The Influence of Service Quality and Business Location on Word of Mouth Through Consumer Satisfaction as a Mediating Variable
(Study of Wedangan "Ginastel" Customers in Pemalang City)

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Abstract: The objectives of this research are: 1) Test and measure the influence of service quality and business location on consumer satisfaction. (2) Testing and measuring the influence of service quality and business location on consumer Word of Mouth (3) Testing and measuring the influence of service quality and business location through customer satisfaction as a mediating variable. This research was conducted on Wedangan "Ginastel" consumers on Jalan Sulawesi, Mulyoharjo sub-district, Pemalang sub-district, Pemalang City, who actively shop at least 30 consumers every day. Or the monthly average based on 24 working days is 720 consumers. 72 consumers were taken as samples. The research results found that there is an influence of service quality and business location on consumer satisfaction. Service quality and business location influence word of mouth. There is an indirect influence on the relationship between service quality and business location on word of mouth through mediation, namely consumer satisfaction as a mediator.

Keywords : Service quality , business location, consumer satisfaction, word of mouth, path analysis.

1. INTRODUCTION

The increasingly competitive business competition in today's global world requires all businesses to continue to innovate to improve the quality of their products and services. The culinary industry is one of the most affected by this situation.

The culinary industry is not only oriented towards the taste of the food and beverage products produced, but also the quality of service to consumers. Good service and customer satisfaction will ultimately have an impact on WOM, or positive word of mouth marketing, which is very important for the culinary industry in marketing. This is because WOM is the most effective advertising method that can attract new customers through recommendations from satisfied customers.

The general choice taken by most people is to become a street vendor (PKL), this choice is taken because the capital required to become a street vendor is relatively small, besides this business also does not require high education and skills, just perseverance is enough (Alisjahbana, 2018) .

In various big cities, street vendors are growing very rapidly, every corner of the city is always filled with various kinds of street vendors, especially those engaged in the food and beverage sector. They chose to stay in various big cities and set up informal businesses in these cities. Pemalang City is one of the cities that is a destination for informal businesses. The layoff

victims who came from the former Pekalongan residency area urbanized to set up street vendor businesses in the city of Pemalang.

Wedangan "Ginastel" in the city of Pemalang is one of the various culinary businesses that are trying to survive and expand their presence amidst intense competition. As a traditional based institution, we often have to struggle to earn or recover points and support customers. Therefore, providing the best service is the path to customer satisfaction. So a phenomenon occurs that is increasingly selling rapidly.

The number of Micro, Small and Medium Enterprises (MSMEs) in Pemalang Regency has currently reached 25,502 businesses, one of which is the food and beverage sector (Handayani & Badjuri, 2022) . The largest number of street vendors in the city of Pemalang are street vendors in the food and beverage category, there are no definite numbers or accurate data regarding the numbers. In 2020, the number of street vendors in the food and beverage category will be 1,442 stalls. The number of street vendors continues to increase until by 2023 the number will reach 2,416 stalls. This number is 51% (1,238 stalls) of which are traditional Pemalang food stalls (Nasi Gombyang). The rest consists of Balungan Bakso and Chicken Noodle food stalls (11%), Fruit Sop, original fresh drinks from Pemalang Typical Honey Pineapple Juice, and various other types of stalls.

The large number of wedangan stalls in the city of Pemalang is influenced by several factors including: (1) This business is easy to set up, (2) The capital required is relatively small, (3) Does not require high skills and education, (4) Raw materials some come from fellow sellers who carry out custody on a family basis, (5) The market is competitive but not accompanied by clear regulations.

These various factors then encouraged people around the city of Pemalang to open wedangan stalls. In general, wedangan stalls provide various types of local food in the form of packaged rice, side dishes and drinks. As the name suggests, this wedangan targets the market segment from the lower middle class and foreigners who have limited funds. The food and beverage products found at this Wedangan stall have cheap and affordable prices.

The "Ginastel" wedangan stall on Jalan Sulawesi, Mulyoharjo sub-district, Pemalang sub-district, Pemalang Regency is one of hundreds of wedangan stalls in the city of Pemalang. In creating customer satisfaction, the "Ginastel" wedangan stall always improves the quality of its services (*service quality*). Customer satisfaction can be created through the quality of service provided to its customers. The better the quality of service, the higher the customer satisfaction with the Wedangan food stall. The high quality of service cannot be separated from the internal

support of entrepreneurs, especially support from their human resources, to improve consumer purchasing decisions (Kurniawan et al., 2022) .

