The Influence of Service Quality, Food Quality, Price, and Physical Environment on Customer Satisfaction and Customer Loyalty

Shania Syalomita Gracia Datu[1], Adma Sari Sitepu[2]
[1,2]Esa Unggul University, Jakarta, Indonesia
Correspondence Authors: datushania@gmail.com[1], adma.sari@esaunggul.ac.id[2]

ABSTRACT

Strongly embedded customer loyalty affects consumption behavior. To win business competition, loyal customers are the main goal of the culinary industry through achieving customer satisfaction. Maintaining customer satisfaction, through service quality is one of the main weapons to maintain prestige value by providing more satisfaction. Food quality is an important component in the production process, price, which has a significant influence because high or low product prices affect product sales, and the physical environment creates a first impression and influences customers' initial perceptions of service or food quality. This study aims to identify the influence of service quality, food quality, price, and the physical environment through customer satisfaction on customer loyalty. A purposive sampling technique was used, namely customers consuming takeaway or dine-in at least twice in the past month, minimum age 18 years, maximum 47 years, domiciled in Bekasi City, processing data from 200 respondents using SEM PLS. The results showed that service quality, food quality, price, and physical environment had positive effects on customer satisfaction, and customer satisfaction had a positive effect on customer loyalty. Further research can explore other relationships such as celebrity endorsers, brand love, brand awareness, brand image, brand trust, and other variables.

Keywords: Service Quality, Food Quality, Price, Physical Environment, Customer Satisfaction, Customer Loyalty.

INTRODUCTION

The fast food industry has experienced remarkable growth globally, driven by convenience, affordability, and changing consumer lifestyles. Fast food represents practical meals that are consumable anywhere, at any time, with the ease and low prices of fast-food products contributing to rapid industry expansion (Le et al., 2023). In Indonesia, the fast food sector has witnessed phenomenal development, particularly among younger demographics. Mie Gacoan has emerged as a culinary phenomenon, especially among the youth. Its popularity stems from affordable pricing, appealing spicy flavors, and unique concepts with attractive menu names such as "Mie Iblis" (Devil Noodles), "Mie Setan" (Satan Noodles), and "Mie Angel" (Angel Noodles), coupled with effective marketing strategies through social media platforms (Le et al., 2023).

Creating customer loyalty constitutes the primary objective of fast-food restaurants by providing quality food and services (Yum & Yoo, 2023). Restaurant managers and owners recognize that loyal customers are significantly more valuable than regular customers as they generate higher lifetime values and serve as brand advocates (Javed et al., 2021). Consequently, many companies have shifted their marketing focus from merely acquiring new customers to retaining and enhancing existing customer loyalty (Uslu & Eren, 2020). Customer loyalty is deeply embedded in purchasing behavior and supporting service preferences. However, situational influences and marketing efforts can cause customers to switch brands (Rajput & Gahfoor, 2020). Therefore, customer loyalty plays a vital role in maintaining business continuity, particularly as efforts to obtain customer loyalty can be achieved through quality products and services (Permata Susanto & Indrawati, 2024).

To win business competitions, entrepreneurs must plan marketing strategies that satisfy customer desires. Customer satisfaction represents a critical business concern for restaurants, with global fast food chains devoting extensive efforts to better understand customers and deliver optimal services (Zhong & Moon, 2020). Service quality serves as one of the primary tools for maintaining prestige value by providing enhanced satisfaction to consumers, facilitating industry entry and providing excellent opportunities for companies to survive competition (Syah et al., 2022). Moreover, numerous companies rely on service quality attributes such as friendliness and service speed provided to customers to maintain business continuity (Arli et al., 2024).

Managers and owners have recognized the importance of positive customer feedback in building profitable long-term businesses (Chun & Nyam-Ochir, 2020). Food quality influences customer satisfaction and id highly beneficial for fast-food restaurants. Therefore, entrepreneurs must deeply understand and possess extensive knowledge of this critical factor. Price is believed to have a significant influence on customer loyalty, because higher product prices typically result in fewer units being sold. Conversely, products sold at lower prices are assumed to sell at higher volumes (Danish Ali et al., 2021) . Loyal customers willingly purchase despite price variations, making repeat purchases (Djayapranata & Setyawan, 2023).

The physical environment creates first impressions and influences customers' initial perceptions of the service or food quality. For instance, a clean and comfortable restaurant atmosphere makes customers feel valued (Ngah et al., 2022). Well-designed environments not only support comfort and aesthetics but also shape perceptions of high service quality. Therefore, restaurants must attend to physical service place aspects as part of their customer satisfaction strategies (Ding et al., 2022).

