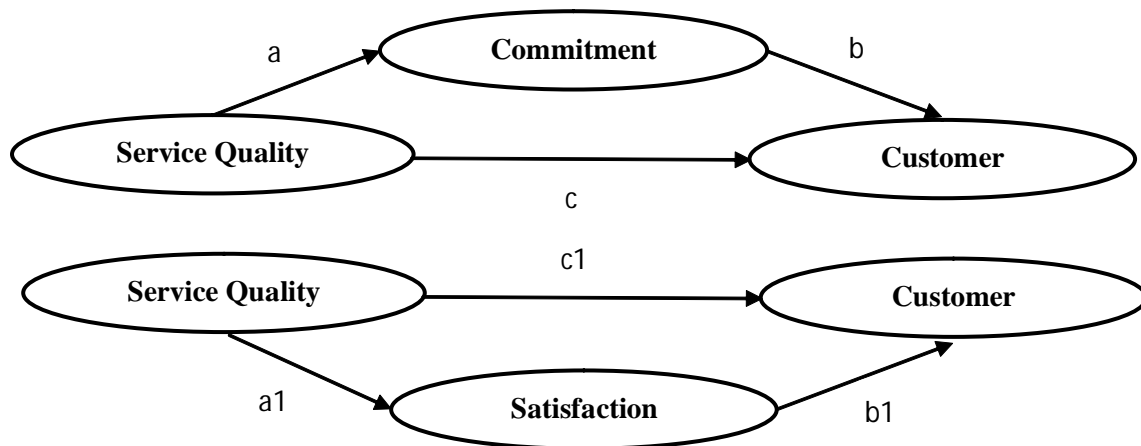


Figure 3 Mediation Testing

DISCUSSION

The results of the first hypothesis testing state that service quality affects customers' Commitment. These findings are in accordance with Fullerton (2005), research which states that service quality has a significant influence on customers' commitment. The findings indicate that service quality has a significant influence on Commitment customers, this means that the greater the service quality that is given it will determine the commitment of customers.

Service quality in the second hypothesis has a positive and significant influence on satisfied customers, this shows that service quality provided by service providers influences the amount of satisfaction obtained by customers. Service quality provided by Javanese Restaurant includes several indicators of the convenience of place and menu availability, service quality, accurate performance, suitability, responsiveness, the accuracy of information delivery, the accuracy of handling, friendliness, and ease of communication can improve satisfaction customers Javanese Restaurant. The better the service quality provided by Javanese Restaurant service providers, the more satisfaction that customers can get. The research findings about the significant influence on service quality variables on satisfaction customers are in accordance with the previous researchers' statements according to Davies (2003), Anggraini (2014), and Sahadev (2011),

where they state that satisfied customers are closely related to how good service quality is provided by the service provider.

Meanwhile, Service quality in the third hypothesis, does not have a significant effect on customer retention, this is not in accordance with some previous researchers who mentioned if there is a direct and significant relationship between service quality and customer retention Ranaweera (2003), Davies (2003), Sahadev (2011), and Anggraini (2014). The absence of significant influence in this study shows that service quality is not the only consideration in making customers maintain further relationships with service providers, namely Javanese Restaurant. The cause of service quality does not have an impact on customer retention because the evaluation of customers is related to the selection of restaurants that are in accordance with the wishes of customers and this is something complex and not easily elaborated in an analysis.

The results of testing the fourth hypothesis between Commitment customers and customer retention also states that there is no significant influence on the relationship between Commitment customers and customer retention. Negative or not significant influence on the relationship of these variables is not in accordance with the results of previous researchers who revealed the existence of a direct relationship. Sharma (1994), writing about relationships in business writes long-term relationships

through the Commitment relationship that has been formed between partners. The difference in the results of the study regarding the variable Commitment customers to customer retention apart from the differences in the place and object of the research studied was also caused by several factors, namely the diversity of respondents.

