

THE INFLUENCE OF SERVICE QUALITY AND PRICE AND LOCATION ON CUSTOMER SATISFACTION AT RESTAURANT SERVICE AT EMERALD GARDEN HOTEL MEDAN

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ABSTRACT

In the current era of industry 4.0, the business world is running very rapidly, including businesses in the food sector. Quality of service is a great way to attract more new customers, retain existing customers, keep customers away, and create new and special innovations. In addition to service quality, another factor is price which affects customer satisfaction. Price is a major factor in doing business. Many businesses go out of business due to unreactive prices, assuming that customers who come to the Emerald Garden Hotel Medan have varying desires or stimuli in maintaining the service products provided, whether booking lodging, utilizing existing facilities such as meeting facilities, entertainment and others. ". Hotel Grand Emerald GARDEN Medan has 152 rooms with an average occupancy rate of 83% every day so that the population taken in this study is the personal guests of the Emerald garden hotel in April. The population taken in this study are all 450 guests who eat restaurant at the Emerald Garden Hotel Medan. taken were completed to 113 respondents, with random sampling technique. The results of hypothesis testing show that partially the service quality variable has a t-count value of 0.092 and a t-table value of 1.982. This means that the value of t count < t table (0.092 < 1.982) and the significance value is greater than the significance level (0.927 > 0.05). This means that service quality does not have a close relationship with customer satisfaction, if service quality increases or decreases, then will not affect consumer satisfaction. So, the result of this test is that service quality has no effect on customer satisfaction. So that H1 is rejected and Ho is accepted.

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1. INTRODUCTION

In the current industry 4.0 era, the business world is increasing so fast, such as businesses in the food or culinary sector. The various business businesses that are present have caused a growing number of entrepreneurs in the same field which has a very significant impact on competitiveness. Therefore, to follow such situations and conditions, entrepreneurs must be able to stand up and be quick and responsive in acting so that the business they build can develop quickly. Business owners are encouraged to be able to maintain the market and be the best. In the business of trying to be the best, entrepreneurs must be able to understand the needs and satisfaction of their customers. By knowing the needs and wants of customers, it will have an important impact on entrepreneurs in designing marketing plans so that they can get customer satisfaction and survive in market competition.

Seeing the interests of customers by knowing the desires and wishes as well as satisfaction with services is a determining factor in obtaining the success of a business in this very tight competition situation so that businesses are required to be able to provide a very important effect and can have a deep influence on customers, namely providing comfort in realistic performance with the quality of products and services provided.

Service quality is a good way to attract more new customers, keep existing customers, keep customers away and make new special innovations. Business people who prioritize effective service results will have an effect on customer desires. Good service results as a form of providing satisfaction to customers so that customers assess that they have better service than previously expected. The desire of the customer is the determining factor, the results of services that reach more to create customer desires will prove more and more precise desires. With the creation of the quality of services that have been provided so indirectly customer desires will be created.

The Influence Of Service Quality And Price And Location On Customer Satisfaction At Restaurant Service At Emerald Garden Hotel Medan. Elisabet Br Mungkur, et.al

In addition to service quality, another factor is price which affects customer satisfaction. Many businesses go out of business due to unreactive prices, assuming that customers who come to the Emerald Garden Hotel Medan have varying desires or stimuli in maintaining the service products provided, whether booking lodging, utilizing existing facilities such as meeting facilities, entertainment and others. Meanwhile for customers, offer is one of the considerations in determining the desire to buy. Product benchmarking is one of the determining factors that business owners are not typically aware of, as it can determine customer perceptions of those services and products. As a result, customers who are considering using these services and products will experience dissatisfaction after purchasing or using the products and services.

Entrepreneurs who have service businesses must be smart in determining the place of business in their entire business activities, because by determining a place that has the potential to be good and comfortable, it will benefit the entrepreneurs. Determining a place that is in a crowd or easily accessible by customers makes it a form of method that can be applied by entrepreneurs. Individuals or groups tend to choose places to eat that can be accessed close to their work. Location determinants such as: choosing a place that can be reached, around a shopping center, near a residential complex, maintained and strategic for customers, there is a place that facilitates, such as a place for vehicles and other things. A good venue ensures quick access, can attract large numbers of consumers, and has enough power to change consumer buying behavior. Customer mood and reactions are greatly influenced by the location, design and layout of service facilities. And those emotions and reactions can later lead to consumer satisfaction or dissatisfaction. Customer dissatisfaction is the customer's reaction to perceived deviation from previous expectations.

