1. INTRODUCTION

Nowadays, business competition in Indonesia is getting tougher and stronger, both in industrial companies, manufacturing and service companies. Faced with this, every company must continuously improve the quality of its products or services. One condition that must be met by a company in order to be successful in competition is to try to achieve the goal of creating and retaining consumers. Companies that are able to compete in the market are companies that can provide quality products or services. Companies are required to continue to innovate products and improve service quality and product quality. This is intended so that all products or services offered can get a good place in the eyes of the community as consumers or consumers.

Based on the statement above, there are several factors that can provide satisfaction for consumers, such as the services provided by the company to them. When consumers become satisfied, it tends to make them loyal to the products or services they use. PT. Mabar Feed Indonesia hopes that consumers’ expectations can be fulfilled so that they will become loyal and loyal consumers. However, because there are several choices, this causes many choices for consumers to use PT. Mabar Feed Indonesia by comparing the services provided to consumers, which is this the most sensitive thing that can change consumer considerations into loyal consumers.

| Year | Sales   | Consumer |
|------|---------|----------|
| 2017 | 1357 Ton| 108      |
| 2018 | 1360 Ton| 111      |
| 2019 | 1345 Ton| 100      |
| 2020 | 1300 Ton| 96       |

Source: PT. Mabar Feed Indonesia

Based on Table 1 above, it can be seen that there was a decline in sales in 2019 of 1345 tons with a total consumer of 100 consumers and in 2020 it will be 1300 tons with 96 consumers. This decline in sales and consumers indicates that there is a decrease in customer satisfaction and loyalty. Based on the pre survey, the decline in customer satisfaction and loyalty was caused by a lack of service quality and product quality. The problem of service quality is that consumers complain about
delays in delivery of goods from PT. Mabar Feed Indonesia and the benefits provided are not as desired. The problem of product quality is the lack of product durability from PT. Mabar Feed Indonesia and product reliability have not been able to compete with similar competitors.

2. LITERATURE REVIEW

Service Quality
Service is an effort to provide assistance or assistance to others, either in the form of material or non-material so that the person can overcome the problem himself. According to Laksana (2016: 85) service is an action or activity carried out to satisfy consumers. The service component in business cannot be separated, both service companies and trading companies. For service companies, this service is a stand-alone product, while for trading and industrial companies it is an additional product that is always attached to its main product (Laksana, 2016: 86). According to Laksana (2016:88), service quality can be defined as: “The extent of discrepancy between customers’ expectations or desire and their perceptions”. The statement stated that the quality of service received by consumers stated the magnitude of the difference between the expectations or desires of consumers with their level of perception. Meanwhile, according to Kotler (2018: 56), the definition of quality is the level of quality expected, and controlling diversity in achieving the expected quality, and controlling diversity in achieving that quality to meet consumer needs. To be able to provide quality service in a good way, it is necessary to foster close relationships between companies, in this case, employees and service users. Thus, quality is a key success factor for an organization or company, as stated by Laksana (2016: 88), quality is our best guarantee of customer loyalty, our strongest defense in the face of foreign competition and the only path to growth and revenue. lasting.

According to the American Society for Quality Control (Laksana, 2016: 88), quality consists of a number of product features, which fulfill customer desires, thereby providing satisfaction with product use. Quality is always customer focused. Products are made or produced to meet customer desires so that a product can be said to be quality if it is in accordance with the wishes of the customer. Services are said to be intangible as well as opinions according to Kotler (2018: 57), "Any action or deed that can be offered by a party to another party that is essentially intangible and does not result in the ownership of anything". As expressed by Baker (2013: 97), "Service is a process consisting of a series of intangible activities that usually (but not always) occur in interactions between customers and service employees and/or physical resources or goods and/or systems of service providers, provided as a solution to customer problems". According to Foster (2018: 43), "As a service, the term service implies everything that a certain party does to another party". From some of the definitions above, it can be concluded that service/service is an activity or act of interaction between the giver and the recipient of the service/service offered by the giver in an intangible manner so that it cannot be felt physically.