Service quality is one of the key factors for the success of the "Ginastel" wedangan stall and it cannot be denied in today's business world, because nothing is more important for a business except placing the issue of customer satisfaction through service as one of its business commitments. Recently, the "Ginastel" wedangan stall has been required to make more efforts, because the competitive climate is getting tougher, but the community's economic capacity continues to decline. For this reason, the "Ginastel" wedangan stall needs to carry out good marketing efforts. What is meant by marketing itself is the process of planning the conception, price, promotion and distribution of ideas, establishing opportunities that can satisfy individuals and are in accordance with organizational goals (Kotler et al., 2021) . One form of marketing that can be done is by doing *Words-of-Mouth (WoM)* .

Apart from service quality, business location also plays an important role in attracting and retaining consumers. A strategic location can provide easy access for consumers and increase their comfort in visiting the business (Ismanto et al., 2021) . Thus, a good location can increase the frequency of visits and consumer satisfaction of Desrianto & Afridola (2020) .

This research is a replication of Punkyanti & Seminari research (2020) **,** the difference lies in the independent variables used, the research object and the number of respondents. This research was conducted on the basis of the importance of understanding the extent to which *quality service,* business location and *customer satisfaction* influence *word of mouth* among Wedangan "Ginastel" customers. In a culinary business, this understanding is of course very important, especially at this time when business competition is very tight and customers are starting to consider the quality of service provided by business actors other than food. So this knowledge is really needed by the management of Wedangan "Ginastel".

Thus, it is important to carry out this research in order to make a real contribution to the development of marketing and service strategies at Wedangan "Ginastel", which in the end can increase business competitiveness in the midst of an increasingly dynamic culinary industry.

The objectives of this research are as follows: 1) Examining and measuring the relationship between service quality and business location and consumer satisfaction; (2) Research and measure the relationship between service quality and business location and consumer opinion; and (3) Research and measure customer satisfaction as a mediating variable.

2. THEORETICAL BASIS OF FRAMEWORK AND HYPOTHESIS

➢ **Theoretical basis**

1. *Word of Mouth* **(WOM)**

a. Definition of *Words of Mouth*

In society, *word of mouth* (WOM) has been used for a long time. In the past, people were more familiar with *word of mouth* with the term gethok tular (Javanese), the principle of which is that news, notifications, invitations and other information are conveyed widely by word of mouth verbally (Hasan, 2018, p. 24) .

According to Kotler and Armstrong (2019, p. 35) , *word of mouth* is personal communication about a product between target buyers and their neighbors, friends, family members, and people they know. *Word of mouth* communication refers to the exchange of comments, thoughts, or ideas between two or more consumers, where they are not official marketers of the company. Information obtained from *word of mouth* is clearer and easier for consumers to understand because the message in the information comes directly from people who have experience

Consumers see a lot of advertisements in the mass media every day, so consumers protect themselves from the influence of the many advertisements displayed by listening more to friends or other sources they trust. This happens because information from friends or people around you will be trusted more quickly than information obtained from advertisements, meaning that individual influence is stronger than the influence of information from advertisements. Apart from that, information obtained from friends, neighbors or family will reduce the risk of purchasing, because consumers can first see and observe the product/service they want to buy from friends, neighbors or family.

Sutisna (2016, p. 184) believes that most communication processes between humans are by word of mouth. Everyone talks to each other every day, exchanges ideas, exchanges information, comments and other communication processes. Perhaps in fact consumer knowledge of various product brands is mostly due to word of mouth communication. This is very beneficial for producers who rarely carry out promotions and are weak in communicating their products due to limited costs, making it difficult to reach a wider range of consumers.

According to *the Words of Mouth Association* (WOMMA) *,* it is an effort to pass information from one customer to another (www.womma.com, 2015). Meanwhile, *Words of Mouth* according to WOMMA, is giving customers a reason to talk about your products and services, and making it easier for these conversations to occur. *Words of Mouth* is the art and

science of building good and mutually beneficial communication from customer-to-customer and customer-to-producer.

