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The Influence of Price, Food Quality, Service, and Environment on Loyalty through Satisfaction and Happiness

Windy Freshia Luhana¹, Hananiel Mennoverdi Gunawan²

^{1,2} Faculty of Economics and Business, Universitas Pelita Harapan, Surabaya, Indonesia

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ABSTRACT

This research aims to determine the influence of perceived price, quality of food, quality of service, quality of the physical environment on customer loyalty through the mediation of satisfaction and happiness of Momoyo Pucang Anom customers in Surabaya. The research was conducted quantitatively. The data used is primary data with a sample of 101 respondents. Research data was processed using Partial Least Square Method analysis using the PLS application. The test results found that perceived price, quality of food, quality of service, quality of the physical environment had an effect on customer loyalty. Research also finds that customer satisfaction and customer happiness are also able to mediate the relationship between perceived price, quality of food, quality of service, quality of the physical environment on customer loyalty. Happy and satisfied customers are more likely to stay loyal, return, and recommend the restaurant to others. It is critical for managers to consistently employ a variety of tactics to meet customer needs and foster a sense of happiness and satisfaction to foster customer loyalty. As a result, businesses that have difficulty retaining customers can make more money by retaining loyal customers.

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Corresponding Author:

Windy Freshia Luhana
Faculty of Economics and Business, Universitas Pelita Harapan
Surabaya, Indonesia
Email: windyluhana@gmail.com

1. INTRODUCTION

According to [1] at least 90% of food and beverage companies fail because they are unable to survive the pressure of intense competition. Therefore, it is important for the business to learn on how to make the business survive in the market. There are many factors that need to be considered when starting a food and beverage business, because to be successful in the long term, the business must have a strategy and components that support it. Figure 1 implies that in the last three years after pandemic, the growth of the food and beverage business has continued to increase significantly. According to [25] businesses operating in the food and beverage sector will want a larger market share as the industry develops. This competition also includes new entrants to the sector. In an increasingly tight business environment, businesses must pay attention to customer's want in order to remain

competitive. In the midst of favorable economic expansion conditions, companies that have the ability to meet customer satisfaction will have superior capabilities than other businesses [2].

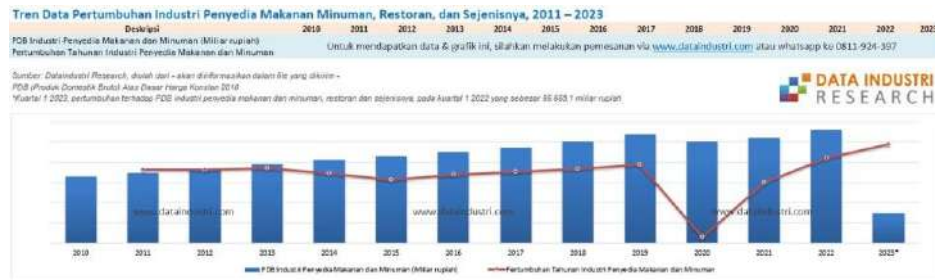


Figure 1. Growth of the Food and Beverage Industry 2011 – 2023

Source: Industry Data (2023)

According to statistics compiled by the Central Statistics Agency (BPS), the food and beverage industry is one that contributes significantly and positively to Indonesia. Figure 1.1 shows that the food and beverage industry is expected to maintain its growth trend from 2018 to 2023. This demonstrates that the food and beverage industry is a robust and promising enterprise in Indonesia. Industry actors are encouraged to innovate as a result of the substantial demand for food and beverage products, as evidenced by these favourable outcomes. The culinary industry is one of the most promising, but competition is fierce, and not all culinary companies are able to achieve maximum income and success.

One of the food and beverage business brands that is currently starting to enter the industry and is growing rapidly is Momoyo. Founded in 2022 in Jakarta, Momoyo is a business that sells products such as ice cream and real fruit drinks, for example: real fruit tea, milk tea, tea and ice cream. Momoyo's mission is "To make the Momoyo Brand more professional, so that partners get value in life, and customers get healthy, fresh and natural drinks." To date, Momoyo's business has succeeded in establishing at least 500 outlets spread throughout Indonesia. Therefore, the researcher decided to use the Momoyo outlet in Pucang Anom, Surabaya.