Product Quality
According to Laksana (2016: 49) a product is something that can be offered to a market to get attention for possession, use or consumption that can satisfy a want or need. According to Kotler (2018: 3) a product is anything that can be offered to the market for attention, use, purchase or consumption that can satisfy the wants or needs expected by the wearer. When consumers buy a product, they have expectations of how the product functions (product moment).

According to Alma (2018: 34), a product is anything that can be offered to a producer to be noticed, requested, sought, purchased, used or consumed by a related market. According to Lucas (2018: 78), the product is a set of tangible and intangible attributes, including color, price, the good name of the factory, the good name of the store that sells (retailer), and factory services and retailer services received by buyers to satisfy their needs. his wish.

Broadly speaking, a product is anything that is offered to a market to satisfy a want or need. Everything that is included in it is tangible goods, services, events, places, organizations, ideas or a combination of the things just mentioned. According to Lupiyoadi (2015: 150) product quality is an advantage possessed by the product. Quality in the view of consumers is something that has its own scope that is different from the quality in the view of producers when issuing a product which is commonly known as actual quality. According to Kotler (2018:143) product quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. According to Kotler (2018:143) product quality is our best guarantee of consumer loyalty, our strongest defense against foreign competition, and the only way to sustain growth and revenue. According to Laksana (2016: 55), quality is defined as the overall characteristics and properties of goods and services that affect the ability to meet stated and implied needs. Meanwhile, according to Peter (2017: 33), product quality is a combination of properties and characteristics that determine the extent to which the output can meet the prerequisites of customer needs or assess to what extent the properties and characteristics meet their needs.

According to Lupiyoadi (2015:175) product quality is the extent to which the product meets its specifications. The value given by the customer is measured based on the trust (reliability), durability (durability), and performance (performance) on the physical form and image of the product. Consumers will be satisfied if the results of their evaluation show that the products they use are of high quality. Based on the definitions above, it can be concluded that product quality is a product and service that goes through several stages of the process by taking into account the value of a product and service without the slightest shortage of the value of a product and service, and produces products and services according to high expectations from customers.

Consumer Satisfaction
Every service provided is always goal-oriented to provide satisfaction to customers. Customer satisfaction can be seen from the level of customer acceptance obtained. Signs of satisfaction are identified as follows:
1. Happy or disappointed with the treatment or service received,
2. Complaining or hoping for the treatment that should be received,
3. Not confirm or approving anything related to their interests,
4. Desire to fulfill the needs and desires of various services received.

The four signs mentioned above will vary according to the form of service that Johnson receives in.

Tirtomulyo (2015: 24) states that to obtain satisfaction, a service marketing developer must pay attention to the fulfillment of customer satisfaction. Satisfied customers will become pioneers or determinants for the continuity of a service business. The requirements in determining the level of customer satisfaction are known from the attitude: happy, frequent visits, telling friends, and providing solutions to what they feel for their services. Personally, satisfied customers will be loyal to the various service offerings provided.

Tijptono (2018: 24) suggests that customer satisfaction is determined by two things, namely complaints and customer expectations for the services received. If they receive good, appropriate and satisfying treatment, customers will feel their expectations are fulfilled, marked by a feeling of pleasure. Meanwhile, if the reception of treatment is not good, inappropriate, gives a negative and unsatisfactory impression, it is considered that the service provided is not as expected, which causes customers to complain, the complaint indicates that the customer feels disappointed.

Engel (2014: 23) satisfaction is a person's feeling of pleasure or disappointment that comes from a comparison between his impression of the results of a service and his expectations. Satisfaction is a function of perceived performance and expectations. If performance is below expectations, customers will be dissatisfied. If performance exceeds expectations, the customer will feel very satisfied or happy. In this regard, the customer satisfaction factor is an important element in providing or adding value to customers.

Rangkuti (2013:40) customer satisfaction with a service is determined by the level of customer interest before using the service compared to the results of customer perception of the service after the customer feels the performance of the service. One of the factors that determine customer satisfaction is the quality of service which consists of 5 service dimensions. The gap is a mismatch between the perceived service and the expected service. The gap occurs when customers perceive the service they receive is higher than the desired service or lower than the adequate service for the customer's interests. Thus, customers can feel very satisfied or very disappointed.