Words-of-Mouth cannot be made up or invented. Trying to fabricate *word-of-mouth* is highly unethical and can have the opposite effect. Worse yet, these efforts can damage *the brand* and damage the company's reputation. WoM is sometimes more effective than advertising. According to Salhuteru (2017) that advertising only has one-way interaction with customers, while WoM has two-way interaction. Apart from that, WoM is considered more objective because the information that reaches potential customers does not come from the company, so it sometimes includes weaknesses in the product that customers can anticipate.

According to Emanuel Rosen (2004), in Amelinda & Farida, (2017) *word of mouth* is "all communication from person to person about a particular product, service or company at one time". Andy Rochovitz (2006), stated in his book the definition of *word of mouth* marketing as an action that can provide reasons so that it is easier for everyone and prefers to talk about a product. According to Bone (1992) in Effendy et al., (2021) *word of mouth* is the exchange of comments, thoughts, or ideas between two or more consumers, where none of them is the marketing source. Meanwhile, according to Salomon (2017, p. 379) , who states that *word of mouth* is information about products that is transmitted by individuals to other individuals.

Based on the conclusions above, *word of mouth* can be interpreted as communication carried out by consumers who have made a purchase and shared their experiences about the product/service with others. So, indirectly, these consumers have carried out promotions that can attract buying interest from other consumers who listen to the conversation.

b. *Word of Mouth* Dimensions

According to Sernovitz (2014:19), there are 5 elements (Five Ts) needed for *word of mouth* to spread, namely:

1) *Talkers* (Speakers) People who are enthusiastic about talking and those who are most enthusiastic about sharing their experiences.

2) *Topics* (Topics) Good topics are topics that are simple, easy to carry, and natural. All word of mouth starts from topics that are exciting to talk about.

3) *Tools*

Existing topics require tools that help make the topic or message work. This tool makes it easy for people to talk about or pass on the company's products/services to other people. Examples include giving free products, social media, brochures, banners.

4) *Talking Part* (speaker participation)

A conversation will be lost if only one person is talking about a product. So it is necessary for other people to participate in the conversation so that word of mouth can continue.

5) *Tracking* (supervision)

The company's actions are to monitor consumer responses, so that the company can study positive or negative consumer input, so that the company can learn from this input or suggestions for better progress.

c. *Word of Mouth* Indicator

According to Babin, Barry (2014, p. 133) Word of Mouth indicators are as follows:

1) Consumers' willingness to talk about positive things about the quality of services and products to other people.

2) Recommendation of company services and products to other people.

3) Encouragement of friends or relations to purchase company products and services.

2. Understanding Service Quality

Quality conventionally describes the direct characteristics of a product, such as performance , reliability , ease of use , aesthetics *and* so on. Meanwhile, the strategic definition of quality is everything that is able to fulfill the desires or needs of customers *(meeting the needs of customers).*

Quality is full customer satisfaction . A product is said to be of quality if it can provide complete satisfaction to consumers, namely in accordance with what consumers expect from a product (Feigenbaum, 2016, p. 7) .

Quality is "a dynamic condition related to products, services, people, processes and environments that meet or exceed expectations" (Tjiptono, 2019, p. 66) .

In ISO 8402 *(Quality Vocabulary)* , quality is defined as the totality of characteristics of a product that support its ability to satisfy specified or established needs. Quality is often defined as customer *satisfaction* . The definition of a product that can be in the form of *(tangible)* or a combination of both. Three product categories can be defined here, namely:

a. Goods *(goods)* , for example: cars, telephones, etc.

b. Software *,* for example: computer programs, financial reports, procedures, instructions in the ISO 9000 financial system and others.

c. Services , for example: *education* , banking and others.

To be able to appear in a competitive atmosphere, organizations must try to improve the quality of their services as a strategy to win the competition. Quality must start from customer needs and end with customer perceptions. Thus, products are designed, produced and services

provided to meet customer desires. Because quality refers to something that determines customer satisfaction, a product produced can only be said to be of quality if it meets the customer's wishes, can be used well, apart from being produced (produced) in a good and correct way (Dharmmesta, 2014, p. 182) .

The concept of service quality can also be understood through " *consumer* behavior", namely a behavior carried out by consumers in searching for, buying, using and evaluating a service product that is expected to satisfy their needs (Schiffman & Kanuk, 2016, p. 7) .

Consumers' decisions to consume or not consume a good/service are influenced by various factors, including their perception of service quality. This statement shows that there is a strong interaction between "consumer satisfaction" and "service quality".