Previous research has demonstrated that service quality positively influences customer satisfaction (*No Title*, n.d.), food quality positively influences customer satisfaction (Oktaviani & Chairun Nisa, 2024), price positively influences customer satisfaction (Zhong & Moon, 2020), and physical environment positively influences customer satisfaction. Based on the aforementioned studies, this research develops a conceptual framework from Le et al. (2022) by adding customer loyalty as a variable influenced by customer satisfaction, since creating loyal customers represents the primary objective for fast-food restaurants and customer loyalty is crucial in maintaining fast-food restaurant business continuity. This development is based on the notion that customer satisfaction is a strong factor influencing customer loyalty (Basith & Sugiyanto, 2023). Additionally, this research focuses on fast-food restaurants located in Bekasi City as a research object location, which is different from previous research.

Despite extensive research on determinants of customer satisfaction in restaurant settings, several gaps remain in the literature. First, while the individual effects of service quality, food quality, price, and the physical environment on customer satisfaction have been examined separately, few studies have comprehensively investigated these factors simultaneously within a single integrated model. Second, most existing research has been conducted in Western or East Asian contexts, with insufficient attention paid to Indonesian fast-food markets, particularly emerging restaurant chains such as Mie Gacoan. Third, although the role of customer satisfaction in driving loyalty has been established, the mediating mechanism through which multiple service attributes collectively influence loyalty through satisfaction requires further empirical validation. This study addresses these gaps by proposing and testing a comprehensive model integrating four key service attributes (service quality, food quality, price, and physical environment) as antecedents of customer satisfaction, which subsequently influence customer loyalty. The research context of the Mie Gacoan restaurant in Bekasi City provides valuable insights into an emerging Indonesian fast food brand operating in a competitive metropolitan environment. Furthermore, this study extends Le et al.'s (2022) framework by incorporating customer loyalty as an outcome variable, thus providing a more complete understanding of the customer experience-to-loyalty pathway.

LITERATURE REVIEW:

Service Quality

Service quality represents the extent to which service delivery meets or exceeds customer expectations, and serves as a critical determinant of business competitiveness. According to Uslu and Eren (2020), service quality is defined as an effort to satisfy customer needs and desires through appropriate delivery mechanisms that balance customer expectations. Winasis and Sembel (2023) emphasize that service quality comprises organizational efforts to fulfill customer expectations regarding received services, enabling businesses to sustain market presence and gain consumer trust. An et al. (2023) demonstrated that superior service quality enhances consumers' product or service utilization. Service quality dimensions include reliability, responsiveness, assurance, empathy, and tangibles (Arli et al., 2024). In competitive markets, service quality functions as a primary tool to maintain prestige value by enhancing customer satisfaction.

Food Quality

Food quality has been widely recognized as an essential component of restaurant operations, exerting asubstantial influence on customer satisfaction and future purchase intentions (Chun & Nyam-Ochir, 2020). Customers who consider fast-food restaurant visits typically evaluate food quality as a primary decision factor because it reflects the restaurant's core attributes (Zhong & Moon, 2020). Rochmatulaili (2020) identified food quality as the most critical criterion in consumers' overall restaurant evaluations. Food quality encompasses freshness, presentation, preparation, and menu variety (*No Title*, n.d.). meeting high-quality food and

exceeding customer expectations lead to increased satisfaction and competitive advantage in the fast-food industry.

Price

Price is a crucial factor in explaining customer behavior and purchase decisions. Javed et al. (2021) defined price as the monetary amount customers pay to obtain products or services. Le et al. (2022) characterize price as a monetary value containing the utility required to acquire combinations of goods or services exchanged for ownership rights. According to Syah et al. (2022), price constitutes what consumers must provide to obtain products and essentially represents the exchange value of goods or services expressed in monetary units. Customer perceptions of price fairness, value for money, special offers, and discounts significantly influence satisfaction levels (Danish Ali et al., 2021). Price serves as a quality indicator, with customers evaluating product value based on price-quality relationships (Djayapranata & Setyawan, 2023).

Physical Environment

The physical environment comprises atmospheric elements designed to create positive emotional effects on customers, potentially influencing their purchase decisions (Rajput & Gahfoor, 2020). Ali et al. (2021) described the physical environment as tangible conditions and elements surrounding customers, directly observable through sensory perception, affecting comfort, behavior, and customer perceptions regarding situations or services. Ding et al. (2022) characterized the physical environment as spatial components, including lighting, temperature, color, odor, sound, layout, cleanliness, and decoration, collectively forming specific atmospheres that influence customer experiences. In the service and business contexts, the physical environment constitutes a strategic element for creating customer satisfaction, professional impressions, and pleasant customer experiences (Le et al., 2022). The physical environment encompasses interior design, exterior elements, and other physical components that visually and sensorially affect customer, perceptions and experiences regarding delivered services (Ngah et al., 2022).