Zeithaml (2014:42) perceptual model of service quality can explain the process of the occurrence of a gap or mismatch between the desires and interests of various parties involved in the delivery of services. Customer satisfaction can be expressed as a ratio or comparison by formulating the customer satisfaction equation as follows: Z = X/Y, where Z is customer satisfaction, X is the quality perceived by the customer and Y is the customer's needs, desires and expectations. If the customer feels that the quality of service exceeds his needs, wants and expectations, then customer satisfaction will be high or at least worth greater than one (Z > 1). Zeithaml (2014: 42), on the other hand, if the customer feels that the quality of the service is lower or smaller than his needs, desires and expectations, then customer satisfaction becomes highly dependent on customer perceptions and expectations.

**Consumer Loyalty**

Consumer loyalty has an important role in a company, retaining them means improving financial performance and maintaining company viability, this is the main reason for a company to attract and retain customers. Hurriyati (2015: 129) defines customer loyalty as a persistent customer commitment to re-subscribe or re-purchase selected products/services consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause behavior. According to Kotler (2018:45), loyalty is a person's loyalty to a product, both goods and certain services.

Loyalty is often linked between values where loyal customers feel an emotional bond with the company. This emotional bond makes customers loyal and encourages them to continue to make purchases of the company's products and provide recommendations. To increase loyalty, companies must increase the satisfaction of each customer and maintain that level of satisfaction in the long term. To increase satisfaction, companies must add value that can make them get what they pay for or more than they expect, so that they can survive and lead to repeat purchases, recommendations, and an increased proportion of spending. The process of a prospective customer becoming a loyal customer to the company is formed through several stages.

According to Hurriyati (2015:132) customer loyalty is divided into six stages, namely:

1. **Suspect**
   - Covers everyone who is believed to be buying (needs) goods/services, but do not yet have information about the company's goods/services.

2. **Prospect**
   - Prospects are people who have a need for certain services, and have the ability to buy them. At this stage, although they have not made a purchase, they are aware of the existence of the company and the services offered through the recommendation of other parties (word of mouth).

3. **Disqualifield Prospect**
   - Someone who already knows the company that sells the product, but currently does not need or does not have the ability to buy the product.

4. **Customers**
   - At this stage, the customer has made a transactional relationship with the company, but does not have a positive company towards the company, loyalty at this stage has not been seen.

5. **Clients**
   - Clients include all customers who have purchased goods/services that are needed and offered by the company on a regular basis, this relationship lasts a long time, and they have a retention trait.

6. **Advocates**
   - At this stage, Clients actively support the company by providing recommendations for others to buy goods/services.

7. **Partners**
   - At this stage there has been a strong and mutually beneficial relationship between the company and its customers, at this stage customers also dare to refuse products/services from other companies.

**Previous Research**

In the following, some previous research will be described as follows:
Hypothesis Development

The research conceptual framework explains theoretically the conceptual model of the research variables, about how the theories relate to the research variables to be studied, namely the independent variable and the dependent variable.

1. The Effect of Service Quality on Consumer Loyalty

Consumer loyalty can also be formed from the perceived satisfaction is a feeling of pleasure or disappointment that arises after using the service. Consumers will feel happy and disappointed after comparing the performance or product results that are thought of against the expected performance (results). In another sense, someone feels satisfied if the results obtained are at least able to meet their expectations, while someone feels dissatisfied if the results obtained are not able to meet their expectations. The satisfaction felt by someone will have an impact on the behavior of the user again continuously so that consumer loyalty is formed.

2. The Effect of Product Quality on Consumer Loyalty

Many things are considered by consumers in choosing a product, including product quality. The better the quality of a product, the more consumers will make a purchase. If a product has good product quality, more consumers will make purchases and increase consumer loyalty.

3. The Effect of Service Quality on Loyalty with Satisfaction as a Moderating Variable

A company that is able to provide good service to customers will create a positive image for the company. Good service encourages customer interest to reuse the service so as to create satisfaction and loyalty. The quality of service that makes customers feel satisfied is employees who inspire customer trust, who provide a sense of security for guests when customers make their transactions and employees who are very polite, this is what makes customers feel happy. Service companies must maintain services carefully, because they can have a deep influence on customer satisfaction and service productivity. Good and fulfilled service quality makes customers feel happy and satisfied so that they feel positive things, and they want to return to using the product. So that the quality of this service has a significant positive effect on loyalty.