Quality is as follows, namely: "Standards that must be achieved by a person/group/institution/organization regarding the quality of human resources, the quality of work methods, processes and work results or products in the form of goods and services. "Quality means satisfying those who are served, both internally and externally, in the sense of optimal fulfillment of customer/society demands/requirements" (Sani, 2021) .

Customers believe that the service provider's operations can be trusted and provide value or compensation commensurate with their sacrifices.

a. Service Quality Theory

Service quality was stated by Lovelock (2016, p. 76) in his book " *Product Plus* ". What is put forward is an interesting idea about how a product, when coupled with a service , will produce a strength that provides benefits to the organization in achieving profits and even facing competition. There are 8 service supplements which can be explained as follows. (1). Information is the process of quality service starting from the products and services required by customers. Providing information channels that directly make it easier to answer customer desires is important. (2). *Consultation*, after obtaining the desired information, customers require consultation regarding technical, administrative and cost issues. For this reason, an organization must prepare facilities regarding consultation materials, consultation places, employees/officers serving, and time for free consultations. (3). *Ordertaking*, customer assessment at this point is emphasized on service quality which refers to the ease of filling out applications and administration that is not complicated, flexible, low costs, and light conditions. (4). *Hospitality,* customers who deal directly will assess the friendly and polite attitude of employees, comfortable waiting rooms and other adequate facilities. (5). *Caretaking*, different customer backgrounds will demand different services. (6). *Exception,* some customers sometimes want exceptions to service quality. (7). *Billing*, the vulnerable point

is in payment administration. This means that the service must pay attention to matters relating to payment administration, both regarding the transaction form checklist, payment mechanisms and the accuracy of bill calculations. (8). *Payment* , at the service end, payment facilities must be provided based on the customer's wishes, such as bank transfer, *credit card,* direct debit to the customer's account.

b. Factors that Influence Service Quality

Public services to the community will be able to run as expected, if the supporting factors are adequate and can be used effectively and efficiently. There are several factors that support the running of a service well, namely: (1). Factors of awareness of officials and officers involved in public services; (2). Regulatory factors that form the basis of service work; (3). Organizational factors which are tools and systems that enable service activity mechanisms to run; (4). Organizational factors which are tools and systems that enable service activity mechanisms to run; (5). Officer skill factor; (6). Facility factors in carrying out service tasks. These six factors have different roles but influence each other and together they will realize optimal service delivery, whether in the form of verbal services, written services or services in the form of movements/actions with or without writing.

There are seven factors that influence organizational performance. These seven factors include: values and culture*;* work processes and business systems *(work processes and business systems);* individual and team capacity *(individual and job design)* ; awards and recognition *(reward and recognition);* as well as management processes and systems *(management process and system).*

There are 6 factors in implementing continuous quality improvement (Tjiptono, 2019, pp. 75–76) . These six factors include: leadership, education, planning, review, communication and rewards and recognition. From the explanations above, conclusions can be drawn about the factors that influence service quality, namely:

1) Organization

Service organizations are basically no different from organizations in general, but there are slight differences in their application, because service targets are aimed specifically at humans who have multi-complex characters and desires. The service organization referred to here is organizing service functions both in the form of structures and mechanisms that will play a role in the quality and smoothness of services. An organization is a mechanism, so there needs to be supporting facilities to facilitate that mechanism. These supporting facilities are systems, procedures and methods. *"organization is a mechanism or structure that enables living to work effectively together* "

2) Leadership

In relation to quality service management, leadership is the ability to inspire the enthusiasm of other people to be willing and have total responsibility for efforts to achieve or exceed organizational goals. From the definition of leadership above, the basic concept is related to its application in quality service management, namely generating motivation or enthusiasm in other people by providing inspiration or inspiration.

Improving public services in Indonesia is very dependent on the role of government agency leaders *(top down approach)*. Organizations that have credible leaders with high integrity and a vision for the future can become role models and innovators for public service reform. Meanwhile, Joseph M. Juran stated that leadership that leads to quality includes three managerial functions, namely planning, controlling and improving quality (Tjiptono, 2019, p. 160) . The company's quality strategy must be an initiative and commitment from top management. Top management must lead the company to improve its quality performance. Without leadership from top management, efforts to improve quality will have little impact on the company.

