

# Enhancing Customer Loyalty among Small-Scale Indonesian Food Enterprises in Surabaya through Service Quality, Marketing Mix, and Customer Satisfaction

Monika Kristanti<sup>1</sup>, Herry Christian Palit<sup>2</sup>, Debora Anne Yang Aysia<sup>3</sup>, Apfia Priskila<sup>4</sup>

<sup>1</sup> Petra Christian University [mkrist@petra.ac.id](mailto:mkrist@petra.ac.id)

<sup>2</sup> Petra Christian University [herry@petra.ac.id](mailto:herry@petra.ac.id)

<sup>3</sup> Petra Christian University [debbie@petra.ac.id](mailto:debbie@petra.ac.id)

<sup>4</sup> Petra Christian University

**Abstract:** This study aims to enhance customer loyalty among small-scale Indonesian food enterprises (SIFE) in Surabaya by examining the factors of service quality, marketing mix, and customer satisfaction. The research involved a total of 460 respondents affiliated with 50 small-scale Indonesian food enterprises in Surabaya. The respondents were required to be at least 17 years old, and the enterprises were expected to specialize in selling Indonesian food within the price range of IDR 8000 to IDR 25,000. The data was analyzed using two methods: factor analysis and structural equation modeling employing GeSCA. The findings indicate that both service quality and marketing mix exert significant influence on customer satisfaction. Furthermore, service quality directly and significantly impacts customer loyalty, whereas the direct influence of marketing mix on customer loyalty is not statistically significant. Notably, customer satisfaction significantly affects customer loyalty, acting as a mediator that links the variables of service quality, marketing mix, and customer loyalty within SIFE.

Keywords: Customer Loyalty, Customer Satisfaction, Marketing Mix, Service Quality.

## 1. INTRODUCTION

Food and beverage service activities can serve as iconic representations of a region, often exemplified by the local cuisine that significantly impacts the satisfaction of tourists when exploring the area. In the context of developing food and beverage service endeavors in Indonesia, particularly within the realm of small-scale Indonesian food enterprises (SIFE), it is imperative to establish both high-quality service standards and an effective marketing mix [1]. This dual approach aims to not only provide customers with exceptional experiences but also to encourage repeat visits.

Past research has delved into the interconnected dynamics of service quality, customer satisfaction, and customer loyalty. Previous findings have consistently demonstrated the positive influence of service quality on customer satisfaction. This, in turn, fosters a sense of loyalty among customers, substantiating the pivotal role of customer satisfaction as a mediating factor between service quality and customer loyalty [3], [4], [5]. Additionally, there exists a body of work exploring the correlations among service quality, customer satisfaction, and customer retention. These investigations reveal that diverse dimensions of service quality significantly contribute to customer satisfaction and retention. Moreover, the interplay between service quality and customer satisfaction is bolstered by the mediating effect of customer satisfaction on the relationship between service quality and customer retention [6].

Beyond the intricate interplay between service quality, customer satisfaction, and customer loyalty, recent studies have delved into the intricate connection between marketing mix strategies, customer satisfaction, and customer loyalty. Notably, Mustaqimah, Hartoyo, and Nurmalina [7] identified variables within the marketing mix, such as products, pricing, and promotions, as impactful determinants of customer satisfaction and loyalty. Another noteworthy discovery highlights the direct and significant impact of customer satisfaction on customer loyalty. Furthermore, Amadi [8] thoroughly examined the influence of marketing mix components on both customer satisfaction and loyalty. The study affirmed the constructive contributions of product, promotion, pricing, and placement to enhancing both customer satisfaction and loyalty.

Given the culmination of prior research and the critical role of small and medium enterprises, like SIFE, in driving economic growth, this study aims to probe several key aspects. Firstly, it endeavors to ascertain the substantial and affirmative impact of service quality and marketing mix on customer satisfaction. Secondly, it seeks to establish the direct link between customer satisfaction and customer loyalty. Lastly, it intends to explore the mediating function of customer satisfaction in the complex relationships between service quality, marketing mix, and customer loyalty.

