

Unraveling the Antecedents of Customer Loyalty in the Restaurant Industry: The Impact of Perceived Price Fairness, Product Quality, and Service Quality through the Lens of Customer Satisfaction

Amrin Mulia Utama Nst¹, Nova Ch. Mamuaya², Taqwa Sultan³, Yoseph Benny Kusuma⁴,
Grace Citra Dewi⁵, Anton Priyo Nugroho⁶

¹Faculty of Economics and Business, University of Medan Area, North Sumatera, Indonesia

²Universitas Negeri Manado, North Sulawesi, Indonesia

³Politeknik Negeri Kupang, East Nusa Tenggara, Indonesia

⁴Entrepreneurship Departmen, BBS UP, Bina Nusantara University, Indonesia

⁵School Of Business and Management, Ciputra University Surabaya, Indonesia

⁶Islamic Study, Universitas Islam Indonesia, Special Region of Yogyakarta, Indonesia

*amrinmuliautama@gmail.com, novachmamuaya@unima.ac.id, tatandentha@gmail.com,
yoseph.kusuma@binus.ac.id, grace.dewi@ciputra.ac.id, priyo.nugroho@uii.ac.id.*

Abstract. Companies have developed competitive tactics to compete with other companies in comparable industries. Price has a big impact on customer happiness and adds to a company's goals, but product quality has a huge impact on a restaurant's performance, making it a strength of the company is customer loyalty. This study investigates the influence of perceived price fairness, product quality, and service quality on customer loyalty, with customer satisfaction as a mediating variable in the context of Kampoeng Deli Restaurant in Medan. Using a questionnaire as the research instrument, data were collected from 140 participants between August and November 2023 and analyzed using PLS-SEM. The results indicate that product quality and service quality have significant positive effects on both customer satisfaction and customer loyalty. However, perceived price fairness does not significantly influence customer satisfaction or loyalty. The findings also reveal that customer satisfaction mediates the relationships between product quality, service quality, and customer loyalty. This study contributes to the understanding of the factors influencing customer loyalty in the restaurant industry and offers practical implications for restaurant managers to enhance customer satisfaction and loyalty by focusing on product and service quality improvements.

Keywords: Customer Loyalty, Customer Satisfaction, Perceived Price Fairness, Product Quality, Service Quality

1. Introduction

Globalization has had a major impact on business growth around the world. The development and expansion of markets has increased competition, but competition is also increasingly unclear. As a result, companies have developed competitive tactics to compete with other companies in comparable industries (Naradda Gamage, et al., 2020). The development of the business world is now increasingly dynamic along with the increasing public demand for products and services to meet all their needs. In order to maintain business continuity in a highly competitive business competition, a company must provide customer satisfaction so that its customers can become loyal. Price justice is a customer perspective on price that includes cognitive and emotional components.

Apart from product quality, price is a determining factor for loyalty. According to Swastha and Irawan (2002: 122) the factors determining the existence of subscription motives are: price, classification and diversity of goods, sales location, salesperson skills, store advertising, services offered to customers, salesperson skills, advertisers and sales promotions in stores. Price justice is also defined as cognitive and affective mental activities carried out by customers (Dhasan & Aryupong, 2019). In the business world, especially in the restaurant sector, price competition is one of the benchmarks for the success of a business. Coupled with the many similar businesses that are mushrooming today. Price is very important in recruiting consumers and ensuring their customer happiness will contribute to company goals (Febriani & Cipta, 2023).

A restaurant's ability to provide quality food and excellent service is critical to its success. Quality is a word that for service providers is a current thing done well (Supranto, 2000). Although services attract customers, quality is a dynamic feature that impacts people, processes, goods, and the environment. Influencing consumer loyalty and purchase intentions requires high-quality goods and services. Customer loyalty comes from a person's devoted attitude and is based on customer pleasure. Customer loyalty is "the long-term success of the long-term success of a particular brand is not based on the number of consumers who buy it only once, but on the number of once, but on the number who become repeat purchases." To thrive, dining establishments need to adapt to the needs and preferences of their customers, offer a variety of menu options and meet their expectations (Kotler, 2003).

According to Hanan and Karp (1991) in Sururi and Astuti, (2003), quality is the whole of a product, which includes its suitability and quality, which is influenced by its ability to satisfy user or customer demand. According to Kotler (1997), service quality should be determined by client demand and their opinion of the service. According to Parasuraman et al. (1988) in Karsono (2005), if the service provided or seen as good, then the quality of service will be recognized and understood. Quality is an important consideration for service providers, as stated by Parasuraman, Zeithaml, and Berry in Oliver's research (1997). Customer service investments are critical in a competitive context as they provide favorable returns. In the long run, factors such as service quality, product quality, price, customer reputation, and promotion can have a favorable influence on customer service. However, according to research, product quality, service quality, and service quality have no direct impact on customer service. This is in contrast to previous research that focuses on factors affecting service and customer loyalty.

Satisfied consumers are consumers who feel the best things a company provides. product quality and excellence, as well as product quality and price fairness provided by the company are ways to increase value to customers. Comparison of customer expected satisfaction, carried out when the expected satisfaction is the dissatisfaction felt by the customer is not as expected. Customer satisfaction can be defined as the perception of post-purchase performance with expectations and expectations before purchase. Customer satisfaction includes differences in expectations and perceived performance results. Customer satisfaction is a person's feeling of pleasure or disappointment caused by the perceived performance or results of a product, compared to his expectations (Kotler & Keller, 2009). Loyal or loyal customers who are an indication of customer satisfaction who meet consumer expectations, look for other parties, help service quality, loyalty, and position.

A restaurant's ability to provide quality food and excellent service is critical to its success. Although service attracts customers, quality is a dynamic feature that impacts people, processes, goods, and the environment. Influencing consumer loyalty and purchase intentions requires high-quality goods and services. Customer loyalty comes from a person's devoted attitude and is based on customer delight. To thrive, eateries need to adapt to the needs and preferences of their customers, offering a wide array of menu options and meeting their expectations.

A company's ability to retain customers is critical to its ability to grow financially and ensure its existence. Understanding the laws and guidelines that control business interactions with clients is critical to a company's success. Both happy clients and competent employees contribute to customer satisfaction. Customer happiness, which is influenced by a number of variables including price, perceived value, and service quality, is largely determined. The quality of service provided has a major impact on return intentions, word of mouth, brand commitment, and customer loyalty. As a result, companies must put the needs of their customers first and pay attention to the rules and regulations that govern their transactions.