It is crucial for Momoyo, a food and beverage business that has recently expanded, to comprehend strategies for ensuring business continuity. The food and beverage industry's long-term survival and competitiveness are contingent upon consumer satisfaction. The long-term growth and profitability of this business are significantly influenced by customer satisfaction. Several factors can influence customer satisfaction. According to [3], customer satisfaction can be influenced by factors such as customer loyalty and customer happiness. In their research, [4] explained that customer loyalty and customer happiness can be influenced by other factors such as perceived price, service quality, food quality, and physical environment quality. [5] stated in the research satisfied consumers are the one's who usually will become the loyal customers in a market and prefer a brand over another similar business. Consequently, it is crucial for business professionals in the food and beverage industry to prioritise customer satisfaction, maintain competitiveness, and foster customer loyalty in order to achieve long-term success.

Perceived price refers to how much people consider a service or product to be valuable based on its price [6]. Perceived price includes the actual value of the product worth and the benefits gained from purchasing it. [4] discovered that perceived prices able to influence customer satisfaction. Perceived price is also one of the factors that can enhance customer satisfaction [7]. Consequently, it is crucial for businesses to modify the prices that customers perceive in order to enhance their satisfaction. The inherent quality, composition, and general excellence of the food or beverage products offered are all referred to as food quality. [8] elucidated that the quality of food is indicative of a business's capacity to satisfy customer requirements when purchasing products. In their research,

[9] assert that the quality of food can significantly impact consumer satisfaction during a restaurant visit. Customer satisfaction can be substantially enhanced by the purchase of high-quality products. According to [9], service quality is the perception of a business's service's quality by customers. Assurance, empathy, responsiveness, dependability, and tangible items, as well as those that can be seen and felt, are all components of service quality. Service quality is one of the factors that affects consumer satisfaction, according to research conducted by [10]. Service quality is an endeavour by a business to fulfil the expectations of its customers. [11] conducted additional research that demonstrates that customer satisfaction may be positively impacted by service quality.

The aesthetics, functionality, and overall ambiance of the actual site where the product is given are all aspects of the physical environment that contribute to the quality of the business environment. Several parts make up this facet, such as the interior, cleanliness, comfort, layout, and ambiance. According to [12], consumers' impressions and experiences are greatly influenced by the physical environment's quality. Customer satisfaction is highly correlated with the physical environment's quality. By creating a positive first impression, an aesthetically pleasing and well planned space helps to ensure that customers have a positive and relaxing experience. Businesses in the food and drink industry can increase customer satisfaction by designing their physical spaces to reflect what their target demographic values [10].

Customer loyalty refers to customer preferences that are carried out continuously by choosing a particular product or brand compared to other brands that offer similar products. Loyalty indicates that customers have a long-term loyalty commitment and an emotional bond between the customer and a particular business that is more than just a transaction carried out at one time [10]. Customer loyalty is often determined by a customer's tendency to stick with purchasing a particular brand and not switch to competing goods or services. Loyalty can have an influence on customer satisfaction. This is because there is trust in buying products repeatedly and this is able to make customers satisfied due to the fulfillment of needs for certain products [13]. According to the theory of customer satisfaction, a client is considered happy when they feel good about themselves after interacting with a company's goods or services.

Consumers' outward displays of emotion mirror the profound contentment they felt as a result of the encounter. One factor that could affect customer satisfaction is the level of consumer happiness [4]. Customers are more likely to be satisfied with a product when they experience positive emotions as a result of having their requirements addressed. The significance of corporations prioritising customer pleasure was highlighted by [14]. Customer satisfaction will serve as the dependent variable, with price, food quality, service quality, and physical environment serving as the stimulus variables. Mediating variables include customer happiness and loyalty. Previous research has various gaps in this model. A fast food joint in Pucang Anom, Surabaya, operated by the Momoyo business retail franchise brand, is not the focus of this study either.

The background research that has been outlined has motivated the researcher to do a research to find the influence of perceived price, quality of service, quality of food, quality of the physical environment on customer loyalty through the mediation of satisfaction and happiness of momoyo pucang anom customer in Surabaya.

2. METHOD

For this research, the researcher will use quantitative research methodology. This research included both primary and secondary data sources. Primary data are those that the researcher has collected directly from sources using techniques like surveys, interviews, and observations. An online questionnaire (through Google Forms) was used in this research to collect data from respondents who had come and bought products from Momoyo Pucang Anom. The research population is Momoyo Pucang Anom customers in Surabaya, with 100 sample in minimum from purposive sampling.

3. RESULTS AND DISCUSSION

3.1. Profil of The Research Object

This research obtained data from 101 respondents after carrying out the screening stage on the respondent criteria. All respondents in this study were respondents who are the customer of Momoyo Pucang Anom. The profile responded to from the questionnaire consists of gender and age.