## **2. LITERATURE REVIEW**

### **A. Indonesian Food**

Chang, Kivela, and Mak [9], as well as Nummedal and Hall [10], conceptualized local food as a representation of indigenous cuisine cultivated and produced within a specific locale, embodying the distinct identity of the place or region where it originates. Expanding on this notion, Sims [11] emphasized that the term 'local' encompasses a spectrum of values encompassing social, environmental, and quality considerations. These very criteria constitute the essence of culinary tourism, offering customers the opportunity to partake in [12] unique gastronomic experiences. Beyond its geographical origin and production site, local food intricately intertwines with the demonstration of local culture and history. This multifaceted integration not only renders the food marketable but also encapsulates an alluring local identity that patrons can personally encounter [13].

Indonesia stands as a reservoir of numerous local dishes, each brimming with distinctive attributes that collectively forge its remarkable culinary identity [13]. Indonesian local cuisine boasts unparalleled uniqueness, representing regional cultures through a rich array of spices, ingredients, and culinary techniques. Paradoxically, while Indonesian cuisine has been a topic of prolonged discourse among culinary experts, consensus on its definition remains elusive. Indonesian food is a fusion of myriad related yet distinct styles harmoniously melded into a unified whole [14].

### **B. The Effect of Service Quality to Customer Satisfaction and Customer Loyalty**

Customers' decision-making processes and purchasing behaviors are intrinsically tied to their assessment of the overall experience associated with a service or product. Notably, the impact of service quality on customer satisfaction bears profound significance for a company's success. While optimal service quality can engender heightened customer satisfaction, instances where service performance falls short of customer expectations can lead to discontent [3].

As expounded by Tsai et al., and supported by Lisnawati and Astawa [4], service quality encompasses the evaluation and measurement of the congruence between the delivered service and the recipient customer's anticipations. It entails a customer's judgment of a product's comprehensive excellence, predicated on the alignment with their distinct needs and desires for a particular degree of quality [5].

A pivotal contribution to the evaluation of service quality arrived through the development of the SERVQUAL measurement instrument [16], subsequently adapted into DINESERV by [17] for appraising restaurant service quality. DINESERV, derived from SERVQUAL, presents a dependable and relatively straightforward mechanism for gauging patrons' perceptions of a restaurant's quality. Comprising 29 items evaluated on a seven-point scale, DINESERV items are distributed across five dimensions of service quality. Tangibles pertain to the physical ambiance of the restaurant, staff presentation, and overall cleanliness. Reliability encompasses aspects such as food freshness, temperature, accurate billing, and order accuracy. Responsiveness pertains to staff assistance with menus, prompt response to customer requests, and concerns. Assurance encapsulates the trustworthiness of staff recommendations, confidence in food safety, and the freedom to express concerns. Empathy reflects personalized customer attention, including anticipating special dietary requirements and displaying empathy towards customer concerns [17], [18].

In alignment with the collective research from [3][4][5][6], it is definitively established that service quality exerts a significantly positive influence on customer satisfaction. This assertion lays the foundation for the following hypothesis:

H1a: Service quality exerts a positively significant impact on customer satisfaction.

Bichler et al., Rafdinal and Suhartanto, Anyasor and Njelita, and Dhanasekarana and Anandkumar [4] underscore that elevated service quality directly impacts the perceived value of a service, alleviating apprehensions and skepticism among clients, thereby elevating the likelihood of recurrent service requests from the same source. This cycle of service repetition signifies client contentment and serves as a testament to robust customer loyalty toward the establishment. Drawing support from the research conducted in [4] and [5], it is substantiated that service quality significantly influences customer loyalty. Consequently, the following hypothesis is proposed:

H1b: Service quality exerts a positively significant impact on customer loyalty.

### **C. The Effect of Marketing Mix to Customer Satisfaction and Customer Loyalty**

The concept of marketing mix stands as a cornerstone in modern marketing strategies. Within this framework, a collection of tactical marketing tools are orchestrated by companies to elicit desired responses from their target market. Marketing mix encompasses all the actions a company can take to engage consumers and provide them with customer value. These myriad possibilities converge into four key categories known as the four Ps: product, price, promotion, and place [8], [21]. These components intricately culminate in the enhancement of both customer satisfaction and loyalty [8].