2. LITERATURE REVIEW

Service quality

Quality of service is the ability to meet the needs and expectations of consumers in a professional and efficient manner. Service quality is reflected in speed, accuracy, friendliness and communication with consumers. Good service quality can increase customer satisfaction and increase customer loyalty[1]. Good service quality can provide positive effects for organizations, such as: increasing customer satisfaction, customer loyalty and improving corporate image.

Price

Price is the amount of money that consumers have to pay to buy a product or service. Prices can influence consumer decisions about the products or services they use. Reasonable prices can increase consumer satisfaction and increase the number of customers visiting the restaurant[2]. The suitability of the price of a product is due to having a strategy to realize every desire or optimal expectation[3]. The purpose of this price is to assist the customer in finding decisions and obtaining benefits based on the power to buy, So you can determine if price has the right impact on customer satisfaction. A price is a set of values that a consumer exchanges for the amount of benefit he or she obtains from owning or using a product or service. Price is what customers look for when making a purchase. Some customers even equate price with value[4]. Based on the understanding and concept of price, the price indicators in this study are as follows selling price, price discounts, customer perceptions of value[5]

Location

A strategic location can increase restaurant accessibility for consumers and increase customer satisfaction. A location that is difficult to reach or not strategic can reduce the number of customers visiting the restaurant[6]. Location influences strategic dimensions such as flexibility, competitive positioning, demand management and strategic orientation. Location flexibility measures the ability of services to respond to situations in a changing economy[7].

3. METHOD

According to Nugroho (2010: 10), "The population is all the selected objects, the size of the population can be finite (countable) or infinite (uncountable)". According to Sugiyono (2012: 115), "Population is the conclusion drawn from the determination of researchers in the form of objects or subjects that have certain qualities and characteristics." Hotel Grand Emerald GARDEN Medan has 152 rooms with an average occupancy rate of 83% every day, so the population taken in this study is the personal guests of the Emerald garden hotel in April. The population taken in this study are all 450 guests who eat restaurant at the Emerald Garden Hotel Medan.

According to Kunchoro (2012: 123), a sample is a population or part of a population. A sample consists of a number of members selected from a population. Sampling using simple random sampling: According to Riduan and Kuncoro (2012: 41), simple random sampling can be considered homogeneous (A method of sampling members of a population (of one species). among the members of the population. A minimum sampling technique that uses the solvency technique formula when the population is known. That is:

$$n = \frac{N}{1 + N \cdot e^2}$$

Description:

N :Population

n :Sample

e :Estimated error rate

The population (N) is known to be 450 people and the precision or error rate is set to 25%. So the number of samples will be:

$$n = \frac{450}{1 + 450(25\%)^2}$$

$$n = \frac{900}{11} = 113$$

Therefore, the sample was standardized to 113 respondents using random sampling techniques. The sample for this survey consisted of her 113 respondents with the following information:

Table 1 Research Samples Based on Age

No	Age	Number of Respondents
1.	<20 Year	24
2.	>50 Year	8
3.	20-30 Year	62
4.	31-40 Year	16
5.	41-50 Year	3
Total		113

Table 2 Samples of Research Based on Education

No	Education	Number of Respondents
1	Diploma	21
2	S1/S2/S3	39
3	Senior High School	51
4	Junior High School	2
Total		113

Table 3. Research Samples Based on Occupation

No	Occupation	Number of Respondents
1	Private employees	34
2	Student	50
3	government employees	3
4	Self-employed	26
Total		113

Table 4 Income Based Research Samples

No	Income	Number of Respondents
1.	<Rp. 500.000	39
2.	≥Rp500.00 – Rp 1.000.000	9
3.	Rp3.500.000	19
4.	Rp1.500.000 – Rp 2.000.000	15
Total		113

Table 5 Research Samples Based on Purchases

No	Purchases	Number of Respondents
1	Two times	31
2	One times	64
3	Three times/more	18
Total		113

Operational Definition

The operational definition is an intention formed by the researchers regarding the meaning contained in the problem of the researcher which aims to synchronize the assumptions between the researcher and the research subject. The operational definition in this study is as follows.