The results of testing the fifth hypothesis between customer satisfaction and customer retention state that there is a significant influence. These results are in accordance with research according to Sahadev (2011) and Caruana (2002), that satisfaction customers influence the formation of customer retention. Satisfaction customers are determined by customers' perceptions of the performance of a product or service in meeting the expectations of customers. Customers feel satisfied if their expectations are met or will be very satisfied if their expectations are exceeded.

Commitment Customers (KO) in the sixth hypothesis as a mediator between the relationship of the variable Service quality (KL) to Customer retention (RP). The relationship between variables shows that the Commitment of customers is not a good mediator for the relationship between service quality and customer retention. Variable Commitment Customers that are not mediator variables do not play an important role or do not influence the relationship between Service quality and Customer Retention. Without the mediating variable of Commitment Customers, Service quality and Customer retention variables have shown a meaningful relationship. Commitment customers do not have a role in bridging (connecting) the service quality relationship with customer retention. The results of this study are incompatible with the findings of the research conducted by Fullerton (2005). The results of the study state that service quality has a significant influence on customers' commitment. Furthermore, the Commitment of customers can increase customer retention. Gustafsson (2005), in his research also explained that the Customer Commitment became a complete model with service quality so that it impacted customer retention.

In testing the sixth hypothesis, it is known that the Satisfaction Customers (KP) is a full mediation

(full mediation). Full mediation shows that satisfied customers are perfect and feasible variables to mediate the relationship between satisfied customers and customer retention. Customers' satisfaction has a role in bridging (connecting) the service quality relationship with customer retention. This shows that customer retention Javanese Restaurant becomes stronger if it is mediated by satisfied customers. The results of this study are consistent with the findings of research conducted by Caruana (2002). The results of the study state that service quality has a significant influence on customer satisfaction. Furthermore, satisfied customers can increase customer retention. Karin, et al. (2014) in his research also explained that satisfied customers become a whole model with service quality so that it impacts on customer retention.

IMPLICATIONS AND LIMITATIONS OF RESEARCH

Theoretical implications

This research has implications for the development of concepts related to, Commitment customers, satisfied customers and customer retention at Javanese Restaurant in North Kuta District, Bali. The results of the study are expected to be a reference study related to the effect of service quality on the mediating role Commitment customers and satisfied customers in influencing customer retention. Empirically this research shows that service quality variables have a significant influence on Commitment customers and satisfied customers which are supported by the opinions of Caruana (2002) and Gustafsson (2005). However, service quality does not have a significant effect on customer retention, so the results of the study are different from previous research studies according to Ranaweera (2003) and Davies (2003). But in this study Commitment customers and satisfied customers can bridge the relationship between service quality and customer retention. Research studies that support the mediating role of Commitment customers and satisfied customers, namely Karin, et al. (2014) and Caruana (2002).

Research Limitations

Researchers, in general, have answered various formulation problems, but there are still limitations, among others. First, sampling technique, charity is non-probability so that no sample can represent the population. The number of samples is also a limitation in this study. It is expected that future research will develop probability techniques and develop the number of samples used as research.

Second, the research only has the R-square value of endogenous variables to exogenous variables that contribute to 72.1% so that it can be said that the research model still requires further development by adding other variables outside the researcher related to the same concept in influencing customer commitment and customer retention.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of these studies, it can be concluded that Service quality which consists of dimensions of tangible, reliability, responsiveness, assurance and empathy has not been able to directly influence customer retention, while service quality towards Commitment and satisfaction customers has direct influence.

Mediation variables Customer commitment does not directly affect customer retention, but satisfaction customers directly influence customer retention.

Variable Commitment customers are not mediators in the relationship of service quality to customer retention, it means that there are other variables outside the research that can bridge the relationship, While satisfaction customers are a full mediator of the relationship between service quality to customer retention which means satisfaction customers have an important role in bridging the relationship between service quality and customer retention.

Recommendation

Recommendation for Javanese Restaurant in North Kuta District, Bali so that efforts to improve

service quality need to be done by Javanese Restaurant to establish Commitment between customers and service providers which in the end will foster customer retention of restaurants.