3.1.1 Descriptive Analysis of Research Data

1. Perceived Price

All indicators in the Perceived Price variable also have a mean value which is included in the agree category. The mean value for the PP2 indicator was found to be the highest, namely 4.42 and the lowest for PP3 at 3.91. This explains that the respondents' answers are almost uniform for each indicator of customer loyalty, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the customer loyalty variable.

2. Service Quality

All indicators in the service quality variable also have a mean value which is included in the agree category. The mean value for the SQ1 indicator was found to be the highest, namely 3,94 and the lowest for SQ3 at 3.83. This explains that the respondents' answers are almost uniform for each indicator of service quality, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the service quality variable.

3. Food Quality

All indicators in the food quality variable also have a mean value which is included in the agree category. The mean value for the FQ4 indicator was found to be the highest, namely 3.99 and the lowest for FQ1 at 3.68. This explains that the respondents' answers are almost uniform for each indicator of food quality, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the food quality variable.

4. Perceived Environmental Quality

All indicators in the perceived environmental quality variable also have a mean value which is included in the agree category. The mean value for the PEQ2 and PEQ3 indicator was found to be the highest, namely 3.90 and the lowest for PEQ1 at 3.88. This explains that the respondents' answers are almost uniform for each indicator of perceived environmental quality, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the perceived environmental quality variable.

5. Customer Satisfaction

All indicators in the customer satisfaction variable also have a mean value which is included in the agree category. The mean value for the CS3 indicator was found to be the highest, namely 4.17 and the lowest for CS3 at 4.03. This explains that the respondents' answers are almost uniform for each indicator of customer satisfaction, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the customer satisfaction variable.

6. Customer Happiness

All indicators in the customer happiness variable also have a mean value which is included in the agree category. The mean value for the CH2 indicator was found to be the highest, namely 4.27 and the lowest for CH1 at 4.02. This explains that the respondents' answers are almost uniform for each indicator of customer happiness, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the customer happiness variable.

7. Customer Loyalty

All indicators in the customer loyalty variable also have a mean value which is included in the agree category. The mean value for the CL3 indicator was found to be the highest, namely 4.11 and

the lowest for CL1 at 4.08. This explains that the respondents' answers are almost uniform for each indicator of customer loyalty, and the distribution of answers from respondents in this study can be considered evenly distributed for each indicator of the customer loyalty variable.

3.2. Data Analysis of Research Result

3.2.1 Validity Test

All of the indicators used in this study had cross-loading values more than or equal to 0.70 [27], it can be concluded that these indicators are reliable. This further proves that all research model indicators can be used to measure all latent variables and constructs of all signals.

Table 1. Construct Validity

	Composite reliability (rho_a)	Average variance extracted (AVE)
Customer Happiness	0.856	0.761
Customer Loyalty	0.835	0.739
Customer Satisfaction	0.774	0.681
Food Quality	0.847	0.674
Perceived Environment Quality	0.813	0.724
Perceived Price	0.813	0.729
Service Quality	0.829	0.651

Source: Actual Test Data Analysis (2024)

Construct validity in this research was measured using AVE. In [27] explained that the AVE value of a construct in a discriminant test must be greater all other constructs and have a measurement value of more than 0.50 to be declared correlated.

Table 2. Fornell-Lacker Criterion

	Customer Happiness	Customer Loyalty	Customer Satisfaction	Food Quality	Perceived Environment Quality	Perceived Price	Service Quality
Customer Happiness	0.872						
Customer Loyalty	0.742	0.860					
Customer Satisfaction	0.699	0.838	0.825				
Food Quality	0.684	0.675	0.781	0.821			
Perceived Environment Quality	0.673	0.677	0.767	0.700	0.851		
Perceived Price	0.562	0.565	0.572	0.631	0.458	0.854	
Service Quality	0.715	0.724	0.731	0.781	0.812	0.501	0.807

Source: Actual Test Data Analysis (2024)

Table 2 indicates that every variable in the research has a Fornel-Lacker value more than 0.50 thus it may be said to be genuine [27]. This indicates that every variable has the appropriate indicators to particularly gauge its latent construct/variable.

3.2.2 Reliability Test

When the values of composite reliability and Cronbach's alpha are greater than 0.70, we can say that the variable in question is reliable [27].