Table 6. Operational Definitions

No	Variable	Definitions	Indicators	Scala
1	Service quality (X1)	Ability to meet consumer needs and expectations in a professional and efficient manner	1. Tangible 2. Reliability 3. Response 4. CertaintyEmpaty	<i>likert</i>
2	Price (X2)	The amount of money that must be paid by consumers to buy a product or service	1. Price of services 2. Discounts 3. Assessment	<i>likert</i>
3	Location (X3)	The place where a business or business activity is carried out	1. Affordability. 2. Smoothness, proximity to his residence.	<i>likert</i>
4	Consumer Satisfaction (Y)	Consumers' positive or negative evaluation of the products or services they use	1. Service Quality 2. Price 3. Location	<i>likert</i>

Research Instruments

Research instruments were measured using the Likert scale. Likert scales are scales used to measure the attitudes, opinions, and perceptions of individuals or groups of people towards social phenomena. Responses to each instrument item using a Likert scale ranging from very positive to very negative[8]

Table 7 Linear scale

Criteria	Score
Strongly disagree	1
Disagree	2
Undecided	3
Agree	4
Disagree	5

Source: Sugiyono (2012:133)

The definition of a variable according to Kuncoro (2012:41) is something that can differentiate or change values. Different values at different times for the same object or person, and different values for different objects or people at the same time.

In this study, the authors used two variables, namely as follows:

- An independent variable (X) is a variable that can affect changes in the dependent variable and later has a positive or negative relationship to the dependent variable. The study uses quality of service (X1), price (X2), and location (X3) as independent variables.
- The dependent variable (Y) is the variable on which the observations are focused. Observations can predict or explain variables and subsequent changes in the dependent variable. In this study, the dependent variable is consumer satisfaction (Y).

Test Measurement Scale

1) Validity test

$$r_{xy} = \frac{N \sum xy - (\sum x)(\sum y)}{\sqrt{N \sum x^2 - (\sum x)^2} \sqrt{N \sum y^2 - (\sum y)^2}}$$

Information::

Rxy = Correlation Coefficient between X and Y

N = Number of Respondents

X = Score of Questions per number

Y = Total Score Number of Questions

a. If the value of r count (pearson correlation) < r table then the statement is said to be invalid.

b. If the value of r count (Pearson correlation) > r table then the statement can be said to be valid.

c.

2) Reliability Test

$$r_{11} = \left(\frac{n}{n-1} \right) \left(1 - \frac{\sum a_t^2}{a_t^2} \right)$$

Information :

r11 = Reliability coefficient

n = Number of question/statement items

$\sum a_t^2$ = The number of grain variants

a_t^2 = Total variance

One of the reliability test methods is the Cronbach's Alpha method (Sugiarto in Elkunny, 2020). With this method the variable is considered reliable if the alpha coefficient is > 0.70 (above 0.70).

3) Descriptive Statistics Test

Table 8 Mean Intervals

Intervals	Category of Results
1 (00-1.80)	Very low.
2 (81-2.61)	Low.
3 (62-3.42)	Currently
4 (43-4.23)	High.
5 (24-5.00)	Very High.

Source: Results of author data processing based on Journal 2023

4) Pearson Correlation Test

$$r_{xy} = \frac{\sum xy - \frac{(\sum x)(\sum y)}{n}}{\sqrt{\left(\sum x^2 - \frac{(\sum x)^2}{n} \right) \left(\sum y^2 - \frac{(\sum y)^2}{n} \right)}}$$

Information:

rxy = Pearson Correlation Coefficient

X = X Variable Score

Y = Y Variable Score

5) T Test

The partial test in this research data uses a significance level of 0.01. With a significance level of 10%, the test criteria are as follows:

1. A significant value < 0.05 and t count > t table means that there is a significant effect on the dependent variable among the independent variables.
2. A significance value > 0.05 and t count table means that there is no significant effect between the independent variables on the dependent variable.