METHODOLOGY

This study employs a quantitative approach using a cross-sectional survey design to test the theoretical hypotheses and examine the causal relationships among variables. This study investigates both the direct effects of independent variables on mediating variables and the indirect effects on dependent variables through mediation mechanisms. This explanatory research design enables hypothesis testing to strengthen or reject the existing theoretical propositions. The variables examined included service quality, food quality, price, physical environment (independent variables), customer satisfaction (mediating variable), and customer loyalty (dependent variable).

Population and Sampling

The population comprises all customers who have consumed food at the Mie Gacoan restaurant in Bekasi City. Given the large and undefined population size, a purposive sampling technique was employed to select respondents who meet specific criteria. According to Sekaran and Bougie (2016), purposive sampling involves selecting participants based on predetermined characteristics that are relevant to the research objectives. The inclusion criteria were as follows: (1) consumption of Mie Gacoan food via takeaway or dine-in at least twice within the past month, (2) a minimum age of 18 years and (3) domiciled in Bekasi City. These criteria ensure that respondents possess sufficient experience with restaurants to provide informed evaluations.

The sample size determination followed Hair et al.'s (2022) recommendation for PLS-SEM analysis, requiring minimum sample size of 10 times the number of indicators in the measurement model. With 20 indicator items in the questionnaire, the minimum required sample size was 200 respondents. Data were collected from 200 respondents who met the established criteria. This sample size exceeded the minimum requirements and provided adequate statistical power for the multivariate analysis.

Data Collection Instrument

Data were collected through structured questionnaires distributed online using Google Forms and WhatsApp. The questionnaire comprised three sections: (1) screening questions verifying respondent eligibility based on inclusion criteria; (2) demographic information, including gender, age, and occupation; and (3) measurement items for the research variables. All measurement items were adapted from validated scales by Zhong and Moon (2020) and translated from English to Indonesian using forward-backward translation procedures to ensure linguistic equivalence and cultural appropriateness.

Responses were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Service quality was measured using four items that assessed staff friendliness, helpfulness, service speed, and comfort. Food quality was measured using four items to evaluate the aroma, taste, freshness, and visual appeal. Price was assessed using three items reasonableness, fairness relative to food quality, and

affordability. The physical environment was measured using three items that evaluated cleanliness, lighting comfort, and temperature comfort. Customer satisfaction was measured using three items that assessed overall experience satisfaction, decision wisdom, and expectation fulfillment. Customer loyalty was measured using three items examining continued visit intentions, recommendation intentions, and positive word-of-mouth intentions.

Pre-test Procedure

Prior to the main data collection, a pre-test was conducted to assess instrument validity and reliability. The pre-test data were analyzed using SPSS through exploratory factor analysis. The validity assessment employed the Kaiser-Meyer-Olkin (KMO) measure and Measures of Sampling Adequacy (MSA) from the anti-image correlation matrix. According to Hair et al. (2022), the KMO and MSA values should exceed 0.50, indicating adequate sampling adequacy for factor analysis. Pre-test results confirmed that all 20 indicators met the 0.50 threshold, demonstrating satisfactory validity. Reliability testing utilized Cronbach's alpha coefficient with a minimum acceptable threshold of 0.60 (Sarstedt et al., 2022). All variable measurements exceeded 0.60, confirming the instrument's reliability and suitability for the main data collection.

Data Analysis Method

The main data analysis employed structural equation modelling partial least squares (SEM-PLS) using SmartPLS 4 software. PLS-SEM was selected because it can simultaneously assess measurement and structural models, accommodate complex models with multiple constructs and indicators, handle non-normal data distributions, and provide robust results with relatively smaller sample sizes compared to covariance-based SEM (Hair et al., 2022).

Measurement Model Assessment

The measurement model (outer model) was evaluated to ensure construct validity and reliability before testing the structural relationships. Convergent validity was assessed through factor loadings and Average Variance Extracted (AVE). Factor loadings should exceed 0.70, and AVE values should surpass 0.50 to demonstrate adequate convergent validity (Sarstedt et al., 2022). Discriminant validity was examined using cross-loadings, where indicator loadings on their respective constructs exceeded loadings on other constructs, confirming constructs measure distinct concepts.

The reliability assessment utilized two criteria: Cronbach's Alpha and Composite Reliability. Both coefficients should exceed 0.70 indicating acceptable internal consistency and reliability (Hair et al., 2022). Cronbach's alpha provides a conservative reliability estimate, while Composite Reliability accounts for varying indicator loadings, offering a more precise reliability assessment.

Structural Model Assessment

Following a satisfactory measurement model evaluation, the structural model (inner model) was tested to examine the hypothesized relationships among the constructs. The coefficient of determination (R-square) indicates the proportion of variance in the endogenous variables explained by the exogenous variables. According to Hair et al. (2022), R-square values of 0.75, 0.50, and 0.25 represent substantial, moderate, and weak explanatory power, respectively.