In the perspective of integrated service quality management, leadership is based on the philosophy that continuous improvement of work methods and processes will improve quality. Such leadership will have several characteristics as follows (1). *Visible, committed* and *knowledgeable*, namely good leadership develops a focus on quality aspects, involving everyone in education and training. In addition, also develop regular relationships with employees, customers and suppliers; (2). Missionary spirit, namely a good leader tries to promote quality aspects outside the organization, either through suppliers, distributors or customers; (3). Aggressive targets, namely good leadership leads to incremental improvements, not just process improvements, but also pursuing different processes; (4). *Strong driver* where the goals to be achieved in improvement activities are clearly defined in terms of customer satisfaction and quality measures; (5). Communication of values, where good leadership carries out cultural change towards an effective quality culture. This is done by developing a clear and consistent communication system through written policies, missions, guidelines and other statements regarding quality values; (6). Organization, namely where the structure is a flat structure *which* allows greater authority for lower levels. Every employee is empowered and involved in interdepartmental improvement teams; (7). Contact with customers where customers have access to contact top managers and senior company managers.

3) Abilities and Skills

In the field of service, what stands out and is most immediately felt by the people who receive the service is the skill of the implementer. They are the ones who carry the "flag" regarding the impression of whether the service is good or bad. With adequate skills and abilities, the implementation of tasks/work can be carried out well, quickly, and meet the wishes of all parties, both management itself and the community.

One of the most fundamental elements of quality service management is continuous employee development through education and training.

Education is concerned with increasing general knowledge and understanding of our environment as a whole. Meanwhile, training is an effort to increase the knowledge and skills of an employee to do a particular job."

Education and training have the same goal, namely *implicit understanding*. Through understanding, employees are enabled to become innovators, initiative takers, and become effective and efficient in doing their work.

4) Awards and Recognition

Awards and recognition are important aspects in implementing a quality strategy. Every employee who performs well needs to be given awards and have their achievements recognized. In this way, it can increase motivation, work morale, a sense of pride and a sense of ownership for everyone in the organization which can ultimately make a big contribution to the agency and customers served.

To provide satisfaction to employees regarding the successful performance that has been achieved is by providing compensation. The compensation given to employees greatly influences the level of job satisfaction, work motivation and work results. Research on individual behavior in organizations shows that rewards are the most important factor for people. Because it is most important to most people, reward issues have the power to influence their membership behavior and their achievements.

Increasing work performance is also influenced by motivation theories which lead to the satisfaction of needs and other related factors. This assumes that an effective organization is an organization that is able to motivate organizational members through various means such as meeting their needs for money, status, success, and working conditions. Human resources are the most vital organizational assets, as internal customers determine the final quality of a product/service. One concept for improving service quality is human resource *empowerment*.

3. Business Location

a. Definition of Business Location

According to Kotler (2014) "Business location can be interpreted as everything that shows the various business actions carried out to make products purchasable and accessible to customers." Meanwhile, Tjiptono (2019, p. 92) stated that a business location is a place where a business operates or carries out activities to produce goods and services of economic value.

Swastha & Irawan (2014) say that location is the place where a business or business activity is carried out. In business development, the location is compared to urban areas, how the location can be reached, and how long it takes to reach the destination.

By considering the definitions above, it can be concluded that a business location is a place where a business carries out its operations so that its products can be marketed to consumers. In the case of a culinary business, determining a business location is very important when planning a business, because a good business location will attract potential customers and allow the business owner to estimate costs that will arise in the future, such as selling food or cooking.

According to Kotler (2014) Location, which starts with choosing a community, is the key to success. This decision depends largely on a variety of factors, including competition, potential for economic growth and stability, and the political climate.

b. Business Location Indicators

According to Tjiptono Tjiptono (2019, p. 159) , the business location indicators used as benchmarks in this research for business actors in building their businesses are as follows:

1) Access, a location that is easy to pass or easy to reach by public transportation.

2) Visibility, can be seen clearly more than normal viewing distance.

3) Environment, namely the surrounding area that supports the business premises.

4) Competition, namely there are not too many competitors in that location.

c. Choosing a Business Location

Business location is very important for business success because it greatly influences the smooth running of sales when producers convey their merchandise to consumers. However, determining a strategic location is very difficult when the business is growing.

Successful entrepreneurs have the best ability to adapt their products and services to market demand, therefore entrepreneurs must pay attention to issues related to the choice of the right business location.