Based on the description above, this study is entitled "Revealing Antecedents of Customer Loyalty in the Restaurant Industry: The Impact of Price Fairness, Product Quality, and Perceived Service Quality Through the Lens of Customer Satisfaction". This study aims to identify the factors that underpin customer loyalty in the restaurant industry. The focus is mainly on price fairness, product quality, and perceived service quality, and how these factors affect customer satisfaction levels. Through this approach, the research will investigate the relationship between customer satisfaction and their level of loyalty towards the restaurant. The results are expected to provide a deeper understanding for the restaurant industry on how they can improve the factors that influence customer loyalty, so as to retain and attract more customers in a fierce competitive environment. This research represents a new step in the understanding of the factors that influence customer loyalty in the restaurant industry. By integrating price fairness, product quality, and service quality, and viewing their impact through the lens of customer satisfaction, this research makes a significant contribution in deepening the understanding of the dynamics of the relationship between these factors. The focus on the customer perspective also demonstrates the importance of understanding customer preferences and perceptions in the context of the restaurant industry. Overall, this research provides valuable insights for restaurant industry stakeholders to improve customer experience and build strong loyalty.

2. Research Method

This study uses the Partial Least Square (PLS) approach, which is an equation model of Structural Equation Modeling (SEM) using components and variants. PLS is an alternative approach that can move from a covariance-based SEM approach to a variant-based approach (Ghozali, 2008). Research In this study there are several variables used. Moderating variables are variables that influence the relationship between independent variables such as X1, X2, and X3 on the dependent variable (Y) through moderating variables (Z). The variables used in this study are independent variables, namely Price Fairness (X1) Product Quality (X2) Service Quality (X3) on Customer Loyalty (Y) through Customer Satisfaction as a moderating variable. The research location was carried out on Jl. Besar Delitua No.152, Deli Tua Tim, Kec. Deli Tua, Deli Serdang Regency, North Sumatra in August to September. The population in this study were all employees of Kampoeng Deli Restaurant in Medan. The sample used in this study was 140 respondents with the research instruments used in this study. Figure 1 summarizes the conceptual framework in the following research. Figure 1 shows the research conceptual framework as below.

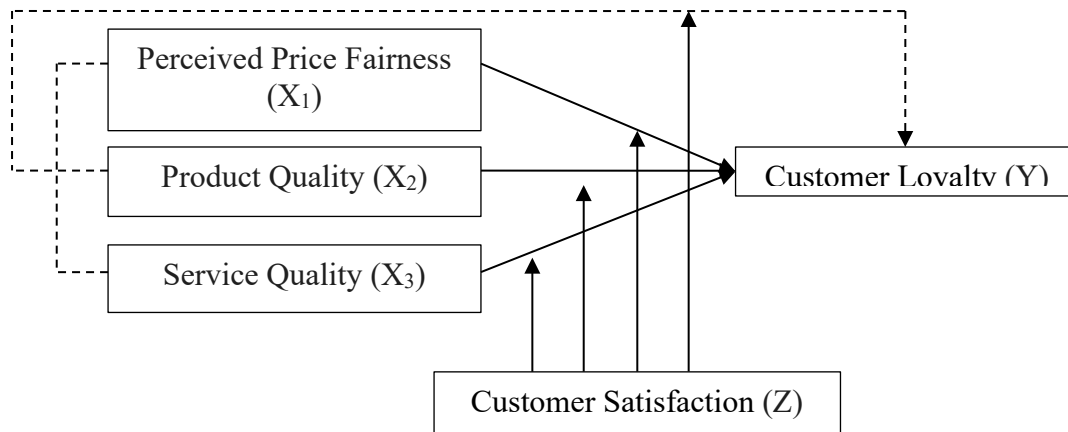


Fig. 1: Conceptual Framework

3. Results and Discussion

Results

The study reveals customer happiness improves service quality considerably, The data was examined using the data was examined using t-statistic for the research was 3.158, with p-values of 0.001 and 0.024 :

Convergent Validity

Value of > 0.7. Table 1 displays the load factor value that was determined by this computation. The convergent validity of the latent variable and its indicators was determined by the research using the Smart PLS 3.0 method, which had a default

Table 1. Model Outer Loading

Variabel	Inquiry	Indicator	Loading Factor	AVE
Perceived Price Fairness	X.1.1	1. Price match with product quality	0.841	0.712
	X.1.2	2. Prices are in line with consumers' purchasing power.	0.835	
	X.1.3	3. Price compatibility with the product brand	0.852	
	X.1.4	4. Price match with the number of products obtained	0.852	
	X.1.5	5. Price compatibility with product benefits	0.840	
Product Quality	X.2.1	1. How long the product lasts	0.930	0.744
	X.2.2	2. Benefits of a product	0.924	
	X.2.3	3. Performance of a product	0.816	
	X.2.4	4. Product appearance	0.815	
	X.2.5	5. Product consistency	0.819	
Service Quality	X.3.1	1. The company's ability to provide services as promised	0.719	0.637
	X.3.2	2. Speed in providing services	0.845	
	X.3.3	3. Attitude, courtesy of waiters towards consumers	0.747	
	X.3.4	4. Provide services in accordance with consumer desires	0.842	
	X.3.5	5. Provide good facilities for consumers	0.830	
Customer Loyalty	Y.1	1. Make repeat purchases	0.858	0.660
	Y.2	2. The habit of consuming the brand	0.816	

	Y.3	3. Like the brand	0.819	
	Y.4	4. Believe the brand is the best	0.766	
	Y.5	5. Recommend the brand to others	0.798	
Customer Satisfaction	Z.1	1. Good product quality	0.996	0.991
	Z.2	2. Good service quality	0.995	
	Z.3	3. Appropriate product price	0.994	
	Z.4	4. Easy to get the product	0.997	
	Z.5	5. Product benefits	0.997	

Source: SEM-PLS Data

Utilizing the Smart PLS 3.0 method with a default value of > 0.7 , the study computed the convergent validity of the latent variable and associated indicators. Table 1 displays the load factor value that was computed from this process.