Path coefficients represent standardized regression weights, indicating the strength and direction of the relationships between constructs, ranging from -1 to +1. Values closer to +1 or -1 indicate stronger positive and negative relationships, respectiv. Hypothesis testing employed a bootstrapping procedure with 5,000 resamples to generate standard errors and confidence intervals. Hypotheses were supported when t-statistics exceeded 1.96 and p-values were below 0.05 at the 95% confidence level, indicating statistically significant relationships (Hair et al., 2022).

The effect size (f-square) was calculated to assess the practical significance of the relationships, with values of 0.02, 0.15, and 0.35 indicating small, medium, and large effect sizes, respectively. This analysis provides insights into the relative importance of each predictor variable in explaining the variance of the dependent variables.

Ethical Considerations

All respondents voluntarily participated and were informed that the data would be used solely for academic research purposes. Respondent anonymity and confidentiality were maintained throughout data collection and analysis processes. The study obtained institutional approval from Universitas Esa Unggul's ethics committee prior to data collection.

RESEARCH RESULTS AND DISCUSSION

Among the 200 respondents, females predominated (116 respondents, 58%), while males comprised 84 (42%). Age distribution showed The largest group was 24-29 years (80 respondents, 40%), followed by 18-23 years

(56 respondents, 28%), 30-35 years (32 respondents, 16%), 36-41 years (20 respondents, 10%), and over 41 years (12 respondents, 6%). Regarding occupation, private sector employees constituted the majority (108 respondents, 54%), followed by students (44 respondents, 22%), entrepreneurs (28 respondents, 14%), homemakers (14 respondents, 7%), and civil servants (six respondents, 3%). This demographic profile indicates that the primary target market for the Mie Gacoan restaurant consists of young working professionals and students, suggesting effective positioning strategies for targeting these segments.

Measurement Model Results

Convergent validity assessment revealed that all factor loadings exceeded the 0.70 threshold, ranging from 0.734 to 0.918, indicating that indicators adequately measure their respective constructs. Service quality indicators demonstrated loadings between 0.797 and 0.898, food quality indicators ranged from 0.802 to 0.865, price indicators showed loadings from 0.766 to 0.888, physical environment indicators ranged from 0.801 to 0.882, customer satisfaction indicators ranged from 0.852 to 0.892, and customer loyalty indicators ranged from 0.734 to 0.918.

Average Variance Extracted (AVE) values for all constructs exceeded 0.50: service quality (0.746), food quality (0.694), price (0.711), physical environment (0.715), customer satisfaction (0.760), and customer loyalty (0.713). These results confirm adequate convergent validity, indicating that the constructs explain more than half the variance in the indicators.

Discriminant validity analysis using cross-loadings demonstrated that all indicator loadings on their respective constructs exceeded loadings on other constructs, confirming that the constructs measured distinct phenomena. For example, service quality indicators loaded the highest on the service quality construct compared to the other constructs, supporting discriminant validity.

The reliability assessment showed Cronbach's Alpha values exceeded 0.70 for all constructs, including service quality (0.886), food quality (0.853), price (0.795), physical environment (0.800), customer satisfaction (0.842), and customer loyalty (0.799). Similarly, the Composite Reliability values surpassed 0.70: service quality (0.898), food quality (0.859), price (0.812), physical environment (0.801), customer satisfaction (0.843), and customer loyalty (0.841). These results demonstrate excellent internal consistency and reliability, indicating that the measurement instruments are dependable and stable.

Structural Model Results

The coefficient of determination (R-square) for customer satisfaction was 0.737 (adjusted R-square = 0.733), indicating that service quality, food quality, price, and physical environment collectively explained 73.7% of the variance in customer satisfaction, representing moderate to substantial explanatory power. The remaining 26.3% were attributable to other factors that were not included in the model. Customer loyalty exhibited an R-square of 0.556 (adjusted R-square = 0.554), suggesting that the model variables explained 55.6% of the variance in customer loyalty, with 44.4% explained by external factors. These results demonstrate the the model has satisfactory predictive relevance.

An effect size analysis (f-square) revealed that customer satisfaction had a large effect on customer loyalty (f^2 = 1.253), and the physical environment had a large effect on customer satisfaction (f^2 = 0.812). However, price (f^2 = 0.074), food quality (f^2 = 0.059), and service quality (f^2 = 0.043) have small effects on customer satisfaction. Despite the statistical significance, the practical importance of service quality, food quality, and price in explaining customer satisfaction variance is relatively modest compared to the physical environment.