4. The Effect of Product Quality on Loyalty with Satisfaction as a Moderating Variable

Loyalty arises because of a sense of trust from consumers because of satisfaction after using a product, customer satisfaction occurs when the quality of the product is in accordance with customer expectations and even exceeds their expectations. One of the factors that influence customer satisfaction and loyalty is product quality. Customers will feel satisfied if the evaluation results they use are of high quality.

The conceptual framework in this study can be seen in Figure 1 below:

**Figure 1. Research Model**

Source: Authors 2022

3. METHODS

This research was conducted at PT. Mabar Feed Indonesia on the 23 November 2021. According to Sugiyono (2019), "Population is an area of generalization consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions are drawn". The population in this study were all consumers of PT. Mabar Feed Indonesia as many as 96 consumers. The sample is part of the number and characteristics possessed by the population. In this study, the authors used a non-probability sampling technique, namely by using census sampling or saturated sampling because the entire population was sampled if the population was below 100. Therefore, the sample in this study was 96 consumers/respondents.

The data determination technique used in this research is to conduct a survey by distributing questionnaires as a research instrument to consumers of PT. Mabar Feed Indonesia. This research design uses a quantitative research design because the observed symptoms are converted into numbers that are analyzed using statistics. According to Sugiyono (2019), quantitative research requires researchers to explain how variables affect other variables. The sources of data in this study are consumers of PT. Mabar Feed Indonesia.
The data collection technique used in this research is a list of questions (questionnaire), namely a list of questions containing questions to be filled out by consumers of PT. Mabar Feed Indonesia. Research procedures are the steps used as a tool to collect data and answer research questions. In this research procedure, the author discusses the methods and techniques of data collection, population and research samples, preparation of data collection tools, data collection steps and data processing procedures.

4. RESULT AND DISCUSSION

PT. Mabar Feed Indonesia is one of the companies engaged in the poultry feed industry for laying hens and meat. Other products produced by PT. Mabar Feed Indonesia in the form of shrimp and other animal feed. PT. Mabar Feed Indonesia was originally a form of individual business founded by Mr. Rachman on March 15, 1976.

This company was established pursuant to a permit from the Provincial Industry Service Office of North Sumatra, Medan, to establish and run a fodder company under No. 14 PERIND IV 76 with code number 3121 14 2A dated 27 May 1976. At first this company only produced a few types of animal feed for broilers and broilers whose products are in the form of pellets. Since the company's inception until 1980, the company used simple machines and equipment in its production process.

Since 1980, the company has started using more sophisticated machines. On May 23, 1985, the company changed its name from a sole proprietorship to a CV Commodity Partnership under the name CV Mabar. Along with the progress of the company, CV Mabar also changed its form to a Limited Liability Company PT with the name PT. Shrimp Feed Indonesia and the status of Domestic Investment of Domestic Investment on July 6, 1988. On July 29, 1988 PT. Shrimp Feed Indonesia finally changed its name to PT. Mabar Feed Indonesia. The change in the company's legal entity status in this company has received approval from the Minister of Justice of the Republic of Indonesia with the issuance of Decree No. C2-175.HT.1.TH 1990 on January 19, 1990. In 2001, the assets of this company amounted to Rp. 111.72 billion. Assets as of December 31, 2005 amounted to 236.40. Products produced by PT. Mabar Feed Indonesia, from year to year has increased quite significantly. This can be seen from the sales volume from year to year. The first year of production produced by PT. Mabar Feed Indonesia reaches 7,200 tons per year.