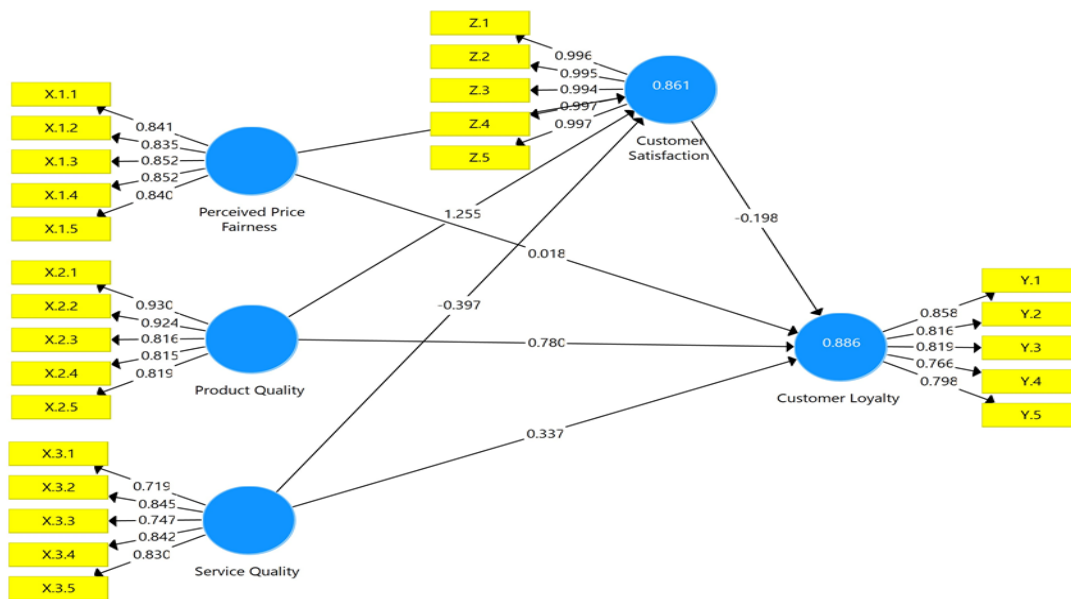


Figure 2. Outer Loading Model

Convergent Reliability

A construct's dependability is measured using its Composite dependability and Cronbach's Alpha values. According to table 2, a construct is deemed dependable if both values are more than 0.6.

Table 2. Convergent Reliability

Information	Cronbach's Alpha	Composite Reliability
Perceived Price Fairness (X_1)	0.899	0.925
Product Quality (X_2)	0.913	0.935
Service Quality (X_3)	0.859	0.897
Customer Loyalty (Y)	0.891	0.906
Customer Satisfaction (Z)	0.998	0.998

Table 2 presents the dependability of each research topic, with Cronbach's Alpha values for perceived pricing justice, emphasis is on improving product and service quality, as well as cultivating customer pleasure and loyalty. were determined to be 0.899, 0.913, 0.935, 0.859, 0.897, 0.891, and 0.998.

Model Struktural (Inner Model)

The variance in changes in endogenous and exogenous variables is calculated, and the results of the inner model are assessed using R-square and significance. A moderate strength model has an R-square value above 0.25, a bad strength model has an R-square value less than 0.25, and a strong model has an R-square value over 0.75.

R-Square

A statistical technique called R-square can be used to assess how significantly an exogenous variable affects an endogenous one.

Table 3 . R- Squares (R²)

	R Square	R Square Adjusted
Customer Loyalty	0.886	0.882
Customer Satisfaction	0.861	0.858

The variance in changes in endogenous and exogenous variables is calculated, and the results of the inner model are assessed using R-square and significance. A moderate strength model has an R-square value above 0.25, a bad strength model has an R-square value less than 0.25, and a strong model has an R-square value over 0.75.

Hypothesis Testing

Researchers can directly witness how endogenous variables affect exogenous variables through the use of hypothesis testing, a technique that assesses the effects of both endogenous and exogenous variables on study findings.

Direct Effect

Table 4. Results of the Pathway Analysis of the Direct Influence Test

Information	T Statistics	P Values	Information
Customer Satisfaction → Customer Loyalty	2.258	0.024	Accepted
Perceived Price Fairness → Customer Loyalty	0.287	0.774	Declined
Perceived Price Fairness → Customer Satisfaction	0.894	0.372	Declined
Product Quality → Customer Loyalty	5.511	0.000	Accepted
Product Quality → Customer Satisfaction	10.879	0.000	Accepted
Service Quality → Customer Loyalty	2.318	0.021	Accepted
Service Quality → Customer Satisfaction	2.629	0.009	Accepted

Indirect Effect

Table 5. Results of the Pathway Analysis of the Direct Influence Test

Information	T Statistics	P Values	Information
Perceived Price Fairness → Customer Satisfaction → Customer Loyalty	0.779	0.436	Declined
Product Quality → Customer Satisfaction → Customer Loyalty	2.156	0.032	Accepted
Service Quality → Customer Satisfaction → Customer Loyalty	3.158	0.024	Accepted

Source: Data Processing

According to the study, customer happiness functions as a mediator between perceived pricing justice, quality of a product or service has a substantial impact on consumer loyalty and satisfaction. also shows a substantial relationship with customer loyalty.

Discussion

H1 : The effect of Customer Satisfaction on Customer Loyalty

The study had a T count more than 2.258 and a P-value less than 0.05, customer happiness considerably increases customer loyalty, resulting in higher sales and subscription renewals. Customer satisfaction influences loyalty by bringing expectations and feelings after utilizing a product into alignment. Customer satisfaction with the services obtained has a substantial influence on loyalty, boosting the possibility that consumers would use Umrah travel agencies again, according to research by Erlangga (2023) on Umrah travel businesses. Consequently, higher customer satisfaction promotes higher levels of loyalty.

Customer satisfaction is one of the main factors that influence customer loyalty. When customers feel satisfied with the product or service received, consumers tend to remain loyal and make repeat purchases. Customer satisfaction creates a strong relationship between companies and customers, strengthening their loyalty to certain brands (Gultom, 2020). Research conducted by Andhika (2021) shows that satisfied customers are more likely to recommend products or services to others. Recommendations from satisfied customers can be a very effective marketing tool, helping companies to gain a larger customer base and strengthen customer loyalty. Customer satisfaction also has a direct impact on customer retention. When customers are satisfied with the experience, they are more likely to stay subscribed or use the same product or service over time (Chee, 2020). Customer loyalty is not just about making repeat purchases, but also about ongoing engagement (Rane, 2023). Satisfied customers tend to be more engaged with brands through social interactions, participation in loyalty programs, and providing valuable feedback. This creates a deeper connection between the company and the customer, increasing their loyalty to the brand. Companies that focus on improving customer satisfaction often see an increase in customer retention rates. By providing customers with an exceptional experience, whether through high-quality products or friendly customer service, companies can build a strong customer base that is likely to remain loyal over the long term.