Table 3. Reliability Test

	Cronbach's alpha	Composite reliability (rho_a)
Customer Happiness	0.843	0.856
Customer Loyalty	0.825	0.835
Customer Satisfaction	0.767	0.774
Food Quality	0.840	0.847
Perceived Environment Quality	0.808	0.813
Perceived Price	0.813	0.813
Service Quality	0.819	0.829

All variables are reliable, as shown in Table 4.14, where Cronbach's alpha values are greater than 0.70 and composite reliability is also greater than 0.70. A composite reliability of 0.881 and a Cronbach's alpha of 0.819 are displayed by the customer pleasure measure. The customer loyalty variable demonstrates a composite dependability of 0.983 and a Cronbach's alpha of 0.840. A composite reliability of 0.890 and a Cronbach's alpha of 0.813 were recorded for the customer satisfaction measure. With a composite reliability of 0.901 and a Cronbach's alpha of 0.854, the food quality variable is quite reliable. With a composite reliability of 0.944 and a Cronbach's alpha of 0.912, the perceived environmental quality variable is quite reliable. There is a composite reliability of 0.887 and a Cronbach's alpha of 0.808 for the perceived price variable. Lastly, the service quality variable has a composite reliability of 0.899 and a Cronbach's alpha of 0.849.

3.2.3 Model Fit

Table 4. Model Fit Test

	Saturated model	Estimated model
SRMR	0.086	0.087
d_ ULS	2.062	2.072
d_ G	1.553	1.560
Chi-square	755.753	754.237
NFI	0.627	0.628

Source: Actual Test Data Analysis (2024)

The model fit analysis is analyzed by considering the SRMR value of the estimated model. If the result is more than 0.08 the data considered as a good fit. On Table 4.15 it can be seen that the SRMR is already above 0.085 therefore the model of fit is accepted.

3.2.4 Hypothesis Testing

3.2.4.1 Direct Effect

In order to test the hypothesis, this research uses a one-tailed test. This means that the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted if the t-statistic is greater

than the t-table value of 1.65. The current pvalue also suggests that H1 is accepted. A significant relationship between the independent and dependent variables is indicated when the p-value is greater than 0.05. If the range from 0 to 1 is negative and 1 to 0 is positive, then the original sample value suggests a positive association between the independent and dependent variables. If the hypothesis is supported, the findings are shown in Table 4.18, which is the result of the hypothesis testing in this study.

Table 5. Direct Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values
Food Quality -> Customer Loyalty	0.190	0.185	0.089	2.122	0.034
Perceived Environment Quality -> Customer Loyalty	0.118	0.105	0.109	3.087	0.013
Perceived Price -> Customer Loyalty	0.089	0.093	0.062	1.966	0.049
Service Quality -> Customer Loyalty	0.262	0.249	0.144	2.821	0.013

Source: Actual Test Data Analysis (2024)

Table 5 displays the outcomes for the three primary hypotheses of this study, all of which were supported or showed significant results. One hypothesis, however, did not exhibit any significant results. Looking at the crucial and p-values can tell you if a hypothesis is supported or not. The t-statistic being more than 1.96 and the p-values being less than 0.05 supported the null hypothesis.

Based on the data in Table 4.18, the analysis of the direct effects between various factors and customer loyalty shows that four hypotheses were supported with statistically significant results. These hypotheses include the relationships between Food Quality -> Customer Loyalty, Perceived Environment Quality --> Customer Loyalty.

- 1) Food Quality -> Customer Loyalty: The original sample value is 0.190, with a t-statistic of 2.122 and a p-value of 0.034. Since the t-statistic exceeds 1.96 and the p-value is below 0.05, this indicates a significant positive relationship between food quality and customer loyalty.
- 2) Perceived Environment Quality -> Customer Loyalty: The original sample value is 0.118, with a t-statistic of 3.087 and a p-value of 0.013. This suggests that the perceived environment quality positively influences customer loyalty with a statistically significant relationship.
- 3) Perceived Price -> Customer Loyalty: The original sample value is 0.089, with a t-statistic of 1.966 and a p-value of 0.049. While the t-statistic is just above 1.96 and the p-value is below 0.05, this still indicates a statistically significant positive effect of perceived price on customer loyalty, but the effect is relatively smaller compared to the others.
- 4) Service Quality -> Customer Loyalty: The original sample value is 0.262, with a t-statistic of 2.821 and a p-value of 0.013. This demonstrates that service quality has a strong and significant positive impact on customer loyalty, making it the most influential factor in this study.

In summary, all the hypotheses tested show a significant positive relationship with customer loyalty, with service quality having the strongest effect. The p-values confirm that each factor plays an important role in driving customer loyalty, and the statistical significance of these results supports the conclusions drawn from the data.

