

THE INFLUENCE OF FOOD QUALITY, PRICE, LOCATION, AND ENVIRONMENT ON CONSUMER SATISFACTION AT DAJA HOUSE RESTAURANT, LAMPUNG

Edward Bryan Arditanajo ^{1)*}, Nindya Yuliani Arnis²⁾, Dewi Wuisan³⁾

^{1,2,3)} *Faculty of Economics and Business, Universitas Pelita Harapan, Indonesia*

e-mail: 01011210119@student.uph.edu
(Corresponding Author indicated by an asterisk *)

ABSTRACT

This study aims to analyze the influence of food quality, price, location, and environment on consumer satisfaction at Daja House Restaurant in Lampung City. The study was conducted with customers who had visited the restaurant at least three times within a six-month period. The research used a quantitative method with purposive sampling, targeting Daja House Restaurant customers. Data was collected through questionnaires distributed via Google Forms. A total of 55 valid responses were received. The data was then processed using SmartPLS 4.0 software for testing indicator validity, variable reliability, and the research model using R². The results showed that food quality had no significant effect on consumer satisfaction. However, location and environment were found to have a positive influence on consumer satisfaction, and price also had a positive effect on consumer satisfaction. Based on these findings, the study recommends that the restaurant's management pay more attention to the location and environment in terms of the restaurant's facilities and atmosphere to attract more consumers. In addition, the price should remain affordable to maintain consumer satisfaction. Therefore, the management should continue to ensure that the prices offered to consumers are reasonable.

Keywords: Quality of Food; Location and Environment; Price; Consumer Satisfaction

INTRODUCTION

The food industry, particularly the restaurant sector, in Lampung City has experienced rapid growth in recent years. However, despite this growth, Daja House Restaurant, which has been operating since 2021, is now facing significant challenges. Data shows that, over the past six months, the restaurant has seen a decline in both revenue and the number of visitors. This situation indicates that there is an issue that needs to be addressed promptly in order for the restaurant to survive and succeed amid the increasing competition in the food industry.

To tackle these challenges, there are several important aspects that Daja House Restaurant must pay attention to. First, the quality of products and services is key to improving consumer satisfaction. Studies show that consumers are generally more satisfied when they receive high-quality products and services. Therefore, the restaurant must ensure consistency in providing good food and beverages, while also offering friendly and efficient customer service.

Additionally, understanding consumer needs and preferences is crucial. Knowing what customers want, the restaurant can offer products and services that better align with their expectations, which in turn enhances customer satisfaction.

Moreover, providing extra value to customers is an effective strategy. In the midst of tough competition, restaurants need to find ways to offer more "value" to their customers. This can be achieved through special promotions, offers, or added services that enhance the overall consumer experience.

Building customer loyalty is also an important goal. High-quality service can help build customer loyalty. Satisfied customers are more likely to return and recommend the restaurant to others, which will help expand the customer base.

Finally, optimizing the quality of products should remain a priority. The restaurant needs to continue striving to improve the quality of its food and beverages to meet consumer expectations. Paying attention to feedback, making necessary adjustments, and continuously improving can help boost overall customer satisfaction.

By focusing on these factors and taking the appropriate actions, Daja House Restaurant can overcome the challenges it faces, improve customer satisfaction, and foster customer loyalty. This will help the restaurant stay competitive and grow in the increasingly competitive food industry.

LITERATURE REVIEW

From the information provided, it is clear that food quality, price, location, and consumer satisfaction all play a very important role in the success of a restaurant. Below are several key points derived from the information:

1. Quality Of Food

- Research by Ryu et al. (2012) shows that food quality plays a significant role in consumers' purchase decisions. Factors such as taste, aroma, and presentation are key elements in determining product quality.
- Clark (2017) emphasizes that food quality not only influences consumer satisfaction but also helps build the restaurant's reputation.

2. Price

- Tjiptono (2008) and Laksana (2008) state that price is a critical factor for consumers when making purchasing decisions. Pricing decisions must strike a balance between the company's profitability and the value perceived by consumers.

- Price also has a broad impact on the economy, as explained by Tjiptono (2008).
- 3. Location and Environment
 - Lupiyoadi (2001) and Soriano (2002) highlight the importance of selecting a strategic location and creating an attractive physical environment to appeal to consumers.
 - The physical environment, including factors such as color, aroma, and interior layout, also influences consumers' emotions and behavior, as discussed by Baker et al. (1994) and Turley & Milliman (2000).
- 4. Consumer Satisfaction
 - Hansenmark & Albison (2004) and Bitzer & Zeithaml (2003) explain that consumer satisfaction occurs when their expectations are met after using a product or service. Consumer feedback provides valuable insights that can help a company improve its products and services.
 - Rahayu et al. (2023) show that increasing consumer satisfaction can have a positive impact on company performance, including higher revenue, improved operational efficiency, and better performance outcomes.