Product signifies the amalgamation of goods and services that a company presents to the receptive market segment willing to make a purchase [19], [21]. Particularly in the context of restaurants, the fundamental product pertains to the provision of food services. However, this encompasses a comprehensive spectrum including taste, hygiene, freshness, healthiness, efficiency, and variety—attributes intertwined with the dining experience [19].

Price quantifies the monetary sum customers are required to expend to acquire a product. The price point significantly shapes customers' choices to procure products and services, as it often correlates with perceived quality [19], [21], [23].

Place denotes the activities undertaken by a company to ensure timely availability of its products to the intended consumers [19], [21]. It is an expectation that businesses are easily accessible and conveniently located to cater to customers' needs [23].

Promotion encompasses efforts directed at conveying the merits of a product and persuading prospective customers to make purchases. This encompasses branding, advertising, public relations, corporate identity, social media engagement, sales management, special offers, sales promotions, public relations activities, and participation in exhibitions. Effective promotional strategies not only capture attention but also maintain consistency in messaging and, most importantly, provide customers with a compelling reason to prefer the product over competitors' offerings [19], [21], [23].

A proficient marketing strategy harmoniously weaves the elements of the marketing mix into an integrated program aimed at achieving the company's marketing objectives by engaging consumers and delivering value. This strategic toolkit empowers companies to establish robust market positioning [21].

Drawing from the theories and research in [7] and [8], it becomes apparent that the marketing mix significantly and positively influences customer satisfaction. However, it's important to note that the marketing mix does not directly impact customer loyalty. Instead, the positive influence of the marketing mix on customer loyalty is mediated through customer satisfaction. This insight underpins the following hypotheses:

H2a: Marketing mix exerts a positively significant impact on customer satisfaction.

H2b: Marketing mix does not exert a positively significant impact on customer loyalty.

### **D. The Effect of Customer Satisfaction to Customer Loyalty**

Empirical research, including studies conducted by [3], [4], [5], [7], and [8], has consistently affirmed the direct influence of customer satisfaction on customer loyalty. Customer satisfaction can be defined as an overarching evaluation of a product or service, shaped by the cumulative experience of purchasing and using it over time, in relation to whether the service performance meets or surpasses the customer's expectations [3], [5], [6]. An effective strategy for companies to cultivate both customer satisfaction and loyalty lies in delivering high-quality products and services. Contented customers are more inclined to make repeat purchases and evolve into loyal

patrons. Furthermore, they actively endorse the company's offerings to others and display reduced price sensitivity. The positive experiences of satisfied customers translate into recommendations and a propensity to stick with a brand rather than switching to alternatives [3].

As elucidated by [20], the assessment of customer satisfaction is often categorized into three principal attributes: those tied to the product, those linked to services, and those associated with the purchasing process. Product-related attributes encompass both tangible and intangible facets such as product variety and appearance. Service-related attributes span warranty, delivery, complaint handling, and issue resolution. Purchase-related attributes encompass factors pertinent to the pre-purchase and purchase phases, including courtesy, communication, convenience, company reputation, and competence.

Recognizing the pivotal role of customer loyalty in an organization's prosperity, it is acknowledged that loyal customers contribute to business growth even more swiftly than sales and marketing efforts [4], [5]. Customer loyalty emerges as a consequence of positive customer experiences and overall satisfaction with the organization [15]. Notably, [22] identifies repurchase intention and positive word-of-mouth as key indicators of customer loyalty.

Building on the comprehensive research presented in [3], [4], [5], [7], [8], it becomes evident that customer satisfaction serves as a mediating factor between service quality, marketing mix, and customer loyalty. Specifically, [5], [6] illuminate how customer satisfaction acts as an intermediary between service quality and customer loyalty. Similarly, [7], [8] highlight customer satisfaction's role as a mediating agent between marketing mix strategies and customer loyalty. These findings underpin the formulation of the following hypotheses:

H3: Customer satisfaction exerts a positively significant impact on customer loyalty.