3.2.4.2 Indirect Effect

Table 6. Indirect Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Food Quality -> Customer Satisfaction -> Customer Loyalty	0.245	0.242	0.076	3.222	0.001
Perceived Environment Quality -> Customer Satisfaction -> Customer Loyalty	0.258	0.248	0.066	3.925	0.000
Food Quality -> Customer Happiness -> Customer Loyalty	0.047	0.048	0.048	2.975	0.013
Perceived Price -> Customer Satisfaction -> Customer Loyalty	0.075	0.085	0.053	2.405	0.009
Perceived Environment Quality -> Customer Happiness -> Customer Loyalty	0.064	0.066	0.040	2.592	0.023
Service Quality -> Customer Satisfaction -> Customer Loyalty	0.017	0.019	0.060	2.285	0.008
Perceived Price -> Customer Happiness -> Customer Loyalty	0.064	0.069	0.040	2.616	0.027
Service Quality -> Customer Happiness -> Customer Loyalty	0.099	0.097	0.056	2.762	0.008

Source: Actual Test Data Analysis (2024)

Twelve major hypotheses were tested in this study, and all of them were found to have significant or supported results (Table 4.19). Looking at the crucial and p-values can tell you if a hypothesis is supported or not. The t-statistic being more than 1.96 and the p-values being less than 0.05 supported the null hypothesis. Table 4.19 presents the results of the indirect effect tests, focusing on how various factors influence customer loyalty through intermediaries such as customer satisfaction and customer happiness. The analysis reveals significant indirect relationships for all the pathways tested, indicating that the factors tested not only directly impact customer loyalty but also do so through intermediary variables.

- 1) Food Quality -> Customer Satisfaction -> Customer Loyalty: The original sample value is 0.245, with a t-statistic of 3.222 and a p-value of 0.001. This shows that food quality positively influences customer satisfaction, which in turn affects customer loyalty, with a strong and statistically significant relationship.
- 2) Perceived Environment Quality -> Customer Satisfaction -> Customer Loyalty: The original sample value is 0.258, with a t-statistic of 3.925 and a p-value of 0.000. This indicates that the perceived quality of the environment has a significant indirect effect on customer loyalty, mediated by customer satisfaction, further highlighting the importance of the service environment in shaping customer loyalty.
- 3) Food Quality -> Customer Happiness -> Customer Loyalty: The original sample value is 0.047, with a t-statistic of 2.975 and a p-value of 0.013. While the effect is smaller compared to other indirect effects, it is still significant, suggesting that food quality influences customer happiness, which in turn contributes to customer loyalty.
- 4) Perceived Price -> Customer Satisfaction -> Customer Loyalty: The original sample value is 0.075, with a t-statistic of 2.405 and a p-value of 0.009. This finding supports the idea that perceived price influences customer satisfaction, which then enhances customer loyalty, emphasizing the role of pricing in customer retention.
- 5) Perceived Environment Quality -> Customer Happiness -> Customer Loyalty: The original sample value is 0.064, with a t-statistic of 2.592 and a p-value of 0.023. This demonstrates that perceived

environment quality also influences customer happiness, which in turn affects loyalty, reinforcing the importance of creating a positive customer environment.

6) Service Quality -> Customer Satisfaction -> Customer Loyalty: The original sample value is 0.017, with a t-statistic of 2.285 and a p-value of 0.008. Although this indirect effect is relatively small, it remains statistically significant, indicating that service quality affects customer satisfaction, ultimately fostering customer loyalty.

7) Perceived Price -> Customer Happiness -> Customer Loyalty: The original sample value is 0.064, with a t-statistic of 2.616 and a p-value of 0.027. This shows that perceived price not only influences customer satisfaction but also affects customer happiness, which ultimately contributes to customer loyalty.

8) Service Quality -> Customer Happiness -> Customer Loyalty: The original sample value is 0.099, with a t-statistic of 2.762 and a p-value of 0.008. This result suggests that service quality positively influences customer happiness, which then boosts customer loyalty, with a moderate but significant effect.

In conclusion, all the indirect effects analyzed in this table are significant, with customer satisfaction and customer happiness playing crucial roles as mediators. These findings further emphasize the multi-dimensional nature of customer loyalty, where both direct and indirect factors—such as the quality of food, environment, price, and service—are integral in influencing customer behavior. The statistically factors to enhance customer loyalty effectively.