According to Swastha and Irawan (2014) the factors that must be considered in determining a location for a business are:

1) Trading area area

2) Can be achieved easily

3) Potential growth

4) Location of competing stores

4. Consumer Satisfaction

Satisfaction is a person's feeling of happiness or disappointment that comes from comparing his impression of the performance (results) of a product and his expectations. Satisfaction is an evaluation process carried out by consumers where consumers act by comparing actual performance with expected *performance* (Kotler et al., 2021, p. 116) . Based on this comparison, consumers will experience positive, negative or neutral emotions depending on whether their expectations are met.

Consumer satisfaction is a perception of a person's level of feeling after comparing performance with expectations. If performance is below expectations then consumers are dissatisfied. If performance exceeds expectations, consumers will be very satisfied or very happy. If consumers are satisfied with a product, they will usually make a repeat purchase. This is of course what the company hopes for.

Consumer satisfaction is the consumer's true experience or overall impression of their experience consuming the service (Oliver, 2016, p. 84) .

Expressing consumer satisfaction or dissatisfaction with the services offered at that time depending on the perception of existing performance and the perception of the gap between expectations and reality (Istiyawari et al., 2021) .

Basically, the goal of a business is to create satisfied consumers. Creating customer satisfaction can provide benefits, namely good relations between the company and consumers, thus providing a good basis for repeat purchases and loyalty. Many companies focus on high satisfaction because consumers who are only satisfied will easily change their minds if they get a better offer. However, for those who are very satisfied, it will be more difficult to change their choices. High satisfaction or high pleasure will create emotional attachment to the brand, not just rational preference. The end result is the realization of high consumer loyalty.

Customer satisfaction and dissatisfaction is the customer's response to the evaluation of the perceived disconfirmation between previous expectations and the actual performance of the product that is felt after using it . (Tjiptono, 2019, p. 87) .

The dimensions that form consumer satisfaction are overall service satisfaction, satisfaction associated with the insurance business in general, and a comparison between expectations and reality (Tjiptono, 2019, p. 136) .

➢ . **Framework**

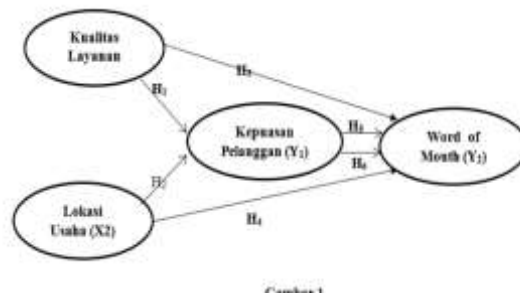The scheme/description in this research is as follows:

Figure 1

Framework

Independent variables : service quality and business location

Dependent variable : *word of mouth*

Mediating Variable : customer satisfaction

➢ **Hypothesis**

In this research, the following hypothesis is formulated:

1. There is a significant influence of service quality on consumer satisfaction.
2. There is a significant influence of business location on consumer satisfaction.
3. There is a significant influence of service quality on *Word of Mouth*.
4. There is a significant influence of business location on *Word of Mouth*.
5. There is a significant influence of consumer quality on *Word of Mouth* through consumer satisfaction.
6. There is a significant influence of business location on *Word of Mouth* through consumer satisfaction.

3. RESEARCH METHODS

The scope of research

The object of this research is the customers at Warung Wedangan 'Ginastel" which is located at Jalan Sulawesi, Mulyoharjo sub-district, Pemalang sub-district, Pemalang City.

Research Variables

The variables used in this research consist of the dependent variable (Y), namely word of mouth. The independent variable (X) is X1: service quality X2: business location and the mediating variable X3/M: consumer satisfaction.

Data source

The data sources that researchers collected consisted of primary data and secondary data.

1. Primary data

2. Secondary data

Population and Sample

In this research, the population is all customers of Warung Wedangan 'Ginastel" on Jalan Sulawesi, Mulyoharjo sub-district, Pemalang sub-district, Pemalang City, who actively shop every day with at least 30 consumers. Or the monthly average based on 24 working days is 720 consumers. Then 72 people /consumers were taken as samples .

Data collection technique

1. Questionnaire.

2. Documentation and library studies

right?

Data Type

The data used in this research consists of primary data and secondary data.