Suggestion for further research is that further research is expected to expand the object of research, for example, all Javanese restaurants in North Sumatra with more samples and conducting interviews to respondents to obtain more accurate information about service quality, Commitment of customers, satisfied customers, and customers retention. Further research can also add variables and other indicators that can strengthen the research model.

REFERENCES

- Allen, N.J. and Meyer, J.P. (1990). *The measurement and antecedents of affective, continuance, and normative commitment to the organization*. Journal of Occupational Psychology.
- Anggraini, Ika Novita. (2014). *Peran Mediasi satisfaction pada pengaruh service quality dan kepercayaan terhadap loyalitas orang tua/ wali murid SDN Plus My Little Island Malang*. Tesis Program Magister Manajemen Universitas Brawijaya.
- Bansal, H.S. and Taylor, S.F. (1999). *The service provider switching model (SPSM): a model of consumer switching behavior in the service industry*. Journal of Service Research.
- Caruana, Albert (2002). *Service loyalty: The effects of service quality and the mediating role of customer Satisfaction*. European Journal of Marketing.
- Cooper, R.D and Emory W.C. (2003). *Business Research Methods 5th ed*. London: Richard Irwin, Inc.
- Davies, Kelley Sara and Peter Kangis. (2003). *Service quality for customer retention in the UK steel industry: old dogs and new tricks?.* European Business Review.
- Fullerton, G. 2005. *How commitment both enables and undermines marketing relationships*. European Journal of Marketing.
- Ghozali, I. 2008. *Aplikasi Analisis Multivariate Dengan Program SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Gustafsson, A., Johnson, M.D. and Roos, I. (2005). *The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention*. Journal of Marketing.
- Hair, J.F., W.C. Black, B.J. Babin, R.E. anderson, R.L. and

- Tatham, (2006). *Multivariate Data Analysis, 6 Ed.* New Jersey: Prentice Hall.
- Han, Xiaoyun (2008). *Service Loyalty: An Integrative Model and Examination across Service Contexts.* Cornell University School of Hotel Administration.
- Hasan, Ali. 2013. *Marketing dan Kasus-Kasus Pilihan.* Yogyakarta: CAPS (Center for Academic Publishing Service).
- Hume, Margee 2006. *Exploring repurchase intention in a performing arts context: who comes? And why do they come back?.* International Journal of Non-profit and Voluntary Sector Marketing.
- Izogo, Ernest Emeka. (2017). *Customer loyalty in telecom service sector: the role of service quality and customer commitment .* The TQM Journal.
- Karin, A., Venetis Pervez N., and Ghauri. 2004. *Service quality and customer retention: building long-term relationships.* European Journal of Marketing.
- Khan Nasreen and Sharifah Latifah Syed A. Kadir. 2012. *The impact of perceived value dimension on satisfaction and behaviour intention: Young adult consumers in the banking industry.* African Journal of Business Management.
- Kotler, P. 2010. *Manajemen Pemasaran: Analisis, Perencanaan, Implementasi, dan Pengendalian.* Jilid 2. Jakarta: Erlangga.
- Kotler, Philip dan Armstrong. 2012. *Principles of Marketing.* New Jersey: Prentice Hall Inc.
- Morgan, R.M. and Hunt, S.D. (1994). *The commitment-trust theory of relationship marketing.* Journal of Marketing.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1996). *A multiple-item scale for measuring consumer perceptions of service quality.* Journal of Retailing.
- Ranaweera, C. and Neely, A. (2003). *Some moderating effects on the service quality-customer retention link.* International Journal of Operations & Production Management, Vol. 23 No. 2, pp. 230-48.
- Sahadev, Manoj Edward Sunil. (2011), "Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage", Asia Pacific Journal of Marketing and Logistics.
- Sharma, Neeru and Paul G. Patterson. 1994. *Switching Costs, Alternative Attractiveness and Experience as Moderators of Relationship Commitment in Professional, Consumer Services.* International Journal of Service Industry Management.
- Suardika, Gede Pasek. 2015. *Kita semua Dauh Tukad.* [On Line] From: <http://paseksuardika.com>. [January 20, 2017].