H4: Customer satisfaction functions as a mediating factor between service quality, marketing mix, and customer loyalty.

### **3. METHODS**

The questionnaire was meticulously crafted based on insights drawn from the preceding literature review, structured around a 7-point Likert scale. It was thoughtfully divided into five distinct sections. The initial section encompassed the demographic characteristics of the study sample. Following this, the second section encapsulated variables associated with service quality. The third section featured statements pertaining to the marketing mix, while the fourth section focused on variables concerning customer satisfaction. Finally, the last section contained statements concerning customer loyalty.

Assessment of service quality was guided by the DINESERV model proposed by [17] and [18], which comprises reliability, tangibility, responsiveness, assurance, and empathy dimensions. In tandem, the dimensions of the marketing mix—product, price, place, and promotion—outlined in [21], constituted the basis for evaluating marketing mix in this study. Drawing from [20], the attributes of customer satisfaction were categorized into those relating to the product, those tied to service, and those associated with the purchase process. To measure customer loyalty, indicators from [22], specifically focusing on repurchase intention and positive word-of-mouth, were incorporated.

The target demographic for this study encompassed all customers who had patronized 50 Small-Scale Indonesian Food Enterprises (SIFE) in Surabaya, East Java, Indonesia. Participants were required to be a minimum of 17 years old and have dined at the respective SIFE on at least two occasions. The selection of these 50 SIFE adhered to specific criteria and covered four distinct regions within Surabaya: central, east, west, and south. In total, 500 questionnaires were evenly disseminated across these SIFE establishments. A notable 460 questionnaires were successfully collected, completed, deemed valid for analysis, yielding an impressive response rate of 92 percent.

To analyze the amassed dataset, this study harnessed the power of both factor analysis and GeSCA. GeSCA stands as one of the advanced methodologies within the realm of Structural Equation Modeling. Factor analysis played a pivotal role in streamlining the dataset into a condensed set of overarching variables. This analytical technique not only served the purpose of data reduction but also probed into the underlying theoretical structure of the phenomena at hand, further elucidating the interrelationships among different variables [3].

#### 4. RESULT & DISCUSSION

An examination of the descriptive data reveals that 55% of the participants identified as male, while 45% identified as female. Among the age groups, around 40% of respondents fell within the 17–25 years bracket, followed by 23% in the above 25–35 range, 20% in the above 35–45 range, and 17% in the above 45–55 range. The participants exhibited diverse educational backgrounds: 45% held senior high school degrees, and 37% had undergraduate degrees. In terms of frequency, 52% of respondents had visited certain SIFE more than five times. In terms of monthly income distribution, the majority fell under IDR 2,500,000, with 28% falling within the IDR 2,500,000 – 3,999,999 range. Occupation-wise, most participants were employed in the private sector (30%), followed by entrepreneurs (28%), and students (27%).

The factor analysis encompassed the Kaiser-Meyer Olkin (KMO) test, Bartlett's Test, and Anti-Image Correlation. This research focused on applying factor analysis to the independent variables of the study: service quality, marketing mix, and customer satisfaction. The analytical criteria involved assessing whether the KMO value exceeded or equaled 0.5, Bartlett's test was significant at a level lower than 0.05, and the measure of sampling adequacy (MSA) was greater than or equal to 0.5. Based on the outcomes of these three tests, all collected data were deemed suitable for further analysis. This involved a series of subsequent steps, including an exploration of communalities, total variance explained, and the component matrix. The data underwent a reduction process and was then analyzed using GeSCA.

The structural analysis of the model unfolded in three sequential steps: the outer model, the structural model, and the fit model. The outer model analysis encompassed the assessment of convergent validity, composite reliability, and the Average Variance Extracted (AVE) value. Convergent validity indicated that all data points were deemed suitable for further analysis, as each loading factor exceeded the 0.7 threshold. This assessment was followed by an examination of AVE and composite reliability. The reliability of latent variables is displayed in Table 1.