Data Analysis Method

1. Test the Research Instrument

2. Test prerequisites for analysis/ test assumptions

   classic

3. Path Regression Test

4. Discussion

Data Analysis Results

1. Test the Research Instrument

Based on the research instrument test which consists of a validity test and a reliability test, it is known that each question item is valid and reliable and meets the requirements for further testing.

2. Analysis Prerequisite Test/Classical assumption test

It has passed the analysis prerequisite tests therefore it is eligible to predict the next analysis.

3. First equation path regression test

Table 1

Hasil Analisi Regresi Persamaan Pertama

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2,119	,813		2,605	,011
	Kualitas Layanan	,099	,018	,555	5,525	,000
	Lokasi Usaha	,389	,101	,388	3,860	,000

a. Dependent Variable: Kepuasan Konsumen

Sumber: Hasil Olahan SPSS Th 2024

Based on Table 1, the path regression equation can be determined as follows: (taken from the *Standardized Coefficients* Beta value)

$Y_1 = 2.119 + 0.555 X_1 + 0.388 X_2 + \varepsilon$
Sig. (0.000) (0.000)

Table 2

Hasil Analisi Regresi Persamaan Kedua

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2,924	,715		4,089	,000
	Kualitas Layanan	,045	,018	,282	2,464	,016
	Lokasi Usaha	,361	,094	,399	3,847	,000
	Kepuasan Konsumen	,258	,101	,285	2,554	,013

a. Dependent Variable: Word of Mouth

Lampiran Olahan SPSS Th 2024

Based on Table 2, the path regression equation is obtained as follows: (taken from the *Standardized Coefficients* Beta value).

$Y2 = 0.108 + 0.282X1 + 0.399 X2 + 0.285 Y1/M + e$

Sig. = (0.016)(0.000)(0.013)

Hypothesis Testing

a. The influence of service quality on consumer satisfaction.

   The regression results of the first equation show that the t count of the service quality variable is 5.525 with a significance value of 0.000 <0.01, meaning that the service quality variable has a significant effect on consumer satisfaction, so hypothesis 1 is accepted.

b. The influence of business location on consumer satisfaction.

   The regression results of the first equation show that the calculated t for the price variable is 3.860 with a significance value of 0.000 <0.01, meaning that the business location variable has a significant effect on consumer satisfaction, so hypothesis 2 is accepted.

c. The influence of service quality on consumer loyalty.

   The regression results of the second equation show that the tcount of the service quality variable is 2.464 with a significance value of 0.016 <0.050, meaning that the service quality variable has a significant effect on consumer loyalty, so hypothesis 3 is proven.

d. The influence of business location on consumer loyalty.

   The regression results of the second equation show that the calculated t for the business location variable is 3.847 with a significance value of 0.000 <0.01, meaning that the business location variable has a significant effect on consumer loyalty, so hypothesis 4 is accepted.

e. 5th hypothesis.

   There is a significant influence of customer service quality on Word of Mouth through customer satisfaction. This will be done using the Sobel test

f. Hypothesis 6.

   There is a significant influence of business location on Word of Mouth through consumer satisfaction. This will be done using the Sobel test

Mediation/Sobel Test

a. Quality of customer service towards *Word of Mouth* through customer satisfaction

   Sobel test statistic: 2.31677175

   One-tailed probability: 0.01025808

   Two-tailed probability: 0.02051617

The sobel test value is z-count of 2.12879709 and z-count is smaller than z-table, namely 1.96. This means that there is a mediating influence of the consumer satisfaction variable in mediating the relationship between the business location variable and the *word of mouth variable* . A positive Sobel test value means the indirect effect is positive.

b. Business location on Word of Mouth through consumer satisfaction

Sobel test statistic: 2.12879709

One-tailed probability: 0.01663553

Two-tailed probability: 0.03327105

The sobel test value is z-count of 2.12879709 and z-count is smaller than z-table, namely 1.96. This means that there is a mediating influence of the consumer satisfaction variable in mediating the relationship between the business location variable and the word of mouth variable. A positive Sobel test value means the indirect effect is positive.

Discussion

Based on the statistical analysis that has been carried out on each research variable, the researcher tries to provide a discussion of the problems discussed in this research as follows:

1. The influence of service quality on consumer satisfaction

The research results found that there is a positive and significant influence of service quality on consumer satisfaction. This means that a relationship like this means that the better the quality of service provided, the higher consumer satisfaction will be.