Customer satisfaction also plays an important role in creating a positive brand image. Satisfied customers tend to give good reviews and positive testimonials, which can improve the brand's reputation in the eyes of potential customers (Hardiansyah, 2024). This can help companies to win new market share and increase their business growth. Customer satisfaction is not a static thing, but can change over time. Companies must continuously monitor and measure their customer satisfaction levels, as well as identify areas where improvements are needed. By continuously improving the customer experience, companies can maintain strong customer loyalty. Research conducted by also shows that satisfied customers tend to be more tolerant of mistakes or problems that may occur (Novaria, 2024). When companies quickly and effectively resolve customer problems, this can increase customer trust and loyalty, even in challenging situations. Customer satisfaction not only affects individual loyalty, but can also have a domino effect on the entire customer base. When satisfied customers share their positive experiences with others, they can influence the purchasing decisions of others, which in turn increases overall customer loyalty. it is important for companies to recognize that customer satisfaction is an ongoing process. By continuously prioritizing customer needs and wants, as well as adapting to changes in the market and industry, companies can maintain strong customer loyalty and ensure their long-term success.

H2 : The Effect Of Perceived Price Fairness on Customer Loyalty

A statistically significant p-value of 0.05 or above is considered and a smaller tcount than the ttable indicate that the study rejects the premise that perceived pricing fairness substantially impacts customer loyalty. Perceived price fairness is one of the factors that is often considered to have a significant impact on customer purchasing decisions. This concept refers to how customers assess whether the price of a product or service is commensurate with the value they receive. perceived fair price will increase customer loyalty, empirical research shows that the relationship between price fairness and customer loyalty is not always in line. In fact, many other factors contribute to the formation of customer loyalty. In the context of the relationship between price fairness and customer loyalty, there are situations where price does not significantly influence customer loyalty to a brand or product. While price is often considered a key factor in purchasing decisions, there are cases where other factors such as value, quality, and emotional connection to the brand have a greater influence in maintaining customer loyalty. Customers who have a strong emotional attachment to a brand tend to be more flexible to price fluctuations, as their loyalty is based on a deeper relationship than just an economic transaction. In addition, if the product or service offers significant added value or has no comparable alternative,

customers will probably remain loyal even if prices rise. Other factors such as positive experiences with customer service can also strengthen loyalty, making price less influential in purchasing decisions. Therefore, understanding the complex dynamics between price and other factors that influence customer loyalty is important for companies in managing marketing and pricing strategies.

The results of this study are inversely proportional to the research conducted by Putri (2023); Riandini (2023); Stefanie (2023) that perceived price fairness has a positive and significant effect on customer loyalty. When customers feel that the price they pay is comparable to the value or benefits they receive from a product or service, they tend to feel satisfied and confident in their purchasing decisions. This can strengthen the relationship between customers and brands, increase their loyalty, and encourage them to make repeat purchases in the future. Perceived price fairness can also build trust between customers and brands, as customers feel that they are treated fairly and do not feel cheated. Thus, companies that are able to manage their prices well, thus creating a positive perception of price fairness, can build a strong foundation for maintaining and increasing customer loyalty in the long run.

H3 : The Effect Of Perceived Price Fairness on Customer Satisfaction

Based on the results of the study, it is found that price fairness has no effect on customer satisfaction, this happens because many other factors cause price fairness to have no effect on customer satisfaction such as product quality factors, product or service quality can be a more dominant factor in determining customer satisfaction. If customers consider that the product or service they receive does not meet their standards or expectations, then even a reasonable price will not be able to compensate for their dissatisfaction. In addition, the perception of added value provided by the brand can also play a greater role in influencing customer satisfaction than just focusing on price. If customers feel that the brand provides added value, such as reliability, reputation, or superior user experience, they may be more willing to pay a higher price. a company's marketing and branding strategy can also affect customer perceptions of price. Companies that are able to create a strong brand image or provide an exceptional customer experience may be able to reduce customers' attention to price factors and focus more on the value they receive.

This research is not in line with research conducted by Wijaya (2021) and Sari (2023) that the effect of price fairness has an effect on customer satisfaction. Price fairness plays an important role in influencing the level of consumer satisfaction in their purchasing experience. When the price of a product or service is considered comparable to the benefits obtained, consumers tend to feel satisfied with their purchasing decisions. A positive perception of value is formed when the price is considered reasonable and in accordance with the quality of the product or service provided. Price fairness plays an important role in influencing the level of consumer satisfaction in their purchasing experience. When the price of a product or service is considered comparable to the benefits obtained, consumers tend to feel satisfied with their purchase decision. A positive perception of value is formed when the price is considered reasonable and in accordance with the quality of the product or service provided. Conversely, if the price is perceived to be too high without any significant increase in value or quality, then consumers may feel disappointed and dissatisfied. In addition, psychological aspects also play an important role in the assessment of price fairness, where consumers may be more satisfied with a higher price if the price is perceived as an investment that provides satisfaction or desired status. In addition, the concept of fairness in pricing also affects consumer satisfaction, where a price that is perceived as fair can increase overall satisfaction.

H4 : The Effect of Product Quality on Customer Loyalty

Based on the results of the study, it is found that there is an effect of product quality on customer loyalty, this is in line with research conducted by Lina (2022) Product quality plays a central role in shaping solid and sustainable customer loyalty. Consistently, customers tend to choose brands that offer products with consistent and proven quality (Aripin, 2024). When products meet or even exceed customer expectations, this creates a positive experience that consolidates trust. The trust established between the customer and the brand becomes a strong foundation of long-term loyalty. In addition, good product quality is also a major driver of customer satisfaction. When products provide added value that matches customer expectations, this results in satisfaction that encourages customers to buy products from the same brand again (Hamzah, 2020). In a world full of choices, customer satisfaction is the key to maintaining their loyalty to the brand. Brand reputation is also strongly influenced by

product quality. Products that consistently deliver high quality will help build a strong and respected brand image in the eyes of customers. A good reputation plays an important role in shaping customer perceptions of the brand and can be a major factor in repeat purchase decisions. In addition, guaranteed product quality also minimizes customer risk. Customers tend to feel more comfortable and secure when they use products that they know are of high quality. This reduces the tendency to look for alternatives and increases brand loyalty.