6) Determination Coefficient Test

The coefficient of determination test according to Ghazali (2016: 171) is used to find out how much influence the independent variables have on the dependent variable $Y' = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$ which ranges from 1 to 100 or if used as a percentage is 1% to 100%. Where the greater the determination, the better or it can be stated that the variable (X) can affect the dependent variable (Y)

7) Multiple linear regression

$$y = a + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e$$

Information:

Y = Consumer Satisfaction

a = Constant

β_1x_1 = Service quality

β_2x_2 = Price

β_3x_3 = Location

e = Error

8) F Test

The following is the simultaneous application of the hypothesis of the independent variable and the dependent variable:

- H0: The effect of Service Quality (X1), Price (X2) and Location (X3) simultaneously has no significant effect on Consumer Satisfaction (Y).
- H1: The effect of service quality (X1), price (X2) and location (X3) simultaneously has a positive and significant effect on consumer satisfaction (Y).

4. RESULT AND DISCUSSION

A. The Effect of Service Quality on Consumer Satisfaction in Restaurant Service at the Emerald Garden Hotel Medan

The results of hypothesis testing show that partially the service quality variable has a t-count value of 0.092 and a t-table value of 1.982. This means that the value of t count < t table (0.092 < 1.982) and the significance value is greater than the significance level (0.927 > 0.05). This means that service quality does not have a close relationship with customer satisfaction, if service quality increases or decreases, then will not affect consumer satisfaction. So, the result of this test is that service quality has no effect on customer satisfaction. So that H1 is rejected and Ho is accepted.

B. The Effect of Price on Consumer Satisfaction in Restaurant Service at the Emerald Garden Hotel Medan

The results of hypothesis testing show that partially the price variable has a t-count value of 0.1851 and a t-table value of 1.982. This means that the value of t count < t table (0.1851 < 1.982) and the significance value is greater than the significance level (0.067 > 0.05). This means that prices do not have a close relationship with consumer satisfaction, if prices increase or decrease, then there will be no affect consumer satisfaction. So, the result of this test is that price has no effect on consumer satisfaction. So that H2 is rejected and Ho is accepted.

C. The Effect of Location on Consumer Satisfaction in Restaurant Service at the Emerald Garden Hotel Medan

The results of hypothesis testing show that partially the price variable has a t-count value of 7.867 and a t-table value of 1.982. This means that the t count > t table (7.867 > 1.982) and the significance value is smaller than the significance level (0.000 < 0.05).). This means that location has a close relationship with customer satisfaction, because an increasing location can certainly increase customer satisfaction. So, the result of this test is that location has an effect on customer satisfaction. So that H3 is accepted and Ho is rejected.

D. The Effect of Service Quality, Price, and Location on Consumer Satisfaction in Restaurant Service at the Emerald Garden Hotel Medan

The results of hypothesis testing indicate that simultaneously the variables of service quality, price and location affect customer satisfaction. It can be seen that the calculated F value is 885,307 and the significance value is lower than the significance level (0.000 < 0.05), then H4 is accepted and Ho is rejected. So that network quality, price, and location simultaneously influence consumer satisfaction

5. CONCLUSION

This research was conducted to determine the relationship of network quality, price and location to customer satisfaction at Restaurant Service at the Emerald Garden Hotel Medan. In this study, the independent variable (X) or independent variable is network quality, price, and location. Meanwhile, the

dependent variable (Y) or the dependent variable is consumer satisfaction. Based on the results of research data processing carried out using SPSS (Statistical Package for Social Science), the following conclusions are obtained: Service quality has no effect on customer satisfaction at Restaurant Service at the Emerald Garden Hotel Medan. Price has no effect on customer satisfaction at Restaurant Service at the Emerald Garden Hotel Medan. Location has an effect on customer satisfaction at Restaurant Service at the Emerald Garden Hotel Medan. Network quality, price, and location have a simultaneous effect on customer satisfaction at Restaurant Service at the Emerald Garden Hotel Medan.

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