Table 1. Hypothesis Testing Results

Hypothesis	Path	β	t-statistic	p-value	Decision
H1	Service Quality → Customer Satisfaction	0.200	2.796	0.005	Supported
H2	Food Quality → Customer Satisfaction	0.241	2.352	0.019	Supported
H3	Price → Customer Satisfaction	0.261	2.901	0.004	Supported
H4	Physical Environment → Customer Satisfaction	0.676	10.114	0.000	Supported
H5	Customer Satisfaction → Customer Loyalty	0.746	19.212	0.000	Supported

All five hypotheses were supported by the empirical data. H1 proposes that service quality positively influences customer satisfaction. The results show a significant positive relationship ($\beta = 0.200$, $t = 2.796$, $p = 0.005$), supporting H1. This finding aligns with those of previous research by Hidayat et al. (2020), Rajput and Gahfoor (2020), and Javed et al. (2021), confirming the role of service quality in enhancing customer satisfaction. The highest-loading service quality indicator was "I feel comfortable with staff service at Mie Gacoan restaurant," suggesting that staff-customer interactions significantly contribute to satisfaction.

The service quality at the Mie Gacoan restaurant substantially influences customer satisfaction. When service quality is delivered effectively, satisfaction is created among patrons. Service quality plays a vital role in forming and maintaining satisfactory costumer relationships. In increasingly competitive markets, service quality is imperative for business owners to retain their customers. Service quality meetings or those exceeding customer expectations generate customer satisfaction. This finding emphasizes that restaurant service staff should prioritize creating comfortable customer experiences through friendly, helpful, and responsive service behaviors.

H2 hypothesizes that food quality positively influences customer satisfaction. The analysis confirmed this relationship ($\beta = 0.241$, $t = 2.352$, $p = 0.019$), thus supporting H2. This result is consistent with Oktaviani and Nisa (2024), Uslu and Eren (2020), and Arli et al. (2024), demonstrating the critical role of food quality in fast-food restaurant satisfaction. The highest-loading food quality indicator was "Mie Gacoan food looks attractive to me," indicating the importance of visual presentation in customer perceptions.

Supplying high-quality food has become a strategic priority for Mie Gacoan restaurants to achieve a competitive advantage in the restaurant industry. Mie Gacoan prioritizes food quality to ensure customer satisfaction and maintain competitiveness. High-quality food from Mie Gacoan meets and exceeds customer expectations, thereby leading to increased satisfaction. This highlights the importance of prioritizing and enhancing food quality to drive customer satisfaction and build long-term loyalty. The variety and uniqueness of menu offerings contribute significantly to fulfilling customers' expectations.

H3 posits that price positively influences customer satisfaction. The results support this hypothesis ($\beta = 0.261$, $t = 2.901$, $p = 0.004$), consistent with Zhong and Moon (2020), Le et al. (2022), and Djayapranata and Setyawan (2023). The highest-loading price indicator was "Based on the food, the price at Mie Gacoan restaurant is fair," suggesting that customers perceive value congruence between price and product quality.

Price is an important competitive advantage that has asignificant influence on customer satisfaction. Value for money, price fairness, special offers, and discounts offered by the Mie Gacoan restaurant affect customer satisfaction. Prices at Mie Gacoan align with customer perceptions, meaning prices paid by customers correspond to perceived quality and benefits received, generating customer satisfaction. This finding indicates that customers evaluate price not in absolute terms but relative to perceived value, emphasizing the importance of maintaining a price-quality balance.

Hypothesis H4 hypothesized that the physical environment positively influences customer satisfaction. This relationship was strongly supported ($\beta = 0.676$, $t = 10.114$, $p < 0.001$), representing the strongest predictor in the model, which is consistent with the findings of Ding et al. (2022), Syah et al. (2022), and Ngah et al. (2022). The highest-loading physical environment indicator was "The environment at Mie Gacoan restaurant is clean," highlighting the importance of clenliness.

The physical environment of the Mie Gacoan restaurant constitutes a critical component in creating positive customer experiences. Good design, cleanliness, comfort, and appropriate aesthetics enhance customer satisfaction in the Mie Gacoan restaurant. A physical environment with an attractive interior design creates a pleasant dining experience. When Mie Gacoan restaurant customers feel physically and emotionally comfortable, they are more satisfied with the received services, such as complete facilities, including free WiFi, television, and toilets. The physical environment influences customer emotions such as calm, comfort, or joy, with positive emotions generated from Mie Gacoan's physical environment strengthening customer satisfaction. The available facilities at Mie Gacoan restaurants include spacious parking, indoor and outdoor dining areas, prayer rooms, waiting benches, free WiFi, television, and toilets.

H5 proposes that customer satisfaction positively influences customer loyalty. The results strongly support this hypothesis ($\beta = 0.746$, $t = 19.212$, $p < 0.001$), which is consistent with Basith and Sugiyanto (2023), Susanto and Indrawati (2024), and Yum and Yoo (2023). The highest-loading customer loyalty indicator was "I will recommend Mie Gacoan restaurant to others," indicating satisfied customers become brand advocates (Basith & Sugiyanto, 2023).