3.3. Discussion

3.3.1 The Influence of Perceived Prices on Customer Loyalty

The first hypothesis proves that there is a positive direction of influence of Perceived Price on customer loyalty. This means that if there is an increase in activity in Perceived Price it will increase customer loyalty. Thus, based on these limits, it can be concluded that the first hypothesis is supported. The pricing perception of customers affects their loyalty, which in turn affects their value proposition and entire experience. According to [6] when customers think a product's price is reasonable and in line with its perceived worth, they are more likely to remain loyal to the brand. Customer relationships, which are impacted by how they view prices, are the foundation for building customer loyalty [4]. If customers believe that a company's prices are excessively high in relation to the value they receive, they may become dissatisfied and reluctant to stay loyal. Price satisfaction and customer loyalty are strongly associated, and this can be achieved through sales, special promotions, or open pricing policies. Prior studies have demonstrated that the way in which customers perceive expenses can have a major impact on their loyalty [15].

3.3.2 The Effect of Food Quality on Customer Loyalty

The second hypothesis proves that there is a significant influence of food quality on customer loyalty. This means that if there is an increase in activity in food quality it will increase customer loyalty. Thus, based on these limits, it can be concluded that the second hypothesis is accepted. Food quality has an influence on customer loyalty through how satisfied customers are with a particular brand. The quality of food in a restaurant or other food business is a large part of the customers' experience of association with a particular brand [4]. Customers will be more satisfied if they are able to get high-quality food that meets expectations in terms of taste, freshness and presentation. Ensuring customers are satisfied with food quality is an important part of gaining and maintaining customer loyalty. [16] explain that satisfied customers will most likely become loyal and choose the business again in the future. High quality food builds trust and dependability, which makes the emotional connection between customers and brands stronger. On the other hand, if the quality of the food does not meet expectations, this can make customers unhappy, so they switch to choosing alternative

product providers [17]. Therefore, the level of customer satisfaction often mediates the relationship between food quality and customer loyalty. Serving and serving high-quality food is something that restaurants and other food businesses must always do to keep customers happy and build a customer base that has high loyalty [15].

3.3.3 The Influence of Service Quality on Customer Loyalty

The third hypothesis demonstrates a positive influence of service quality on customer loyalty. An increase in service quality activity correlates with enhanced customer loyalty. Consequently, these limits indicate support for the third hypothesis. Service quality is essential for cultivating brand loyalty, as it greatly influences the overall customer experience [4]. The method of service delivery significantly influences the establishment of customer loyalty [18]. Delivering prompt, friendly, and attentive service improves the customer experience, rendering it enjoyable and memorable. A positive service experience fosters a strong emotional attachment to a brand, leading to enhanced brand loyalty [10]. Customers tend to exhibit greater loyalty towards organisations that consistently provide excellent service, as this cultivates trust and builds a positive relationship with the brand [19]. Conversely, inadequate service quality, marked by prolonged wait times, lack of responsiveness, or insufficient assistance, may lead to customer dissatisfaction and weaken customer loyalty.

3.3.4 The Influence of the Perceived Environment Quality on Customer Loyalty

The fourth hypothesis establishes that customers' perceptions of the quality of their environment have a beneficial effect on their loyalty. This suggests that a rise in the perceived quality of the environment will lead to a rise in consumer loyalty. It follows that the fourth hypothesis is supported by these constraints. The physical location of a company has a major effect on customer loyalty [4]. A company's physical environment includes the atmosphere, convenience, and aesthetics of the building in which it functions. An attractive and thoughtfully planned physical space greatly influences how consumers feel and think about the overall experience. When customers see a clean and attractive shopfront, they are more likely to have a positive impression of the business and be loyal to it [10]. When customers are in a comfortable physical environment, they feel at peace, satisfied, and linked to a company [12]. A business can differentiate itself from competitors with a well-kept physical location. Distasteful or untidy locations may make clients feel apprehensive, which in turn decreases customer loyalty. Businesses must prioritise creating a friendly and customer-centric physical space if they want to increase customer loyalty [9].

