



The Influence of Price and Store Atmosphere on Customer Loyalty through Customer Satisfaction at Marugame Udon Mall Taman Anggrek

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ABSTRACT

This study looks into how customer happiness at Marugame Udon, a Japanese fast food restaurant in Mall Taman Anggrek, is impacted by price and store atmosphere. Data was gathered using a questionnaire and a quantitative survey with 100 respondents. The direct and indirect correlations between the variables were tested in this study using route analysis. The findings demonstrated that, with satisfaction acting as a mediating variable, pricing and store atmosphere have a considerable impact on consumer satisfaction and loyalty. These findings highlight how crucial pricing policies and store ambiance are to creating enduring client relationships in the cutthroat food industry.

INTRODUCTION

A change in consumer preferences is reflected in the Japanese culinary industry's explosive rise in Indonesia. Marugame Udon in Mall Taman Anggrek is up against more and more competition from Jakarta's many Japanese dining options. Despite providing a genuine and engaging eating experience, the restaurant has seen a drop in patronage, as shown by missed revenue goals. According to a preliminary poll, customers were unhappy with the store's environment and cost. The purpose of this study is to investigate how price and store atmosphere affect customer happiness and loyalty, as well as to advance marketing theory and useful customer retention tactics.

LITERATURE REVIEW

Customer Loyalty

According to Griffin (2016), customer loyalty is the propensity of consumers to keep buying from and promoting a brand. Repeat business, product line exploration, recommendations, and opposition to rivals are some of its primary signs.

Customer Satisfaction

Perceived quality, pricing, and expectations all affect satisfaction, which is defined as an emotional reaction to the experience of utilizing a good or service (Irawan, 2015).

Price

Price is a measure of value and represents the sum of money spent for a product (Kotler & Keller, 2016). Price factors include perceived benefits, competitiveness, affordability, and alignment with quality.

Store Atmosphere

According to Amin (2014), store atmosphere includes the physical attributes of the environment, such as exterior appeal, interior design, and layout, which influence consumer behavior.

Based on the literature review and theoretical framework, the research hypotheses are formulated as follows:

H1: Price has a positive and significant effect on customer satisfaction

H2: Store atmosphere has a positive and significant effect on customer satisfaction

H3: Price has a positive and significant effect on customer loyalty

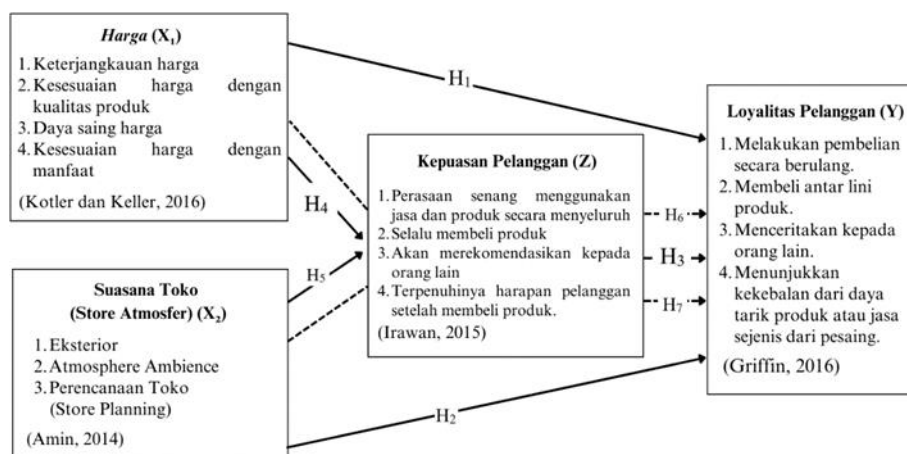
H4: Store atmosphere has a positive and significant effect on customer loyalty

H5: Customer satisfaction has a positive and significant effect on customer loyalty

H6: Price has a positive and significant effect on customer loyalty through customer satisfaction

H7: Store atmosphere has a positive and significant effect on customer loyalty through customer satisfaction

Figure 1. Conceptual Framework



METHODOLOGY

This study uses a survey method in a quantitative manner. Purposive sampling was used to choose 100 Marugame Udon customers for the sample. A standardized questionnaire with a Likert scale was used to gather data. Validity testing, reliability testing, and SPSS path analysis are among the analytical techniques.