Businesses depend heavily on customers, so when Mie Gacoan restaurant customers feel satisfied, they develop loyalty toward the Mie Gacoan brand. When Mie Gacoan restaurant customers feel satisfied with the purchased food, they continuously desire to return without comparing it with competitor products. This

indicates that customer satisfaction positively and significantly affects customer loyalty, meaning that ahigher Mie Gacoan restaurant customer satisfaction produces higher customer loyalty levels. This finding underscores the mediating role of saticfaction in translating service experiences into enduring loyalty.

These findings contribute to service marketing theory in several ways. First, it confirm the applicability of Expectancy-Disconfirmation Theory in Indonesian fast-food contexts, demonstrating that positive disconfirmation through superior service attributes leads to satisfaction and loyalty. Second, this study extends the understanding of the dominant role of the physical environment in customer satisfaction formation. Unlike previous studies that show more balanced effects among service attributes, this study reveals that the physical environment exerts a substantially stronger influence than other factors. This may reflect Indonesian consumers' heightened sensitivity to environmental aesthetics and comfort in dining contexts, suggesting cultural variations in the importance of service attributes.

Third, this study validates the mediating mechanism through which service attributes influence loyalty via satisfaction, supporting the Service-Profit Chain model. Service quality, food quality, price, and physical environment do not directly create loyalty, but operate through satisfaction as an intervening psychological state. This underscores the central role of satisfaction in translating service experiences into behavioral outcomes.

The results provide actionable insights into fast-food restaurant management. Given the dominant effects of the physical environment, restaurant managers should prioritize environmental investments, including cleanliness maintenance, appropriate lighting and temperature control, attractive interior design, and complete facility provision. Regular environmental audits and staff training on hygiene standards should be implemented to sustain perceptions of high cleanliness

Although service quality, food quality, and price exhibited smaller effects, they remained significant contributors to satisfaction. Management should implement comprehensive staff training programs that emphasize friendliness, helpfulness, and service speed. Food quality assurance systems, including daily freshness checklists, staff training for ingredient quality recognition, and periodic internal food tasting, should be established. Pricing strategies should maintain value perceptions through transparent communication about quality-price relationships and strategic promotional offers.

To enhance customer loyalty, managers should focus on maximizing satisfaction through integrated service excellence across all touchpoints. Customer feedback systems should be implemented to identify satisfaction drivers and areas of improvment. Loyalty programs that encourage repeat visits and word-of-mouth recommendations should be developed, leveraging satisfied customers as brand advocates.

Discussion

The results of the first hypothesis test showed a positive relationship between service quality and customer satisfaction. Supported by the highest outer weight of service quality which states "I feel comfortable with the service of the Mie Gacoan restaurant staff" and customer satisfaction which states "Mie Gacoan restaurant meets most of my expectations. This statement explains that customers feel comfortable with the service of the Mie Gacoan restaurant staff so that they feel that the Mie Gacoan restaurant meets most of their expectations. The service quality of the Mie Gacoan restaurant has a large influence on customer satisfaction, and when the quality of service provided by the Mie Gacoan restaurant is good, it can create satisfaction for its customers. The service quality of the Mie Gacoan restaurant plays an important role in forming and maintaining satisfactory relationships with valuable customers. Under increasingly fierce competition, the service quality of the Mie Gacoan restaurant is a must for business owners to retain their customers. The service quality provided by the Mie Gacoan restaurant is in accordance with or exceeds customer expectations, resulting in customer satisfaction. This aligns with previous research indicating that service quality has a positive effect on customer satisfaction (Rajput & Gahfoor, 2020)(Hidayat et al., 2020)

The results of the second hypothesis test show a positive relationship between food quality and customer satisfaction. This is supported by the highest outer weights for food quality, which states, "Mie Gacoan's food looks appealing to me," and customer satisfaction, which states, "Mie Gacoan restaurant met most of my expectations." These statements indicate that customers find Mie Gacoan's food appeal as well as diverse and unique menu options, which contribute to the Mie Gacoan restaurant meeting most of their expectations. Supplying high-quality ingredients has become Mie Gacoan's strategy for gaining a competitive advantage in the restaurant industry. The Mie Gacoan restaurant prioritizes food quality to ensure customer satisfaction and remains competitive. Gacoan's high-quality food meets and exceeds customer expectations, leading to increased customer satisfaction. This highlights the importance of prioritizing and improving food quality to drive customer satisfaction and build long-term loyalty. This finding aligns with previous research that found

food quality has a positive effect on customer satisfaction (Uslu & Eren, 2020)(Arli et al., 2024).

