



## Relationship of Price, Product Quality, Service Quality, Environment, and Customer Satisfaction: An Empirical Evidence of A Waroeng Campus Nasi Bajet, Shah Alam, Selangor

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### ABSTRACT

This research aims to explore whether there is a relationship between price, product quality, service quality, environment, and customer satisfaction at the budget rice campus stall. It is very important to know the relationship between price, product quality, service quality, environment, and customer satisfaction at this restaurant. The level of competition is so tight that customer satisfaction is the top priority so that a business can compete and even dominate market share. This research involved eating places in Shah Alam, Syeksen 13 that volunteered to participate in this research with a sample of 150 customers who had visited to the restaurant at least once. The data analyzed using descriptive statistics with utilized online questionnaire distribution and IBM Statistical Package for Social Sciences (SPSS) Version 29.0 for data collection. Purposive sampling was used to target relevant professions and employees of the selected organizations. using convenience sampling methodology was used for collecting the data from respondents. Furthermore, this study shows the restaurant's ability to satisfy its patrons is positively and significantly correlated with its service quality, food quality, pricing, and physical surroundings. The most important conclusion from this research is that there is a fairly significant positive relationship between price, product quality, service quality, environment, and customer satisfaction in this restaurant with an r value of 0.339\* (p<0.01) and above, which shows that it shows how one variable influences other variables in this research. These findings' implication that eateries should concentrate more on their resources and enhance the quality of their food, services, and products, all of which can raise customer satisfaction levels.

Keywords: Price, Product Quality, Service Quality, Environment, Customer Satisfaction

### 1. Introduction

The main objective of business owners is to draw in consumers since they are the ones who drive demand. Customers play a crucial role in the success of any company as they are the ones who keep the business running. Customers are individuals who buy products or services from a company and can also be considered consumers when using a particular product or service. Building a loyal customer base is essential for a company to establish a reputable brand in the industry. Despite offering products and services, it can be challenging to meet customer expectations. Customer satisfaction can be achieved through providing a positive experience.

Ensuring customer satisfaction by providing high-quality service is crucial for creating a positive customer experience. Customers experienced both concrete and ethereal qualities. The concrete parts can easily be enhanced. Neglecting intangible factors might make it challenging to address them. A business can achieve long-term financial stability and sustainability by consistently providing high-quality services, as indicated by research findings (Keiser, 1988).

Ensuring customer satisfaction is essential for meeting the desires and requirements of customers (Hapsari et al., 2016). Customer satisfaction is considered a crucial factor in a crowded market, as companies are constantly vying for customers to stay afloat. This is due to the intense competition in the marketplace where businesses are fighting for customer loyalty (Janita & Miranda, 2013). There are various methods to define the quality of services, but they all agree that quality is crucial because it directly impacts customer satisfaction (Aga & Safakli, 2007).

Based on Edvardsson (1998), service quality is often described as meeting the expectations and fulfilling the needs of the customer. This implies that organizations, employees, and customers all value high standards of service quality. Overall, maintaining service quality and customer satisfaction is crucial for organizations to keep their services, customers, and employees. Services play a significant role in the management of businesses at various levels, including strategic, tactical, and operational. However, the execution of services primarily occurs during face-to-face interactions at the operational level (Svensson, 2003). This study will investigate the influencing factors of customer satisfaction at waroeng campus nasi bajet, Shah Alam Selangor. The satisfaction of customers is determined by their feelings of pleasure or disappointment when evaluating how well a product or service meets their expectations. Understanding customer satisfaction especially in the food and beverage business is very important, because by identifying customer satisfaction, the business will get loyal and happy customers.

## **2. Methodology**

This study utilizes correlational research methodology to examine the connection between price, product quality, service quality, environment, and customer satisfaction at Waroeng Campus Nasi Bajet in Shah Alam, Selangor. Data from different variables is collected and analyzed using correlational statistical techniques. The research methodology includes the design of the research, population and sampling, research instrument, and data analysis. The research uses a quantitative, survey-based approach, employing a convenience sampling method with 150 respondents. The data collection method involves the use of a questionnaire, which is distributed digitally and in hard copy/prints. The data collected is then analyzed using SPSS version 29.0. The study aims to provide theoretical contributions to management and consumer behavior, as well as practical implications for business owners in the food industry to enhance customer satisfaction. Consumers were required to answer 25 questions on a 5-Likert Scale, where they could rate their responses from 1 to 5: 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree, and 5 for strongly agree. The questionnaire was also piloted, and the Cronbach Alpha was found to be 0.71, indicating that the instrument was reliable.

## **3. Results and Discussion**

### **3.1. Results**

The results of the Cronbach's alpha values for the four variables under consideration are presented in Table 1. Cronbach's alpha each has for 5 items, the smallest result obtained is Price with 0.701, followed by product quality with 0.784, Service Quality 0.791, Environment 0.847. And finally with the highest result for customer satisfaction, namely 0.874, therefore this research can be considered adequate for research purposes.