By considering all of these factors, Daja House Restaurant can take strategic steps to improve the quality of its products and services, adjust prices to reflect the value perceived by consumers, choose a strategic location, and consistently monitor and enhance customer satisfaction. This will help the restaurant not only survive but also thrive amid increasing competition in the food industry.

RESEARCH METHOD

The research method used in this study is a quantitative approach, which is commonly employed to describe various aspects of social knowledge. Quantitative methods allow researchers to examine the status of groups of people, conditions, systems of thought, or events within a specific time frame, as well as to test existing research (Sugiyono, 2021).

Data collection was carried out by distributing scales to the study subjects. The scale used was direct and closed-ended. The population in this study consists of all consumers who visited Daja House Restaurant in Lampung within the past six months. Although the total population could be identified, not all consumers were willing to participate as respondents, due to potential constraints such as distance, work commitments, or lack of interest in participating in the study. From this population, a sample was taken, specifically visitors who had visited Daja House Restaurant at least three times during the last six months, with an age range of 15 years and above.

The data collection technique involved distributing an online questionnaire using Google Forms. By using this technique, the researcher was able to obtain representative data from respondents who met the sample criteria. The distributed questionnaires contained structured questions to collect data about the variables being studied, such as food quality, price, location, environment, service quality, and consumer satisfaction.

The data analysis technique used in this study involves determining the sample size, ensuring that the sample selected aligns with the established criteria. For multivariate research using the Partial Least Squares – Structural Equation Modeling (PLS-SEM) method, it is recommended to calculate the minimum sample size using the Power Analysis method (Hair et al., 2019; Hair et al., 2022). Power analysis helps determine the adequate sample size needed to achieve sufficient statistical power for hypothesis testing.

To perform power analysis, software tools such as *GPower can be used (Memon et al., 2020)*. *GPower* is a widely used software tool that calculates the required sample size based on

statistical methods. By using G*Power, researchers can calculate the necessary sample size to achieve the desired confidence level and obtain valid and reliable results from data analysis using PLS-SEM:

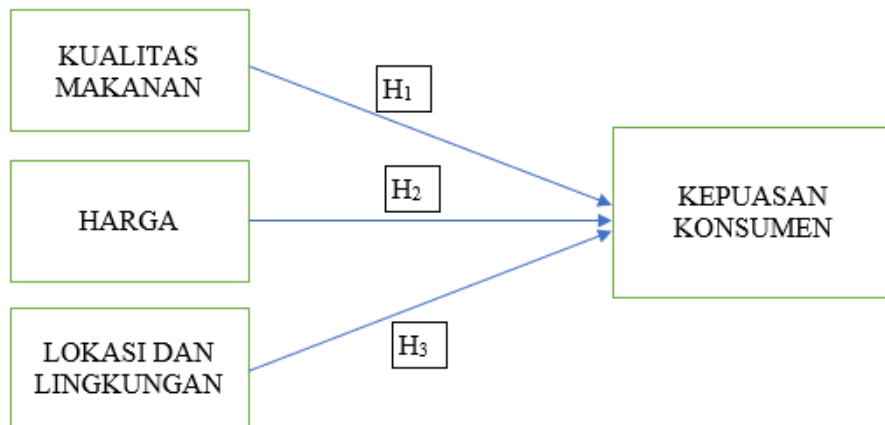


Figure 1. Research Model

- H₁: Food quality has a positive effect on consumer satisfaction at Daja House Restaurant, Lampung City
- H₂: Price has a positive effect on consumer satisfaction at Daja House Restaurant, Lampung City
- H₃: Location and environment have a positive effect on consumer satisfaction at Daja House Restaurant, Lampung City

RESULTS AND DISCUSSION

The results of the analysis in this research include both outer model and inner model analyses. In the outer model analysis, the components analyzed are outer loading, composite reliability, and Average Variance Extracted (AVE). Meanwhile, in the inner model analysis, the analysis includes Variance Inflation Factor (VIF), R², f², and path coefficients.

Outer Loading

Table 1. Outer Loading

	Customer Satisfaction	Food Quality	Location & Environment	Price
CS1	0.764			
CS2	0.742			
CS3	0.762			
CS4	0.733			
CS5	0.808			
FQ2		0.445		
FQ3		0.699		
FQ4		0.808		
FQ5		0.807		
LE1			0.818	

	Customer Satisfaction	Food Quality	Location & Environment	Price
LE2			0.687	
LE4			0.618	
P1				0.656
P2				0.845
P3				0.852
P4				0.845
FQ1		0.741		

Source: SmartPLS Version 4.0

From the table above, it can be seen that all indicators are acceptable and can proceed to the next stage of the research. However, there are several indicators that need to be removed due to their outer loading values being below 0.4, specifically LE3, LE5, and P5.