H5 : Effect of Product Quality on Customer Satisfaction

Based on the results of the study, it is found that there is an effect of product quality on customer satisfaction. the quality of food and beverages served plays a major role in determining the level of customer satisfaction (Naini, 2022). Products that are fresh, high quality, and presented in an attractive presentation can enhance the customer's culinary experience. In addition, consistency in product presentation is also an important factor. Customers expect that the products they enjoy are of the same quality every time they visit the restaurant. This consistency includes not only the taste and appearance of the product, but also the service provided by the restaurant staff. In addition, the use of high-quality ingredients and a clean cooking process are also important factors. Products that use fresh and high-quality ingredients can improve the restaurant's brand image in the eyes of customers and encourage greater customer satisfaction. Overall, product quality in a restaurant includes not only the taste and appearance of the food, but also consistency, menu variety, cleanliness, service, and response to customer feedback. All these factors together form a satisfying and sustainable culinary experience for customers, which in turn increases customer satisfaction and can build long-term customer loyalty to the restaurant.

H6 : The Effect of Service Quality on Customer Loyalty

Based on the results of the study, it is found that there is an effect of service quality on customer loyalty, this is in line with research conducted by Diputra (2021); Khairawati (2020); Subawa (2020) high service quality creates a satisfying experience for customers when they visit a restaurant. Friendly, efficient, and responsive interactions from restaurant staff can increase customers' positive impressions of the place. In addition, good service quality helps create a pleasant and comfortable atmosphere for customers. When customers feel well treated and heard by the staff, they tend to feel more relaxed and satisfied during their visit to the restaurant. This positive atmosphere can increase customer satisfaction and make them more likely to return. High service quality also contributes to the creation of a more personalized relationship between restaurant staff and customers (Tiannisabri, 2024). Staff who recognize customers individually, remember their preferences, and provide customized services can increase customers' sense of attachment and loyalty to the restaurant. Quick and efficient response to customer complaints or problems is also an important part of good service quality. When customers feel that their complaints are taken seriously and solved, they tend to feel valued and respected, which in turn can increase their loyalty to the restaurant. consistency in service is also a significant factor in influencing customer loyalty in restaurants. Customers expect that good service standards are maintained every time they visit a restaurant, and inconsistencies in service can decrease customer satisfaction and reduce loyalty levels.

Good service quality can also affect customers' perceptions of the quality of the food and beverages served in the restaurant. While great food is an important factor, a positive service experience can also improve customers' overall impression of the restaurant and make them more likely to return. Good service quality can also affect future customer retention. Customers who are satisfied with the service tend to be more loyal and less inclined to seek alternatives, which in turn can help increase customer retention and restaurant revenue.

H7: The Effect of Service Quality on Customer Satisfaction

There is an effect of service quality on customer satisfaction, this is in line with research conducted by Balinado (2021) that high service quality in restaurants creates a pleasant atmosphere for customers. Friendly, attentive, and professional staff can make visitors feel valued and comfortable during visits. good service quality also ensures that customer orders are served accurately and on time. When restaurant staff operate efficiently and are responsive to customer needs, it enhances a pleasant dining experience and leaves customers feeling satisfied. Positive interactions between staff and customers can

also improve the restaurant's brand image in the eyes of customers. Customers tend to have a more positive view of restaurants that provide good service, which in turn can influence their decision to return to the restaurant in the future. Quick and effective response to customer complaints or concerns is also an important part of good service quality in restaurants. When customers feel that their complaints are taken seriously and solved, it can increase customer satisfaction and build trust between the restaurant and the customer.

H8 : Customer Satisfaction Mediates Perceived Price Fairness to Customer Loyalty

Based on the research results, customer satisfaction and loyalty are strongly influenced by service quality, this is indicated by the tcount value (2.318) which is greater than the ttable (p-value = 0.021). This is in line with research conducted by Hride (2022) The perception of price fairness in restaurants reflects consumers' subjective evaluation of the extent to which the price they pay is commensurate with the quality of the food, service and experience they receive. If customers feel the price they pay is proportional to the value they receive, they are likely to feel satisfied. On the other hand, customer satisfaction is measured by the extent to which their experience matches their expectations. High customer satisfaction in a restaurant can create a strong emotional connection between the customer and the brand, which is the foundation for long-term customer loyalty. Customer loyalty in restaurants refers to the likelihood of customers to return to the same restaurant repeatedly and recommend the restaurant to others. Therefore, in the restaurant context, customer satisfaction acts as a mediator in the relationship between perceived price fairness and customer loyalty behavior. When customers are satisfied with the price they pay and feel that they are getting appropriate value, they tend to be more satisfied overall and are more likely to remain loyal to the restaurant. This suggests that perceived price fairness in restaurants not only directly affects customer satisfaction, but also indirectly affects customer loyalty through the mediating effect of customer satisfaction. By understanding this linkage, restaurants can take strategic steps to increase customer satisfaction and build solid loyalty among its customer base. as shown by a tcount (2.318) that is higher than the ttable (p-value = 0.021).

H9 : Customer Satisfaction Mediates Product Quality on Customer Loyalty

This research is in line with research conducted by Tunahan (2023) product quality in restaurants includes the taste, presentation, and consistency of food and beverages served. High product quality can create a satisfying culinary experience for customers, providing a strong basis for building customer satisfaction. Customer satisfaction in restaurants is reflected in the overall experience felt by customers, including not only product quality, but also service, ambience, and price. When customers are satisfied with their experience at a restaurant, this can increase their emotional bond with the brand and influence their propensity to return in the future. Customer satisfaction plays an important role in linking product quality with customer loyalty in restaurants. When customers feel satisfied with the quality of the products served, this increases their overall level of satisfaction. High customer satisfaction tends to strengthen the relationship between the customer and the restaurant, increasing the likelihood that the customer will return again, and even recommend the restaurant to others (Hakim, 2023). Customer loyalty in restaurants is reflected in the tendency of customers to return and make repeat purchases, as well as provide positive recommendations to others. High product quality and the positive experiences it generates play an important role in building and maintaining customer loyalty. Customer satisfaction mediated by product quality can be a key driver of customer loyalty in restaurants, strengthening the relationship between customers and brands, and generating long-term business growth. By understanding these linkages, restaurants can take strategic steps to improve product quality, increase customer satisfaction, and build solid customer loyalty in a competitive market.

H10 : Customer Satisfaction Mediates Service Quality on Customer Loyalty

Based on the results of the study, it is found that service quality on loyalty mediated by customer satisfaction has a positive and significant effect. Customer satisfaction acts as an intermediary that connects service quality with customer loyalty. Service quality in restaurants includes aspects such as staff friendliness, service speed, order accuracy, and responsiveness to customer needs. When customers are satisfied with the quality of service they receive, this creates a satisfying experience for them during their visit to the restaurant. Customer satisfaction in this case is a subjective evaluation of the extent to which the restaurant has met or even exceeded their expectations in terms of service.