The third hypothesis found a positive relationship between price and customer satisfaction. This is supported by the highest outer weights for price, which states, "Based on the food, Mie Gacoan's prices are reasonable," and customer satisfaction, which states, "Mie Gacoan's restaurant meets most of my expectations." These statements indicate that customers perceive Mie Gacoan's food prices as fair and reasonable, leading to satisfaction with Mie Gacoan's restaurant, as it meets most of their expectations. Price is a crucial element that provides competitive advantage and significantly influences customer satisfaction. Value for money, reasonable prices, special offers, and discounts offered by Mie Gacoan affect customer satisfaction. Gacoan prices are consistent with customer perceptions. This means that the price that customers pay for Mie Gacoan is commensurate with the quality and benefits received, thus fostering customer satisfaction. This finding aligns with previous research indicating that price has a positive effect on customer satisfaction (Zhong & Moon, 2020).

The results of the fourth hypothesis test indicate that physical environment has a positive influence on customer satisfaction. This is supported by the highest outer weights for the physical environment, which states "The environment at Mie Gacoan Restaurant is clean," and customer satisfaction, which states "Mie Gacoan Restaurant meets most of my expectations." These statements indicate that customers perceive the environment at the Mie Gacoan Restaurant as clean, thus making them feel comfortable there. A clean environment fulfills most customer expectations. The physical environment of the Mie Gacoan Restaurant is a crucial component in creating a positive customer experience. Good design, cleanliness, comfort, and appropriate aesthetics will increase customer satisfaction at the Mie Gacoan Restaurant. The physical environment of the Mie Gacoan Restaurant, with its attractive interior design, creates a pleasant shopping experience. When Mie Gacoan Restaurant customers feel physically and emotionally comfortable, they are more satisfied with the services provided.

such as complete facilities, free Wi-Fi, television, and restrooms. The physical environment of the Mie Gacoan restaurant influences customer emotions, such as feelings of calm, comfort, or joy. Therefore, the positive emotions generated by the physical environment of the Mie Gacoan restaurant can enhances customer satisfaction. Facilities available at the Mie Gacoan restaurant include spacious parking lots, indoor and outdoor dining areas, prayer rooms, queue benches, free Wi-Fi, television, and restrooms. This aligns with previous research that found thatbthe physical environment has a positive effect on customer satisfaction (Ding et al., 2022)(Ngah et al., 2022).

Finally, the results of the fifth hypothesis test demonstrated that customer satisfaction has a positive influence on customer loyalty. This is supported by the highest outer weight of customer satisfaction, which states that "Mie Gacoan restaurant meets most of my expectations," and customer loyalty, which states "I will recommend Mie Gacoan restaurant to others." The statement explains that customers feel that the Mie Gacoan restaurant meets most of their expectations, such as good service, delicious food, reasonable prices, and a clean environment, which makes them recommend the Mie Gacoan restaurant to others. A business is highly dependent on its customers, so when Mie Gacoan restaurant customers are satisfied, they will have a sense of loyalty to the Mie Gacoan brand. When Mie Gacoan restaurant customers are satisfied with the food they buy, they will always want to return to buy without comparing it with their competitors' products. In this case, customer satisfaction has a positive and significant effect on customer loyalty, which means that the higher the customer satisfaction of the Mie Gacoan restaurant, the higher is the level of customer loyalty. This is in line with previous research which states that customer satisfaction has a positive effect on customer loyalty (Basith & Sugiyanto, 2023).

CONCLUSIONS, PROPOSALS, RECOMMENDATIONS

This study examined the influence of service quality, food quality, price, and the physical environment on customer satisfaction and customer loyalty at the Mie Gacoan fast-food restaurant in Bekasi City. The empirical results from 200 respondents analyzed using SEM-PLS demonstrated that all hypothesized relationships were statistically significant and positive. Service quality (β=0.200), food quality (β=0.241), price (β=0.261), and the physical environment (β=0.676) positively influenced customer satisfaction, with the physical environment exhibiting the strongest effect. Customer satisfaction strongly predicted customer loyalty (β=0.746), explaining 55.6% of the loyalty variance. These findings underscore the critical importance of comprehensive service excellence encompassing tangible and intangible service attributes. The physical environment emerged as the predominant driver of satisfaction, highlighting the necessity for restaurant management to prioritize environmental quality through cleanliness, comfort, and aesthetic appeal. Simultaneously, maintaining high standards of service quality, food quality, and price fairness remains

essential for holistic customer satisfaction and subsequent loyalty development.