Composite Reliability and AVE

Table 2. Construct Validity and Reliability

	Composite reliability (RHO_C)	Average variance extracted (AVE)
Customer Satisfaction	0.874	0.581
Food Quality	0.833	0.508
Location & Environment	0.753	0.508
Price	0.878	0.646

Source: SmartPLS Version 4.0

From the table above, it can be seen that all the variables used in the research are acceptable and valid, as the AVE (Average Variance Extracted) values are above 0.5 and the composite reliability (RHO_C) values are above 0.7.

VIF

Table 3. VIF

	VIF
CS1	1,821
CS2	1,700
CS3	1,671
CS4	1,975
CS5	2,225
FQ2	1,310
FQ3	1,671
FQ4	1,680
FQ5	1,459
LE1	1,155
LE2	1,188

	VIF
LE4	1,088
P1	1,415
P2	2,119
P3	2,224
P4	1,983
FQ1	1,621

Source: SmartPLS Version 4.0

From the table above, it can be seen that all the indicators are acceptable, as their values are below 5.

Coefficient Determinant (R^2)

Table 4. Analysis Coefficient Determination (R^2)

	R-square	R-square adjusted
Customer Satisfaction	0.533	0.505

Source: Results Processing Data Using SmartPLS Version 4.0

Based on the table above, the R^2 value is 0.533, which means that 53.3% of the variation in consumer satisfaction can be explained by the combined variables of food quality, price, location, and environment. The remaining 46.7% can be explained by other variables not included in this study. The obtained R^2 value falls into the moderate category.

Effect Size (f^2)

Table 5. Analysis Effect Size (f^2)

	Customer Satisfaction	Food Quality	Location & Environment	Price
Customer Satisfaction				
Food Quality	0,000			
Location & Environment	0.105			
Price	0.399			

Source: Results Processing Data using SmartPLS Version 4.0

Based on Table 4.5 above, the effect size for the food quality variable on consumer satisfaction is 0.000, for the location and environment variables on consumer satisfaction is 0.105, and for the price variable on consumer satisfaction is 0.399. These results indicate the strength of each variable's effect. A value of 0.399 represents a strong effect, while values of 0.105 and 0.000 indicate weak effects.

Test Hypothesis

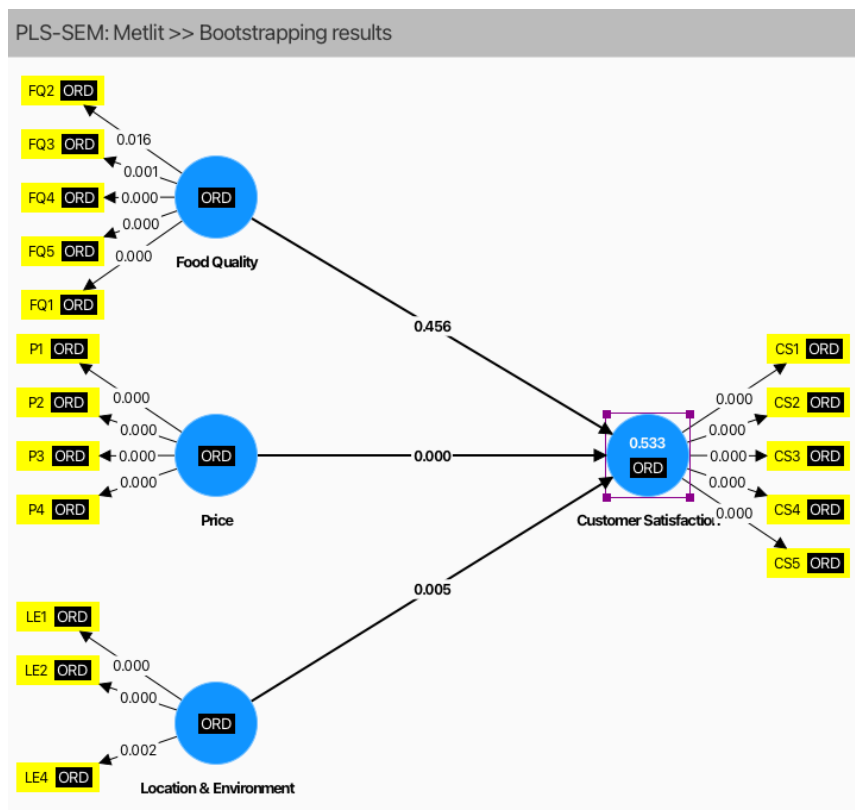


Figure 2. Screen Shot of SmartPLS Path Coefficient
 Source: Results Processing Data using SmartPLS Version 4.0

Table 6. Paths Coefficient

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Food Quality -> Customer Satisfaction	0.016	0.058	0.145	0.112	0.456
Location & Environment -> Customer Satisfaction	0.255	0.264	0.099	2,576	0.005
Price -> Customer Satisfaction	0.566	0.540	0.130	4,360	0,000

Source: Results Processing Data using SmartPLS Version 4.0

First Test Hypothesis

H₁: Food quality has a positive influence on consumer satisfaction at Daja House Restaurant, Lampung City

Based on the results in Table 4.6 above, it can be seen that the effect of food quality on consumer satisfaction has a t-statistic value of 0.112, which is smaller than 1.64, and a p-value of 0.456, which is greater than 0.05. Therefore, it can be concluded that the first hypothesis is not supported. This means that food quality does not have a significant influence on consumer satisfaction.