Customer satisfaction in this case plays an important role as a mediator between service quality and customer loyalty (Putri, 2024). Customers who are satisfied with the service tend to have a closer relationship with the restaurant. They are more likely to return to the restaurant in the future, make repeat purchases, and even recommend the restaurant to friends and family.

4. Conclusion

This study highlights the importance of product quality and service quality in driving customer satisfaction and loyalty in the restaurant industry. The findings suggest that perceived price fairness does not significantly influence customer satisfaction or loyalty, indicating that customers may value quality more than price in this context. Moreover, the study reveals the mediating role of customer satisfaction in the relationships between product quality, service quality, and customer loyalty, emphasizing the need for restaurant managers to prioritize customer satisfaction to foster long-term loyalty. However, the study has some limitations, such as the small sample size and the focus on a single restaurant. Future research could extend this study by examining a larger sample across different restaurant types and exploring additional factors that may influence customer loyalty, such as brand image and customer engagement. Despite these limitations, this study contributes to the growing body of literature on customer loyalty in the service industry and offers valuable insights for restaurant managers seeking to enhance customer satisfaction and loyalty through product and service quality improvements.

References

- Ali, B. J., Gardi, B., Jabbar Othman, B., Ali Ahmed, S., Burhan Ismael, N., Abdalla Hamza, P., ... & Anwar, G. (2021). Hotel Service Quality: The Impact Of Service Quality On Customer Satisfaction In Hospitality. *Ali, Bj, Gardi, B., Othman, Bj, Ahmed, Sa, Ismael, Nb, Hamza, Pa, Aziz, Hm, Sabir, By, Anwar, G.(2021). Hotel Service Quality: The Impact Of Service Quality On Customer Satisfaction In Hospitality. International Journal Of Engineering, Business And Management*, 5(3), 14-28. <https://doi.org/10.22161/ijebm.5.3.2>.
- Alzoubi, H., Alshurideh, M., Kurdi, B., Akour, I., & Aziz, R. (2022). Does Ble Technology Contribute Towards Improving Marketing Strategies, Customers' Satisfaction And Loyalty? The Role Of Open Innovation. *International Journal Of Data And Network Science*, 6(2), 449-460. <https://doi.org/10.5267/J.Ijdns.2021.12.009>
- Amryyanti, R., Sukaatmadja, I P. G., Dan Cahya, K. N. 2013. Pengaruh Kualitas Layanan, Produk, Dan Kewajaran Harga Terhadap Kepuasan Dan Loyalitas Pelanggan Pada Lnc Skin Care Singaraja. *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*. Vol. 2, No. 1.
- Andhika, A. (2021). Pengaruh Kepuasan Nasabah, Ekuitas Merek, Citra Perusahaan, Dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan. *Journal Of Syntax Literate*, 69(12). 10.36418/Syntax-Literate.V6i12.5035
- Aripin, Z., Pynatih, N. M. N., & Aristanto, E. (2024). Nurturing Marketing Relationships: The Role Of Loyalty Tendencies Beyond Relationship Dynamics. *Journal Of Economics, Accounting, Business, Management, Engineering And Society*, 1(2), 67-81. <https://kisainstitute.com/index.php/kisainstitute/article/view/12>
- Arslan, I. K. (2020). The Importance Of Creating Customer Loyalty In Achieving Sustainable Competitive Advantage. *Eurasian Journal Of Business And Management*, 8(1), 11-20. <https://doi.org/10.15604/Ejbm.2020.08.01.002>.

- Bali, A. Y. (2022). Pengaruh Kualitas Produk Dan Harga Terhadap Loyalitas Konsumen Dengan Kepuasan Konsumen Sebagai Variabel Intervening. *Jurnal Akuntansi, Manajemen Dan Ekonomi*, 1(1), Page 1–14. <https://doi.org/10.56248/Jamane.V1i1.7>
- Balinado, J. R., Prasetyo, Y. T., Young, M. N., Persada, S. F., Miraja, B. A., & Redi, A. A. N. P. (2021). The Effect Of Service Quality On Customer Satisfaction In An Automotive After-Sales Service. *Journal Of Open Innovation: Technology, Market, And Complexity*, 7(2), 116. <https://www.sciencedirect.com/science/article/pii/S219985312200885x>
- Chee, V. S., & Husin, M. M. (2020). The Effect Of Service Quality, Satisfaction And Loyalty Toward Customer Retention In The Telecommunication Industry. *International Journal Of Academic Research In Business And Social Sciences*, 10(9), 55-71. <https://doi.org/10.6007/Ijarbss%2fv10-i9%2f7496>
- Dhasan, D., & Aryupong, M. (2019). Effects Of Product Quality, Service Quality And Price Fairness On Customer Engagement And Customer Loyalty. *Abac Journal*, 39(2).
- Diputra, I. G. A. W., & Yasa, N. N. (2021). The Influence Of Product Quality, Brand Image, Brand Trust On Customer Satisfaction And Loyalty. *American International Journal Of Business Management (Aijbm)*, 4(1), 25-34. <https://www.ajibm.com/wp-content/uploads/2021/01/E412534.pdf>
- Erlangga, Julian., Usep Suhud., Terrlina. (2023). Analisis Kualitas Jasa, Persepsi Keadilan Harga, Dan Persepsi Kebersihan Terhadap Loyalitas Pelanggan Pengguna Jasa Pangkas Rambutasli Garut Di Depok. *Indonesian Journal Of Economy, Business, Entrepreneurship And Finance*, Volume 3 (1), <https://doi.org/10.53067/Ijebef.V3i1.89>.
- Espinoza, Jorge Luis Vargas., Manuel Camacho Delgado, Freddy., Rodriguez, Victor Hugo Puican., Galvez, Caren Vanessa Cruzado., Ligan, Rut Yulisa Chavez., Ramirez, Frank Bollet., Huaman., Erlith Tafur. Product Quality And Customer Loyalty: The Case Of A Chocolate Production Cooperative, Peru. *Journal Of Law And Development Sustainable*. Vol. 17, No. 1. (2023). <https://doi.org/10.55908/Sdgs.V1i1.490>.
- Febriani, F., & Cipta, W. (2023). Kualitas Produk Dan Kualitas Pelayanan Serta Harga Berpengaruh Terhadap Loyalitas Pelanggan Di Kedai Kebab Turkey, Telaga Mas, Karangasem. *Jurnal Manajemen Perhotelan Dan Pariwisata*, 6(1), 257-266. <https://doi.org/10.23887/Jmpp.V6i1.36896>.
- Gultom, Dedek Kurniawan., Arif, M., Fahmi, M. (2020). Determinasi Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Melalui Kepercayaan. *Jurnal Ilmiah Magister Manajemen*, Vol 3(2). <http://jurnal.umsu.ac.id/index.php/maneggio>
- Gultom, Dedek.K., Muhammad Arif., Muhammad Fahmi. (2020). Determinasi Kepuasan Pelanggan Terhadap Loyalitas Pelanggan Melalui Kepercayaan. : *Jurnal Ilmiah Magister Manajemen*, Vol 3 (2), <http://jurnal.umsu.ac.id/index.php/maneggio>.
- Gunawan, I. (2022). Customer Loyalty: The Effect Customer Satisfaction, Experiential Marketing And Product Quality. *Kinerja: Jurnal Manajemen Organisasi Dan Industri*, 1(1), 35-50.
- Hakim, A. L., & Faizah, E. N. (2023). Kualitas Layanan Dan Harga Terhadap Kepuasan Pelanggan: Studi Empiris Pada Minuman Dan Makanan. *Jurnal Bisnis Dan Kewirausahaan*, 19(2), 139-150. <https://doi.org/10.31940/Jbk.V19i2.139-150>
- Hamzah, A. A., & Shamsudin, M. F. (2020). Why Customer Satisfaction Is Important To Business?. *Journal Of Undergraduate Social Science And Technology*, 1(1).