REFERENCES

Arli, D., van Esch, P., & Weaven, S. (2024). The Impact of SERVQUAL on Consumers' Satisfaction, Loyalty, and Intention to Use Online Food Delivery Services. *Journal of Promotion Management*, *30*(7), 1159–1188. https://doi.org/10.1080/10496491.2024.2372858

Basith, A. I., & Sugiyanto, S. (2023). Pengaruh Atribut Belanja Online pada Kepuasan dan Loyalitas Pelanggan dari Pengalaman Marketpleace Tokopedia. *Advances In Social Humanities Research*, *1*(9), 2012–2025. https://doi.org/10.46799/adv.v1i9.198

Chun, S.-H., & Nyam-Ochir, A. (2020). The Effects of Fast Food Restaurant Attributes on Customer Satisfaction, Revisit Intention, and Recommendation Using DINESERV Scale. *Sustainability*, *12*(18), 7435. https://doi.org/10.3390/su12187435

Danish Ali, Mohammad Alam, & Hazrat Bilal. (2021). The Influence of Service Quality, Price, and Environment on Customer Loyalty in the Restaurant's Industry: The Mediating Role of Customer Satisfaction. *Journal of Accounting and Finance in Emerging Economies*, *7*(1), 143–154. https://doi.org/10.26710/jafee.v7i1.1587

Ding, C., Guo, Q., Rehman, A., & Zeeshan, M. (2022). Impact of environment on hotel customer satisfaction in Southeast Asia: A study of online booking site reviews. *Frontiers in Environmental Science*, *10*. https://doi.org/10.3389/fenvs.2022.978070

Djayapranata, G. F., & Setyawan, A. (2023). *The Antecedents in Forming Loyalty in the Fast-Food Industry* (pp. 769–777). https://doi.org/10.2991/978-94-6463-008-4_97

Hidayat, D., Bismo, A., & Basri, A. R. (2020). THE EFFECT OF FOOD QUALITY AND SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION AND REPURCHASE INTENTION (CASE STUDY OF HOT PLATE RESTAURANTS). *Manajemen Bisnis*, *10*(1), 1. https://doi.org/10.22219/jmb.v10i1.11913

Javed, S., Rashidin, M. S., Zhu, M., Xu, Z., Jian, W., & Zuo, S. (2021). Combined Effects of Drivers and Impact of Customer Satisfaction on Brand Loyalty: The Contingent Effect of Social Trust. *Sage Open*, *11*(1). https://doi.org/10.1177/21582440211003566

Le, T. M. H., Nguyen, V. K. L., Le, T. T. H., Nguyen, T. T. H., & Vu, K. N. (2023). Customer satisfaction and fast-food restaurants: an empirical study on undergraduate students. *Journal of Foodservice Business Research*, *26*(6), 771–792. https://doi.org/10.1080/15378020.2022.2056396

Ngah, H. C., Mohd Rosli, N. F., Lotpi, M. H. M., Samsudin, A., & Anuar, J. (2022). A Review on the Elements of Restaurant Physical Environment towards Customer Satisfaction. *International Journal of Academic Research in Business and Social Sciences*, *12*(11). https://doi.org/10.6007/IJARBSS/v12-i11/15621

No Title. (n.d.). https://doi.org/10.22219/jmb.v10i1.11913

Oktaviani, N., & Chairun Nisa, P. (2024). The Effect of Service Quality, Perceived Value, and Customer Satisfaction on Loyalty and Word of Mouth (WOM). *International Journal of Economics, Management and Accounting (IJEMA)*, *1*(9), 757–770. https://doi.org/10.47353/ijema.v1i9.107

Permata Susanto, S. G. A. A., & Indrawati, I. (2024). The Effect of Perceived Ease of Use and Service Quality on Customer Loyalty with Customer Satisfaction as an Intervening Variable: Case Study on Tokopedia. *International Journal of Current Science Research and Review*, *07*(08). https://doi.org/10.47191/ijcsrr/V7-i8-62

Rajput, A., & Gahfoor, R. Z. (2020). Satisfaction and revisit intentions at fast food restaurants. *Future Business Journal*, *6*(1), 13. https://doi.org/10.1186/s43093-020-00021-0

Sarstedt, M., Ringle, C. M., & Hair, J. F. (2022). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research* (pp. 587–632). Springer International Publishing. https://doi.org/10.1007/978-3-319-57413-4_15

Uslu, A., & Eren, R. (2020). Critical Review of Service Quality Scales with a Focus on Customer Satisfaction and Loyalty in Restaurants. *DETUROPE - The Central European Journal of Tourism and Regional Development*, *12*(1), 64–84. https://doi.org/10.32725/det.2020.004

Yum, K., & Yoo, B. (2023). The Impact of Service Quality on Customer Loyalty through Customer Satisfaction in Mobile Social Media. *Sustainability*, *15*(14), 11214. https://doi.org/10.3390/su151411214

Zhong, Y., & Moon, H. C. (2020). What Drives Customer Satisfaction, Loyalty, and Happiness in Fast-Food Restaurants in China? Perceived Price, Service Quality, Food Quality, Physical Environment Quality, and the Moderating Role of Gender. *Foods*, *9*(4), 460. https://doi.org/10.3390/foods9040460