RESEARCH RESULTS

According to descriptive study, customers have a favorable opinion of the store's atmosphere and price. The average score for price was 3.77, and the average score for store atmosphere was 4.03. Customer loyalty received a rating of 3.95 and customer satisfaction 3.99. Price and store atmosphere have a substantial direct and indirect impact on consumer happiness and loyalty, according to path analysis.

Table 1. Descriptive Analysis Results

Variable	Average Score	Category
Price	3.77	Appropriate
Store Atmosphere	4.03	Good
Customer Satisfaction	3.99	Satisfied
Customer Loyalty	3.95	High Loyalty

Path Analysis Results

Sub-Structure Equation I: Multiple Correlation Coefficient Results of the First Equation

The first model's multiple correlation analysis calculates how strongly price and retail atmosphere affect consumer satisfaction. The following table displays the correlation coefficient values:

Table 2. Multiple Correlation Coefficients of the First Equation Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.581a	.338	.324	3.721
a. Predictors: (Constant), Store Atmosphere, Price				
Source: Statistical Data Processing Results using SPSS Version 25.00, 2025				

Based on Table 4.6, the correlation coefficient (r) value of 0.581 indicates a moderately strong relationship between price and store atmosphere on customer satisfaction. This means that the more appropriate the price and store atmosphere are perceived, the higher the level of customer satisfaction at Marugame Udon, Mall Taman Anggrek.

Determination Coefficient Results of the First Equation

The determination coefficient (R²) value of 0.338 indicates that the variables price (X1) and store atmosphere (X2) together explain 33.8% of the influence on customer satisfaction (Z), while the remaining 66.2% is influenced by other factors outside the research model. The standard error value (PZε) of 0.662 represents the standard prediction error in this model, calculated as follows:

$$PZ\epsilon = (1 - R^2)$$

$$PZ\epsilon = (1 - 0.338)$$

$$PZ\epsilon = 0.662$$

Multiple Linear Regression Results of the First Equation

The first equation describes the influence of price and store atmosphere on customer satisfaction. The results of the regression analysis from SPSS are presented in the following table:

Table 3. Multiple Linear Regression of the First Equation Coefficientsa

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
1	(Constant)	10.230	3.156	3.241
	Price	.254	.078	.309
	Store Atmosphere	.367	.094	.366

Dependent Variable: Customer Satisfaction

Source: Statistical Data Processing Results using SPSS Version 25.00, (2025)

Based on Table 4.7 above, the first regression equation model is as follows:

$$Z = P_{zx1}X_1 + P_{zx2}X_2 + \epsilon_1$$

$$Z = 0,309X_1 + 0,366X_2 + 0,662$$

Interpretation of Multiple Linear Regression Results

The price variable's (X1) regression coefficient is positive, suggesting that, under the assumption that the retail environment stays the same, a suitable price can increase customer happiness. This result is consistent with research by Yulianingsih (2024), Hanif & Prakoso (2023), and Kundiarto & Suciarto (2022) that shows price has a major beneficial impact on satisfaction. b. Assuming the price stays the same, the regression coefficient for the store atmosphere variable (X2) is likewise positive, suggesting that enhancements in the quality of the store atmosphere have a positive impact on consumer satisfaction. This outcome confirms the findings of Hidayat (2020) and Putri (2022), who discovered that store atmosphere had a favorable impact on customer satisfaction.