3.3.5 The Influence of Perceived Prices on Customer Loyalty Through Customer Satisfaction

Customer happiness, as measured by Perceived Price, has a positive effect on loyalty, according to the fifth hypothesis. That is why it stands to reason that a rise in Perceived Price will have a multiplier effect on consumer happiness and loyalty. Accordingly, the fifth hypothesis is confirmed by these constraints. Customers' perceptions of prices may influence their loyalty through their level of satisfaction [4]. Here, satisfaction plays the role of an intermediary. When people think the pricing is reasonable and the company can deliver great value for the money, they are more likely to be satisfied with the product or service. A compelling pricing offer raises the product's value, making customers happy even after they've paid for it. When customers are satisfied with a brand, they tend to develop an emotional connection to it, which in turn increases their loyalty to the brand. Customers are more likely to be satisfied and loyal to a brand when they feel they are getting a good deal or seeing a good return on their investment. Customers won't be happy if they think the price is too high or not justified. Customer disloyalty and price sensitivity can result from consumers' false belief that their purchasing power cannot meet their needs [20]. According to [18], consumer satisfaction mediates the relationship between pricing perception and loyalty. Brands that effectively control the perception of

prices, ensuring that prices align with customer expectations, will have a greater ability to maintain customer satisfaction and foster long-term customer loyalty [15].

3.3.6 The Effect of Food Quality on Customer Loyalty Through Customer Satisfaction

Customers are more likely to remain loyal to a business if they are satisfied with the food they eat, according to the sixth hypothesis. Customer happiness and loyalty can be enhanced through an uptick in efforts to improve the perceived quality of meals. Therefore, the sixth hypothesis is approved based on these restrictions. According to [4], customer satisfaction plays a mediating role between the trustworthiness of the food and the contentment of the customer. Customers are more likely to be satisfied with their dining experience when the food is tasty [19]. When customers get high-quality meals, they usually feel better about themselves. Customers develop an emotional connection to a brand when they have a positive experience while consuming high quality food. As a general rule, brand loyalty is highest when consumers are satisfied [19]. In addition to improving brand awareness, strengthening relationships, and increasing the possibility that customers will eat the product again, high-quality food can bring emotional fulfilment to customers. Yet, consumers may experience a decrease in enjoyment and a propensity to seek for substitute products if the offered product falls short of their expectations [21]. According to [9], customer satisfaction mediates the association between meal quality and customer loyalty.

3.3.7 The Influence of Service Quality on Customer Loyalty Through Customer Satisfaction

As shown in the seventh hypothesis, consumer happiness acts as a mediator between service quality and client loyalty. Higher levels of customer satisfaction are associated with more service quality activities, which in turn leads to more customer loyalty. Accordingly, the data supports the seventh hypothesis. The quality of service has an effect on consumer loyalty [10]. Customers are loyal to brands when they are satisfied with the services they receive [19]. Reliability, understanding, punctuality, and providing actual evidence are the hallmarks of high-quality service, according to [17], which in turn leads to satisfied customers. An emotional connection to a brand or service is more likely to develop when customers are satisfied, according to [15]. When customers have good experiences with service, they are more likely to trust the brand and buy from them again [4].

3.3.8 The Influence of the Perceived Environment Quality on Customer Loyalty Through Customer Satisfaction

The eighth hypothesis indicates that there is a positive direction of influence of perceived environmental quality on customer loyalty through customer satisfaction. This suggests that if there is an increase in activity in perceived environmental quality it will boost customer happiness and leads to the increase of customer loyalty. The eighth hypothesis has a t-value of 3.618 and a p-value of 0.000. Thus, based on these constraints, it can be inferred that the eighth hypothesis is supported. According to [4], a company's physical environment has a major impact on customer happiness, which in turn can improve customer loyalty. Overall, customers have a better experience in a beautiful, well designed space that puts an emphasis on comfort and aesthetics. Customers are more likely to be pleased after experiencing a welcoming, well-maintained, and visually beautiful physical location. A company's visual and tactile appeal has a significant impact on consumers' perceptions of that company [12]. According to [22], making sure customers are happy with the physical environment is crucial for building and maintaining customer loyalty. Customers who are satisfied are more likely to buy from you again [19].

3.3.9 The Influence of Perceived Prices on Customer Loyalty Through Customer Happiness

By demonstrating that Perceived Price influences consumer satisfaction, the ninth hypothesis establishes that Perceived Price influences customer loyalty in a favourable direction. This indicates that a rise in Perceived Price activity will boost consumer satisfaction, which in turn will improve loyalty. These constraints allow us to conclude that the ninth hypothesis is correct. [4] found that customer satisfaction levels determine the strength of the association between pricing perceptions and loyalty. People are more likely to be satisfied with a brand when they believe the prices are fair, reasonable, or provide a good return on investment [23]. Perceptions of fair pricing have a significant impact on consumer loyalty, which in turn leads to satisfaction when the product meets customer demands well. When consumers have positive feelings about a product or service, they are more likely to be loyal to that brand or business [19]. A reasonable price increases customer satisfaction by promoting enthusiasm. Still, if the costs are too high in relation to the advantages, consumers can be unhappy [6]. Customer dissatisfaction with pricing is likely to lead them to look for alternatives. Customers' levels of pleasure mediate the relationship between their loyalty and their views of price.