In 1988, the production of PT. Mabar Feed Indonesia by 40,000 tons per year increased by 150 to 100,000 tons per year in 1996, then due to the impact of the monetary crisis production fell to 36,000 tons in 1998. This was due to high raw material prices and low demand. Along with the recovery of the national economy, the sales volume also increased to 97,000 tons per year. In 2001 the total production produced was 145,000 tons per year. PT. Mabar Feed Indonesia is to increase sales volume to reach 20,000 tons per month, by carrying out product diversification, adding modern production facilities and laboratories as well as conducting benchmarking activities so that the quality of animal feed remains high and maintained. As a commitment to production quality, on December 11th 2003, the company received ISO 9001:2000 certificate from Tuvreinahld.

Normality Test
Normality test aims to test whether in a regression, confounding variables or residuals are normally distributed or not. Good regression model data distribution is normal or close to normal.

Based on Figure 2 above, the results of the normality test of the data show that the data is normally distributed, where the histogram image has a line forming a bell and has a balanced convexity in the middle.

Based on Figure 3 above, then for the results of testing the normality of the data using the PP Plot image, it can be seen that the data points spread around the diagonal line so that the data is normally distributed. From the picture above, it can be concluded that after testing the normality of the data, the data is normally distributed.

Multiple Linear Regression
Multiple linear regression aims to calculate the magnitude of the effect of two or more independent variables on one dependent variable and predict the dependent variable using two or more independent variables. The multiple regression analysis formula is as follows:

\[ Y = \alpha + b_1X_1 + b_2X_2 + \epsilon \]
Based on table 3, it is obtained multiple linear regression as follows $Y = 5.436 + 0.010 X1 + 0.705 X2$. The interpretation of the multiple linear regression equation is if everything in the independent variables is considered zero, then the value of consumer loyalty ($Y$) is 5.436. If there is an increase in service quality 1, then consumer loyalty ($Y$) will increase by 0.010. If there is an increase in product quality by 1, then consumer loyalty ($Y$) will increase by 0.705.

**Moderating Analysis**
The value of $R$ Square in the first regression equation is 0.608, so it can be said that the service quality and product quality variables affect the customer loyalty variable by 60.8%. After the moderating variable (customer satisfaction variable) in the second regression equation, the value of $R$ Square increased by 0.644 or 64.4%. Thus, it can be concluded that after the moderating variable (consumer satisfaction) can strengthen or increase the influence of service quality and product quality variables on consumer loyalty.

**Discussion**

*The Effect of Service Quality on Consumer Loyalty*
The results show that $t_{count} = 4.164 > t_{table} = 1.986$ and significant $0.001 < 0.05$, it can be concluded that the variable customer satisfaction is able to moderate the effect of the service quality variable on consumer loyalty. A company that is able to provide good service to customers will create a positive image for the company. Good service encourages customer interest to reuse the service so as to create satisfaction and loyalty. The quality of service that makes customers feel satisfied is employees who inspire customer trust, who provide a sense of security for guests when customers make their transactions and employees who are very polite, this is what makes customers feel happy. Service companies must maintain services carefully, because they can have a deep influence on customer satisfaction and service productivity. Good and fulfilled service quality makes customers feel happy and satisfied so that they feel positive things, and they want to return to using the product. So that the quality of this service has a significant positive effect on loyalty.

*The Effect of Product Quality on Consumer Loyalty with Consumer Satisfaction as Moderating Variable*
The results show that the significant value of the interaction variable between product quality and consumer satisfaction is $0.001 < 0.05$, it can be concluded that the variable customer satisfaction is able to moderate the effect of product quality variables on consumer loyalty. Loyalty arises because of a sense of trust from consumers because of satisfaction after using a product, customer satisfaction occurs when the quality of the product is in accordance with customer expectations and even exceeds their expectations. One of the factors that influence customer satisfaction and loyalty is product quality. Customers will feel satisfied if they use the evaluation results quality.

**5. Conclusion**

Based on the results of research and analysis that has been carried out, several conclusions can be obtained that can answer the formulation of the problem in this study, namely: Service quality has a significant effect on consumer loyalty at PT. Mabar Feed Indonesia. Product quality has a significant effect on consumer loyalty at PT. Mabar Feed Indonesia. Service quality has an effect on consumer loyalty with customer satisfaction as a moderating variable at PT. Mabar Feed Indonesia. Product quality affects consumer loyalty with consumer satisfaction as a moderating variable at PT. Mabar Feed Indonesia.

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