Second Sub-Structure Path Equation

Multiple Correlation Coefficient Results - Second Equation

Multiple correlation analysis for the second model was conducted to measure the strength of the relationship among price, store atmosphere, and customer satisfaction on customer loyalty. The multiple correlation coefficient values are presented in the following table:

Table 4. Multiple Correlation Coefficients - Second Equation Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.807^a	.651	.640	3.007
<i>a. Predictors: (Constant), Customer Satisfaction, Price, Store Atmosphere</i>				
<i>Source: Statistical Data Processing with SPSS Version 25.00 (2025)</i>				

Based on Table 4.8, the correlation coefficient (r) value of 0.807 indicates a very strong relationship among price, store atmosphere, and customer satisfaction with customer loyalty. This means that the more appropriate the perceived price, store atmosphere, and satisfaction, the higher the customer loyalty at Marugame Udon, Mall Taman Anggrek.

Determination Coefficient Results - Second Equation

The coefficient of determination (R²) value of 0.651 in Table 4.28 shows that the variables price (X1), store atmosphere (X2), and customer satisfaction (Z) together explain 65.1% of the influence on customer loyalty (Y), while the remaining 34.9% is influenced by other factors outside the research model. The

standard error value ($PY\epsilon$) of 0.349 reflects the standard prediction error in this model, calculated as follows:

$$PY\epsilon = (1 - R^2)$$

$$PY\epsilon = (1 - 0.651)$$

$$PY\epsilon = 0.349$$

Multiple Linear Regression Results - Second Equation

The second equation demonstrates the influence of price, store atmosphere, and customer satisfaction on customer loyalty. The regression analysis results from SPSS are shown in the following table:

Table 5. Multiple Linear Regression - Second Equation

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	
1	(Constant)	10.230	3.156	3.241
	Price	0.410	-	-
	Store Atmosphere	0.088	-	-
	Customer Satisfaction	0.464	-	-

a. Dependent Variable: Customer Loyalty

Source: Statistical Data Processing Results using SPSS Version 25.00 (2025)

Based on Table 4.29 above, the first equation model is as follows:

$$Y = P_{yx1}X_1 + P_{yx2}X_2 + P_{yz}Z + \epsilon_2$$

$$Y = 0.410X_1 + 0.088X_2 + 0.464Z + 0.349$$

Interpretation of the Multiple Linear Regression Results Above

1. The regression coefficient for the price variable (X_1) is positive, indicating that an appropriate price increases customer loyalty, assuming store atmosphere (X_2) and customer satisfaction (Z) remain constant. This finding is consistent with studies by Abidin (2018), Algafigky (2024), and Adawiyah (2023), which confirm the positive effect of competitive pricing on customer loyalty.
2. The regression coefficient for the store atmosphere variable (X_2) is also positive, suggesting that an improvement in store atmosphere quality increases customer loyalty, assuming the price (X_1) and customer satisfaction (Z) remain constant. This result aligns with the research by Prasetya (2023) and Riyadi (2022).
3. The regression coefficient for customer satisfaction (Z) is positive, meaning that higher customer satisfaction enhances customer loyalty, assuming price (X_1) and store atmosphere (X_2) remain constant. This is supported by studies conducted by Meylisa et al. (2019) and Anggraini & Darma (2021).

Path Analysis

An extension of regression, path analysis looks at both direct and indirect associations between variables. The path analysis findings are displayed below, demonstrating the multiple regression and mediation combined model as depicted in the picture below:

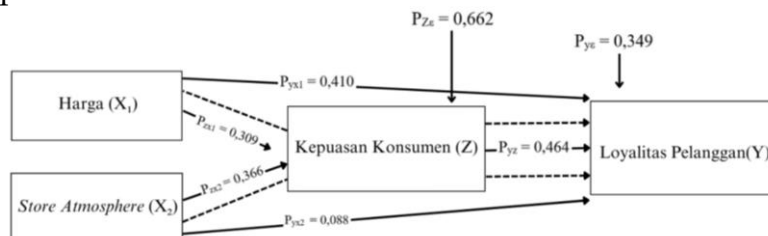


Figure 2. Path Analysis Results

Source: Processed Data, 2025

The route coefficients for price and store atmosphere's direct, indirect, and overall effects on customer loyalty through customer satisfaction were derived from Figure 4.4. Table 4.30 following provides an overview of the direct effects, indirect effects, and total effects computation results:

Table 6. Summary of Path Analysis Results

Exogenous Variable	Endogenous Variable	Direct Effect	Indirect Effect	Total Effect
Price (X1)	Customer Satisfaction (Z)	0.309	-	-
Store Atmosphere (X2)	Customer Satisfaction (Z)	0.366	-	-
Price (X1)	Customer Loyalty (Y)	0.410	0.143	0.553
Store Atmosphere (X2)	Customer Loyalty (Y)	0.088	0.169	0.257
Customer Satisfaction (Z)	Customer Loyalty (Y)	0.464	-	-
<i>Source: Statistical Data Processing with SPSS Version 25.00, 2025</i>				

Table 4.10 shows that, at 0.553 (55.3%), the pricing variable has the most overall impact on consumer loyalty, followed by store environment at 0.257 (25.7%). The relationship between these two factors and client loyalty is strengthened by customer satisfaction, an intervening variable.

1. Price has a direct effect on customer loyalty of 0.410 (41%) and an indirect effect through customer satisfaction of 0.143 (14.3%), resulting in a total effect of 0.553 (55.3%).
2. Store atmosphere has a direct effect of 0.088 (8.8%) and an indirect effect through customer satisfaction of 0.169 (16.9%), resulting in a total effect of 0.257 (25.7%).

Based on the path analysis results, price has the most dominant total effect on customer loyalty through customer satisfaction. However, since the store atmosphere is still considered suboptimal, the company should focus more on improving this aspect. Regular market research is highly recommended to better understand customer needs and to create an engaging store atmosphere that provides a pleasant shopping experience, thereby increasing customer loyalty more effectively.

Hypothesis Testing Results

The following is a summary of all hypothesis testing results based on the t-test and Sobel test:

Table 7. Summary of Hypothesis Testing Results

No	Hypothesis	Statistical Test	Decision	Conclusion
1	Customer satisfaction is positively and significantly impacted by price.	3.280 > 1.660	H ₀ rejected	Positive and significant effect
2	Customer happiness is positively and significantly impacted by store atmosphere.	3.894 > 1.660	H ₀ rejected	Positive and significant effect
3	Customer loyalty is positively and significantly impacted by price.	5.665 > 1.660	H ₀ rejected	Positive and significant effect
4	Customer loyalty is positively and significantly impacted by store atmosphere.	1.792 > 1.660	H ₀ rejected	Positive and significant effect
5	Loyalty is positively and significantly impacted by customer pleasure.	6.258 > 1.660	H ₀ rejected	Positive and significant effect
6	Price positively and significantly affects loyalty through satisfaction	2.89 > 1.96 (Sobel test)	Mediation exists	Price positively and significantly affects loyalty through satisfaction
7	Store atmosphere positively and significantly affects	3.31 > 1.96 (Sobel test)	Mediation exists	Store atmosphere positively and significantly affects

No	Hypothesis	Statistical Test	Decision	Conclusion
	loyalty through satisfaction			loyalty through satisfaction

Source: Statistical Data Processing with SPSS Version 25.00, 2025

DISCUSSION

The findings corroborate earlier research showing how environment and price affect customer behavior. Pricing that is reasonable and in line with value boosts customer satisfaction and promotes recurring business. Similar to this, a pleasant store environment creates feelings that encourage patronage. To be competitive, Marugame Udon must assess price perception and improve spatial discomfort.

CONCLUSION AND RECOMMENDATIONS

This study comes to the conclusion that consumer loyalty is greatly influenced by price and store atmosphere, with satisfaction acting as a major mediating component. It is advised that Marugame Udon maximize its pricing strategy and upgrade the physical ambiance of the restaurant to surpass patron expectations in order to increase client loyalty.

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