2. The influence of location on consumer satisfaction.

The research results found that there is a positive and significant influence of location on consumer satisfaction. This means that a relationship like this means that the more strategic/easier to reach the location where the "Ginastel" wedangan business is located, the more satisfied consumers will be.

3. The influence of service quality on word of mouth

The research results show that there is a direct and significant influence of service quality on consumer loyalty. This means that a relationship like this implies that the higher/better the quality of service, the better/higher the word of mouth will be.

4. The influence of location on word of mouth

The research results show that there is a direct and significant influence of location on consumer loyalty. This means that a relationship like this means that the higher/more strategic the location of the "Ginastel" stall business, the better/higher the word of mouth will be.

5. Consumer satisfaction variable mediates the influence of service quality on word of mouth.

   Based on data analysis, it is known that consumer satisfaction mediates the influence of service quality on word of mouth, meaning that there is an indirect influence from the implementation of service quality on word of mouth through mediation, namely consumer satisfaction as a mediator. This means that word of mouth gets better by increasing consumer satisfaction first, then consumer satisfaction increases consumer word of mouth.

6. Consumer satisfaction variable mediates the influence of location on word of mouth.

   Based on data analysis, it is known that consumer satisfaction mediates the influence of business location on word of mouth, meaning that there is an indirect influence from the existence of business location on word of mouth through consumer satisfaction. This means that word of mouth gets better by increasing consumer satisfaction first, then consumer satisfaction increases consumer word of mouth.

4. CONCLUSIONS, SUGGESTIONS, AND LIMITATIONS

Conclusion

1. There is a positive and significant influence of service quality on consumer satisfaction. This means that a relationship like this means that the better the quality of service, the higher consumer satisfaction will be.

2. There is a positive and significant influence of business location on consumer satisfaction. This means that a relationship like this means that the better the business location, the greater the customer satisfaction.

3. There is a positive and significant influence of service quality on word of mouth. This means that a relationship like this implies that the better the quality of service, the better the consumer's word of mouth will be.

4. There is a positive and significant influence of business location on word of mouth. This means that a relationship like this means that the better the business location, the better the consumer's word of mouth.

5. There is an indirect influence on the relationship between service quality and word of mouth through mediation, namely consumer satisfaction as a mediator. This means that word of mouth gets better by increasing consumer satisfaction first, then consumer satisfaction increases consumer word of mouth.

6. There is an indirect influence on the relationship between business location and word of mouth through consumer satisfaction. This means that word of mouth gets better by

increasing consumer satisfaction first, then consumer satisfaction increases consumer word of mouth.

Suggestion

1. Based on the research results, it was found that service quality has a positive and significant influence on consumer satisfaction. This shows the importance of improving and enhancing service quality as the main strategy in efforts to increase consumer satisfaction.

2. Considering that business location has a positive and significant influence on consumer satisfaction, choosing a location that is strategic and easily accessible to consumers is maintained if necessary and improved by installing nameplates or banners that are easily seen by consumers.

3. The better the quality of service provided, the better the consumer's word of mouth will be. Therefore, the management of Wedanga "Ginastel" provides quality service not only to increase consumer satisfaction, but also to encourage consumers to recommend the service to others.

4. Based on the research results, it was found that business location has a positive and significant influence on word of mouth. This shows that the selection of locations that are strategic and easily accessible to consumers is maintained. This not only provides consumer convenience, but also makes it easier for consumers to recommend the existence of "Ginastel" to others.

5. Considering that there is an indirect influence of service quality on word of mouth through the mediation of consumer satisfaction, to improve word of mouth, the first step that needs to be taken is to ensure consumer satisfaction through improving service quality.

6. Considering that there is an indirect influence from business location on word of mouth through consumer satisfaction, increasing word of mouth can be achieved by increasing consumer satisfaction first through social media about the "Ginastel" business location which will then encourage consumers to give word of mouth. positive mouth

RESEARCH LIMITATIONS

This study has several limitations that need to be noted. First, the research sample is limited to one particular business field, so the research results may not be directly applicable to a larger population. Second, the data was obtained through surveys with respondents, so the results can be influenced by the subjectivity and bias of the respondents. Finally, data collection and

analysis were carried out within limited time and resources, which may affect the level of comprehensiveness and representativeness of research results.

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