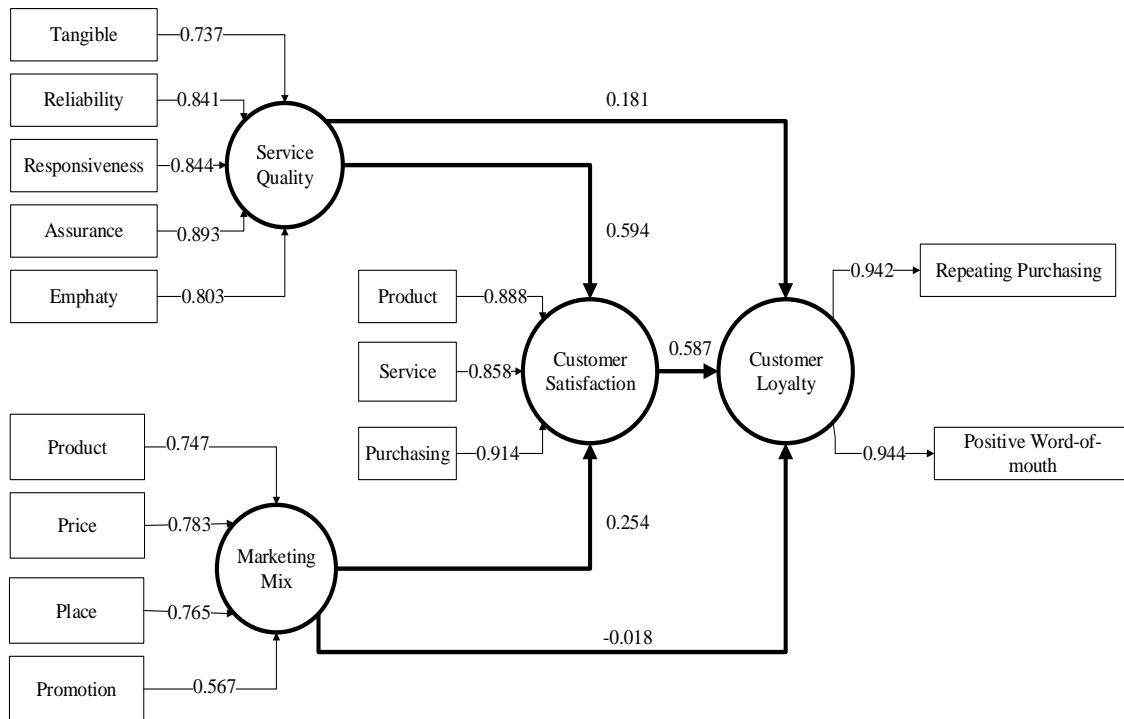
**Table 1. Reliability of latent variables**

Variable	AVE	Cronbach Alpha
Service Quality	0.681	0.882
Marketing Mix	0.520	0.686
Customer Satisfaction	0.787	0.865
Customer Loyalty	0.889	0.875

The reliability of the four latent variables can be deemed satisfactory, as all latent variables exhibit an Average Variance Extracted (AVE) of  $\geq 0.5$  and a Cronbach's Alpha of  $\geq 0.6$ . Illustrated in Figure 1, the five facets of service quality—namely tangibility, reliability, responsiveness, assurance, and empathy—adequately account for the construct of service quality (loading factor  $\geq 0.5$ ). Among these, assurance emerges as the dimension with the greatest explanatory power (loading factor = 0.893). Assurance entails the small-scale Indonesian food enterprises' capacity to instill customer trust while demonstrating employee knowledge and courtesy. The most influential indicator within the assurance dimension pertains to employees adeptly and accurately addressing customer inquiries (81%).

The four dimensions encapsulating the marketing mix—product, price, place, and promotion—demonstrate strong explanatory prowess (loading factor  $\geq 0.5$ ). Price stands out as the dimension with the highest explanatory capability (loading factor = 0.783). Within the price dimension, the most influential indicator pertains to the appropriateness of food prices in relation to portion size (84%). Pricing strategies that offer optimal value to consumers can significantly contribute to their satisfaction, thus fostering increased loyalty towards Small-Scale Indonesian Food Enterprises (SIFE). Customers have expressed contentment with the portion-to-price ratio,

especially within the range of 8,000 to 25,000 rupiahs. This observation aligns with the demographic characteristics of the respondents, with a majority (64%) reporting a monthly income of less than 4 million rupiahs.