Harahap, Z., Leonandri, D., & Julvitra, E. (2020). The Effect Of Service Quality And Product Quality On Consumer Satisfaction In 71st Omakase Restaurant, Cikajang Jakarta. 8 (2). <https://doi.org/10.36983/japm.v8i2.93>.

Hardiansyah, M. M. R., & Khuzaini, K. (2024). Pengaruh Produk, E-Wom Terhadap Keputusan Pembelian Dimediasi Citra Merek (Studi Pada Lorions Kopi Magetan). *Jurnal Ilmu Dan Riset Manajemen (Jirm)*, 13(1). <http://jurnalmahasiswa.stiesia.ac.id/index.php/jirm/article/view/5746>

Hride, F. T., Ferdousi, F., & Jasimuddin, S. M. (2022). Linking Perceived Price Fairness, Customer Satisfaction, Trust, And Loyalty: A Structural Equation Modeling Of Facebook-Based E-Commerce In Bangladesh. *Global Business And Organizational Excellence*, 41(3), 41-54. <https://doi.org/10.1002/joe.22146>

Khairawati, S. (2019). Effect Of Customer Loyalty Program On Customer Satisfaction And Its Impact On Customer Loyalty. *International Journal Of Research In Business And Social Science* (2147- 4478), 9(1), 15–23. <https://doi.org/10.20525/ijrbs.v9i1.603>

Khairawati, S. (2020). Effect Of Customer Loyalty Program On Customer Satisfaction And Its Impact On Customer Loyalty. *International Journal Of Research In Business And Social Science* (2147-4478), 9(1), 15-23. <https://doi.org/10.20525/ijrbs.v9i1.603>.

Khairawati, S. (2020). Effect Of Customer Loyalty Program On Customer Satisfaction And Its Impact On Customer Loyalty. *International Journal Of Research In Business And Social Science* (2147-4478), 9(1), 15-23. <https://doi.org/10.20525/ijrbs.v9i1.603>

Khudhair, H. Y., Jusoh, D. A. B., F Abbas, A., Mardani, A., & Nor, K. M. (2020). A Review And Bibliometric Analysis Of Service Quality And Customer Satisfaction By Using Scopus Database. *International Journal Of Management*, 11(8).

Lee, Sun-Min., Kim, Ha-Kyun. A Study On The Effect Of Service Quality And Menu Quality On Repurchase Through Relationship Quality: Focusing On Korean Coffee. *Journal Of Logistics, Informatics And Service Science*. Vol. 9 (2022) No.2, Pp. 82-99. Doi:10.33168/Liss.2022.0205

Leninkumar, Vithya. 2017. The Relationship Between Customer Satisfaction And Customer Trust On Customer Loyalty. *International Journal Of Academic Research In Business And Social Sciences*, Vol. 7, No. 4, <http://dx.doi.org/10.6007/ijarbss/v7-i4/2821>.

Lina, R. (2022). Improving Product Quality And Satisfaction As Fundamental Strategies In Strengthening Customer Loyalty. *Akademik: Jurnal Mahasiswa Ekonomi & Bisnis*, 2(1), 19-26. <https://doi.org/10.37481/jmeb.v2i1.245>

Naini, N. F., Santoso, S., Andriani, T. S., & Claudia, U. G. (2022). The Effect Of Product Quality, Service Quality, Customer Satisfaction On Customer Loyalty. *Journal Of Consumer Sciences*, 7(1), 34-50. <https://doi.org/10.29244/jcs.7.1.34-50>

Nangpiire, Clement., Dawdi, Abdul-Aziz., Shahadu, Fatimah Zaharawu., Majeed, Mohammed., Salifu, Zaruk Narsam. The Effects Of Sustainable Hospitality Supply Chain On Customer Satisfaction And Customer Repurchase Intentions. *Journal Of Law And Sustainable Development*. Vol. 12, No. 1 (2024). <https://doi.org/10.55908/sdgs.v12i1.2605>.

Naradda Gamage, S. K., Ekanayake, E. M. S., Abeyrathne, G. A. K. N. J., Prasanna, R. P. I. R., Jayasundara, J. M. S. B., & Rajapakshe, P. S. K. (2020). A Review Of Global Challenges And Survival Strategies Of Small And Medium Enterprises (Smes). *Economies*, 8(4), 79. <https://doi.org/10.3390/economies8040079>.

Närvänen, E., Kuusela, H., Paavola, H., & Sirola, N. (2020). A Meaning-Based Framework For Customer Loyalty. *International Journal Of Retail & Distribution Management*, 48(8), 825-843. <https://www.emerald.com/insight/publication/issn/0959-0552>

Novaria, V. K. (2024). Promosi, Harga, Dan Kepuasan Pelanggan: Sebuah Studi Pada Mahasiswa Pengguna Grab Food Online. *Economics And Digital Business Review*, 5(1), 236-248. <https://doi.org/10.37531/ecotal.v5i1.1168>

Nyonyie, Riska., Kalangi. (2019). Pengaruh Kualitas Produk Terhadap Loyalitas Pelanggan Kosmetik Wardah Di Transmart Bahu Manado. *Jurnal Administrasi Bisnis (Jab)*, Vol. 9 (3), <https://doi.org/10.35797/jab.v9.i3.18-24>.