Second Test Hypothesis

H₂: Price has a positive effect on consumer satisfaction at Daja House Restaurant, Lampung City

Based on the results in Table 4.6 above, it can be seen that the effect of location and environment on consumer satisfaction has a t-statistic value of 4.360, which is greater than 1.64, and a p-value of 0.000, which is smaller than 0.05. Therefore, it can be concluded that the second hypothesis is supported. This means that location and environment have a positive effect on consumer satisfaction.

Third Test Hypothesis

H₃: Location and environment have a positive influence on consumer satisfaction at Daja House Restaurant, Lampung City

Based on the results in Table 4.6 above, it can be seen that the effect of price on consumer satisfaction has a t-statistic value of 2.576, which is greater than 1.64, and a p-value of 0.005, which is smaller than 0.05. Therefore, it can be concluded that the third hypothesis is supported. This means that prices have a positive effect on consumer satisfaction.

CONCLUSION

- a. Food quality does not have a significant influence on consumer satisfaction
- b. Location and environment have a positive and significant influence on consumer satisfaction
- c. Prices have a positive and significant influence on consumer satisfaction

Suggestion

Based on the research results, discussion, and conclusions, the following recommendations are made:

- a. For Daja House Restaurant, Lampung City
Daja House Restaurant should focus on the importance of location, environment, and price, as these factors significantly influence consumer satisfaction. Paying attention to these variables can help improve customer experience and retention
- b. For Other Researchers
Other researchers can build upon the findings of this study for comparative purposes, including expanding the research by adding other independent variables. They could also consider incorporating moderate and intervening variables to provide further insights, thus contributing to the academic field.

REFERENCES

- Baker, J., Grewal, D., & Parasuraman, A. (1994). The influence of store environment on quality inferences and store image. *Journal of the Academy of Marketing Science*, 22(4), 328–339. <https://doi.org/10.1177/0092070394224002>

- Bitzer, M. J., & Zeithaml, V. A. (2003). *Service marketing*. New York: McGraw-Hill.
- Clark, R. (2017). *The importance of food quality in restaurant management: A manager's guide to improving quality and increasing profit*. Routledge.
- Hair, J. F., Sarstedt, M., Ringle, C. M., & Gudergan, S. P. (2022). *Advanced issues in partial least squares structural equation modeling (PLS-SEM)*. Sage Publications.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Hansenmark, S. D., & Albison, B. (2004). Customer satisfaction and retention: The experiences of individual employees. *Managing Service Quality: An International Journal*, 14(4), 40–57. <https://doi.org/10.1108/09604520410513668>
- Laksana, H. (2008). *The role of price in marketing*. Jakarta, Indonesia: Erlangga.
- Lupiyoadi, R. (2001). *Management services marketing*. Jakarta, Indonesia: Salemba Four.
- Memon, M. A., Cheah, J. H., & Ramayah, T. (2020). *Applications of structural equation modeling in social sciences research: G*Power and SmartPLS software*. IGI Global.
- Rahayu, S., Limakrisna, N., & Purba, J. H. V. (2023). The influence of brand image, online service quality, and use on purchase decisions with trust as a mediation variable. *International Journal of Science, Technology & Management*, 4(3), 629–639. <https://doi.org/10.46729/ijstm.v4i3.801>
- Ryu, K., Lee, H. & Kim, W. G. (2012). The influence of the quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions. *International Journal of Contemporary Hospitality Management*, 24(2), 200–223. <https://doi.org/10.1108/09596111211206141>
- Soriano, D. R. (2002). Modeling and forecasting the demand for fast food: A case study of Burger King in Spain. *International Journal of Hospitality Management*, 21(4), 411–424.
- Sugiyono. (2021). *Research methods: Quantitative, qualitative, and R&D*. Bandung, Indonesia: Alfabet.
- Tjiptono, F. (2008). *Marketing strategy*. Yogyakarta, Indonesia: Andi Offset.
- Turley, L. W., & Milliman, R. E. (2000). Atmospheric effects on shopping behavior: A review of the experimental evidence. *Journal of Business Research*, 49(2), 193–211.