3.3.10 The Influence of Food Quality on Customer Loyalty Through Customer Happiness

The tenth hypothesis establishes, via consumer satisfaction, that the impact of food quality on customer loyalty is negligible. What this means is that boosting activity in Perceived Price won't make customers happier or make them more loyal. Both the t-value and the p-value for the tenth hypothesis are 1.900 and 0.058, respectively. It follows that the eleventh hypothesis cannot be true given these constraints. One common interpretation is that customer satisfaction mediates the relationship between food quality and trust [4]. Customers may be more satisfied and have a better overall dining experience if the food is delicious [19]. Customers are typically happier when they receive the best meals. Customers are more likely to form an emotional connection with a business after enjoying good food, which puts them at ease. When consumers are satisfied, they are more inclined to continue buying from that brand [19]. Customers are more likely to have a positive impression of a business, strengthen relationships, and make repeat purchases when the food is of high quality. But if the offered product isn't up to snuff, customers could not be satisfied and might even look for alternatives [21]. Therefore, the connection between high-quality food and repeat business can be better understood via the lens of consumer happiness [9].

3.3.11 The Influence of Service Quality on Customer Loyalty Through Customer Happiness

As shown in the eleventh hypothesis, customer happiness acts as a mediator between service quality and customer loyalty. Customer satisfaction rises in tandem with service quality activity, which in turn encourages more customer loyalty. Therefore, these constraints provide evidence in favour of the eleventh hypothesis. There are a lot of moving parts in the connection between satisfied customers and good service. According to [26], customer satisfaction is frequently a major consideration. Customer satisfaction is a direct result of high quality service, which includes intangibles like certainty, timeliness, and dependability [4]. client satisfaction and contentment are enhanced by the consistent delivery of high-quality service and the effective execution of client needs. Customers are more satisfied and loyal to a brand when they receive excellent customer service [21]. Satisfied consumers are more likely to return, and loyal customers are more likely to spend more money [15]. Customers' happiness and loyalty to a brand can take a nosedive if they receive subpar service [19].

3.3.12 The Influence of the Perceived Environment Quality on Customer Loyalty Through Customer Happiness

Perceived environmental quality has a positive effect on customer loyalty via customer happiness, according to the twelfth hypothesis. So, if there is an uptick in the perceived quality of the environment, it will make customers happier, which will lead to more loyalty. Therefore, the twelfth hypothesis is confirmed by these constraints. According to [4], a company's physical location has a major influence on customer loyalty. In many cases, the link between the two is the level of client happiness. According to [24], a well-designed and aesthetically pleasing physical location has a substantial impact on the comfort, appearance, and atmosphere of their entire experience. Consumers are usually more satisfied when they reach an easily accessible place. Being in an enjoyable environment is a certain way to bring about feelings of joy and optimism [19]. According to [19], consumer loyalty is strongly influenced by the level of satisfaction that comes from a pleasant physical environment. Customers are more likely to stick around if they have pleasant encounters linked to a pleasant physical space [12].

4. CONCLUSION

The study finds that perceived price, service quality, and physical environment positively influence customer loyalty, both directly and through customer satisfaction. However, food quality does not significantly impact customer loyalty. Improved pricing perception and service quality enhance customer satisfaction, leading to greater loyalty. Similarly, a better physical environment boosts customer happiness, which strengthens loyalty. In contrast, food quality shows minimal effect on satisfaction and loyalty. This research highlights the multidimensional impact of perceived pricing, service quality, and physical environment on customer loyalty, emphasizing customer satisfaction and happiness as key mediators. While food quality does not directly influence loyalty, the study underscores the critical role of service and ambiance in shaping customer experiences. It challenges the traditional product-centric focus, advocating for emotional and experiential elements in consumer behavior. The SERVQUAL model helps assess service aspects, while emotional engagement fosters stronger customer ties. For Momoyo, aligning operations with customer expectations, enhancing ambiance, and implementing loyalty programs can build trust and long-term loyalty. Momoyo should align its pricing strategy with customer expectations, ensuring that perceived value matches the quality of food, service, and ambiance. Offering value meal packages, loyalty promotions, and competitive pricing can enhance affordability while maintaining a premium image. Additionally, clear communication of its value proposition builds customer trust and encourages repeat visits.

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