Paramita, T., & Riorini, S. V. (2023). Pengaruh Involvement, Customer Participation, Commitment Terhadap Loyalty Yang Dimediasi Oleh Customer Engagement Pada Media Sosial" Facebook". *Bussman Journal: Indonesian Journal Of Business And Management*, 3(2), 782-796. <https://doi.org/10.53363/buss.v3i2.171>

Pratama, I. P. A., Suartina, I. W., & Premayani, N. W. W. (2023). Pengaruh Kualitas Produk Dan Kewajaran Harga Terhadap Kepuasan Pelanggan Arj. 88 Store Cabang Penatih Denpasar. *Widyamrita: Jurnal Manajemen, Kewirausahaan Dan Pariwisata*, 3(9), 1678-1687. <https://doi.org/10.32795/vol4wamrtno1th24>

Putri, S., Anisa, F., & Gunaningrat, R. (2024). Pengaruh Citra Merek Dan Inovasi Produk Terhadap Loyalitas Pelanggan Melalui Kepuasan Pelanggan Sebagai Variabel Mediasi Pada Produk Indomie Di Kartasura. *Sammajiva: Jurnal Penelitian Bisnis Dan Manajemen*, 2(1), 39-51. <https://doi.org/10.47861/sammajiva.v2i1.757>

Putri, Vetyandani. S., Sigit, Murwanto. (2023). Determinan Loyalitas Konsumen Mie Gacoan Di Yogyakarta. *Trending: Jurnal Ekonomi, Akuntansi Dan Manajemen*, Vol 1 (4). <https://doi.org/10.30640/trending.v1i4.1453>

Rahayu, Sri., Nurahmi, Maftuha., Samsuddin., Widi. The Influence Of Promotion And Service Quality On Satisfaction And Its Impact On Tourist Loyalty In Historical Tourism Objects. *Revista De Gestão Social E Ambiental*. Vol. 8 No. 4 (2024). <https://doi.org/10.24857/rgsa.v18n4-089>.

Rane, N. L., Achari, A., & Choudhary, S. P. (2023). Enhancing Customer Loyalty Through Quality Of Service: Effective Strategies To Improve Customer Satisfaction, Experience, Relationship, And Engagement. *International Research Journal Of Modernization In Engineering Technology And Science*, 5(5), 427-452. Doi : <https://www.doi.org/10.56726/irjmets38104>

Riandini, Rahmah., Budiono, Herlina. (2023). Pengaruh Kepercayaan Merek, Kualitas Produk, Persepsi Kewajaran Harga Terhadap Loyalitas Pelanggan Vans. *Jurnal Manajerial Dan Kewirausahaan*, Vol. 05 (1). <https://doi.org/10.24912/jmk.v5i1.22568>

Sasikumar, Swathi., Sundaram, N. The Role Of Customer Satisfaction And Awareness As A Measure Of Customer Loyalty- A Study On Select Banks. *Revista De Gestão Social E Ambiental*. Vol. 18. No. 1 (2024). <https://doi.org/10.24857/rgsa.v18n1-069>.

Setyawati, Ria. (2023). Pengaruh Kualitas Pelayanan Terhadap Tingkat Kepuasan Konsumen. *Urnal Ekonomi, Keuangan Dan Manajemen*, Vol 19 (1), <https://doi.org/10.30872/jinv.v19i1.12660>.

Stefanie, S., & Hasan, G. (2023). Pengaruh Kualitas Pelayanan, Nilai Persepsi, Citra Merek, Kewajaran Harga Dan Kepercayaan Terhadap Loyalitas Merek Pada Minuman Boba Di Kota Batam. *Management Studies And Entrepreneurship Journal (Msej)*, 4(1), 657-672. <https://doi.org/10.37385/msej.v4i2.1444>

Subawa, I Gede. B., Eka.S. (2020). Kualitas Pelayanan Berpengaruh Terhadap Loyalitas Pelanggan Dengan Kepuasan Pelanggan Sebagai Variabel Mediasi. *E-Jurnal Manajemen*, Vol. 9 (2), <https://doi.org/10.24843/Ejmunud.2020.V09.I02.P16>.

Sugiono, E., & Aisyah, T. S. (2021). The Effect Of Product Quality, Price And Promotion To Customer Satisfaction And Loyalty In You Coffee And Resto In Jagakarsa. *Open Access Indonesia Journal Of Social Sciences*, 4(1), 181-194. <https://doi.org/10.37275/Oaijss.V4i1.38>.

Tiannisabri, M., & Saphiranti, D. (2024). Place Attachment Dan Intensi Berkunjung Kembali Konsumen Pada Restoran Sunda. *Serat Rupa Journal Of Design*, 8(1) <https://doi.org/10.28932/Srjd.V8i1.7084>

Tunahan, C., & Kutlu, M. B. (2023). Experienced Product Quality And Brand Loyalty: Mediating Role Of Customer Satisfaction. *Ege Academic Review*, 23(2), 185-202. <https://doi.org/10.21121/Eab.1152164>

Wang, Cunjie., Dongfeng, Chen., Kong, Wei., Jia, Jucai. (2023). An Empirical Study On The Impacts Of Emotional Experience On Loyalty Of Tourists In Red Study Tourism. *Journal Of Logistics, Informatics And Service Science*, Vol. 10 (1). Doi:10.33168/Jliss.2023.0114

Wijaya, F. S., & Hidayati, R. (2021). Analisis Pengaruh Citra Merek, Kewajaran Harga, Dan Lingkungan Fisik Terhadap Kepuasan Konsumen Pada Tower Cafe Tembalang. *Diponegoro Journal Of Management*, 9(3). <https://ejournal3.undip.ac.id/index.php/djom/article/view/30337>

Yulistria, Resti. (2023). Pengaruh Kualitas Produk Terhadap Kepuasan Pelanggan Pada Pt Mitra Bangun Perwira. *Swabumi*, Vol 11 (1). Doi: <https://doi.org/10.31294/Swabumi.V11i1.13980>

Zhang, Xiaohong. (2024). A Study On The Impact Of Consumers' Perceptions Of Product And Service Innovation On Firms' Innovation Performance. *Journal Of Logistics, Informatics And Service Science*, Vol. 11(2). Doi : 10.33168/Jliss.2024.0225