**Table 1. Descriptive Analysis**

Variables	SD	MN	MAX	Skewness	Kurtosis
Price	2.62499	14.00	25.00	-1.41919	-1
Product Quality	2.56875	15.00	25.00	-2.19192	-1.11421
Service Quality	2.67581	14.00	25.00	-2.48485	-0.57868
Environment	3.16013	8.00	25.00	-3.77273	3.091371
Customer Satisfaction	2.97582	8.00	25.00	-3.82828	3.614213

Reliability is about how predictable or trustworthy a measurement is, whether it's consistent across different time points, survey questions, or individuals assessing it (Allen et al., 2014). Cronbach's alpha is a measure of reliability that determines the level of positive correlation between items within a set. The calculation of Cronbach's alpha is based on the average level of correlation among the items being measured. A higher Cronbach's alpha value indicates stronger internal consistency reliability. According to George and Mallery (2011), a structured method can be used to assess quality, with levels ranging from "Excellent" at  $\geq .9$  to "Unacceptable" at  $\leq .5$ .

**Table 2. Reliability Test**

Variables	No. of Items	Reliability
Price	5	0.701
Product Quality	5	0.784
Service Quality	5	0.791
Environment	5	0.847
Customer Satisfaction	5	0.872

The results of the correlation analysis show that there are strong favorable connections between each of the independent factors (cost, quality of products, quality of service, and atmosphere) and the outcome factor, which is customer contentment. Among these, the strongest correlation exists between environment and customer satisfaction (0.722), followed by product quality and customer satisfaction (0.639). Additionally, customer satisfaction shows significant correlations with price (0.582) and service quality (0.620). These associations are statistically significant at the 0.01 level. Essentially, the findings indicate that when customers have better perceptions of price, product quality, service quality, and atmosphere, their level of satisfaction also rises.

**Table 3. Correlation Between the Dependent Variable and Independent Variable**

Variables	Price	Product Quality	Service Quality	Quality Environment	Result
CS					
Person Correlation	0.582	0.639	0.620	0.722	Strong Positive
Sig. (2-tailed)	<0.001	<0.001	<0.001	<0.001	Strong Positive

Notes

Significant at 0.01 level of significance

Significant at 0.05 level of significance

### 3.2. Discussion

The correlation between price, the quality of the product and service, the environment, and customer satisfaction plays a vital role in the success of restaurants. Studies have consistently demonstrated that these elements greatly influence how satisfied customers are. For example, research conducted on a fast food establishment in Malaysia revealed that the physical setting, level of service, and food quality all contribute positively to customer satisfaction, with the physical setting being the most influential factor. This is supported

by other studies that emphasize the importance of a pleasant and comfortable atmosphere in enhancing customer satisfaction.

According to Sabir et al. (2014), in the realm of business, the most crucial element now is ensuring that customers are content, as their happiness can greatly influence the financial success of a company. Many researchers have spent considerable time studying customer satisfaction over the years. Initially, customer satisfaction was believed to be a reliable predictor of future purchasing behavior. Amelia & Garg (2016) noted the initial impression plays a significant role when evaluating a restaurant, alongside factors like food quality, how quickly the food is served, accuracy of the order, and the demeanor of the staff.

The restaurant's success in meeting customer satisfaction largely depends on the level of quality in both the food and service they offer. Research conducted on the dining sector revealed that customer satisfaction is significantly influenced by the caliber of the food and service provided, where superior food and service can result in higher levels of customer satisfaction. Furthermore, the price of the products offered by the restaurant also influences customer satisfaction. Studies indicate that customers are more likely to make purchasing decisions based on price compared to other factors. Additionally, the fairness of pricing plays a significant role in influencing customer satisfaction. Overall, the findings highlight the importance of balancing these factors to ensure high levels of customer satisfaction in the restaurant industry.

#### **4. Conclusion**

This study sheds light on crucial factors influencing customer satisfaction at Waroeng Nasi Bajet Campus. The importance of customer perceptions is emphasized through service quality, product quality, and environment. These findings offer valuable insights for restaurant managers to enhance their service offerings and create more satisfying dining experiences. While additional research is needed to overcome current constraints, following the suggestions provided in this study could enhance the comprehension of customer satisfaction in dining establishments. Future studies can provide robust evidence on customer satisfaction dynamics, enriching the literature in the food industry. Ultimately, efforts to comprehend and meet customer needs can lead to increased satisfaction and business success.

Future research should address several limitations identified in the current study. Firstly, there's a need for more diverse sampling methods to ensure a broader representation of the customer base. Secondly, researchers should expand the study's scope to include various restaurant locations to assess the applicability of findings across different contexts. Additionally, longitudinal studies tracking customer satisfaction over time can offer deeper insights into customer perceptions and loyalty. In the future, studies should consider the impact of digital media, use a variety of participants, use long-term research methods, and use qualitative approaches to gain a deeper insight into the subject being studied.

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