**Figure 1. Structural Model**

The validity of the three customer satisfaction dimensions—product, service, and purchasing—is well-established (loading factor  $\geq 0.5$ ). Among these, the dimension that most significantly contributes to explaining customer satisfaction is satisfaction with the purchasing experience (loading factor = 0.914). Within this dimension, the most influential indicator is courtesy and communication, constituting a substantial 90.5%. This underscores the satisfaction customers derive from the employees' courteousness and the quality of communication, including the information shared about Small-Scale Indonesian Food Enterprises (SIFE).

Two particularly strong indicators underpin the concept of customer loyalty. These are the intention to repurchase (loading factor = 0.942) and positive word-of-mouth (loading factor = 0.944). The prevalence of these indicators is corroborated by the demographic characteristics of respondents, a significant portion (52%) of whom have dined at the same small-scale Indonesian food enterprises more than five times. Furthermore, a substantial proportion (41%) have recommended these enterprises to friends and family for visits. These trends affirm the manifestation of customer loyalty through repeated patronage and advocacy.

**Table 2. Path coefficient structural model**

Path	Coefficient	CR	Result
Service quality → Customer loyalty	0.181	2.36*	Accepted
Service quality → Customer satisfaction	0.594	14.12*	Accepted
Marketing mix → Customer loyalty	-0.018	0.39	Rejected
Marketing mix → Customer satisfaction	0.254	5.58*	Accepted
Customer satisfaction → Customer loyalty	0.587	8.73*	Accepted

\*) significant at .05 level or  $CR \geq 2$

Table 2 reveals that service quality directly impacts customer loyalty in the context of small-scale Indonesian food enterprises (SIFE). This observation is congruent with findings from prior research by [4] and [5], which underline

the direct influence of service quality on customer loyalty. This correlation can be attributed to the fact that customers are more likely to exhibit loyalty when they encounter superior service quality within the realm of small-scale Indonesian food enterprises. This trend can persist even if customers are not entirely satisfied, either due to a lack of alternatives or because they visit these enterprises out of necessity rather than for satisfaction. Another contributing factor is that customers might possess realistic expectations when dining at small-scale food establishments, which influences their perception of service quality.

Conversely, the findings concerning the marketing mix align with the research conducted by [7] and [8]. This research reveals that the marketing mix does not exert a direct impact on customer loyalty. Instead, the pathway to customer loyalty involves customer satisfaction as an intermediary. In the SIFE context, numerous respondents voiced concerns about food consistency, menu variety, pricing, and food appearance. This implies that even if the elements of the marketing mix—product, price, place, and promotion—are satisfactory, they do not necessarily lead to customer loyalty unless customer satisfaction is achieved. The loyalty of SIFE patrons is predicated on their holistic experience, encompassing the tasting of food, the receipt of commendable service quality, and culminating in overall satisfaction.

The results further underscore that both service quality and marketing mix positively influence customer satisfaction. This outcome resonates with statements made by various researchers, emphasizing the influence of service quality [3], [4], [5], [6] and marketing mix [7], [8] on customer satisfaction. It can thus be inferred that elevating service quality and optimizing the marketing mix contribute to heightened levels of customer satisfaction. The dimensions of service quality—responsiveness, tangibility, empathy, reliability, and assurance—are all instrumental in meeting customer expectations and achieving the desired satisfaction within SIFE. Service quality's impact lies in its ability to not only meet but also exceed consumer expectations, thereby fostering a sense of contentment.

Similarly, the marketing mix—comprising product, price, place, and promotion—plays a crucial role. When the price is perceived as reasonable and commensurate with value, the product boasts quality and ample menu variety, the promotion aligns with promises, and the place offers convenience, the collective effect amplifies customer satisfaction.

Importantly, customer satisfaction emerges as a key predictor of customer loyalty in small-scale Indonesian food enterprises. It also functions as an intermediary variable, connecting service quality and marketing mix to customer loyalty. This insight is consistent with research conducted by [5] and [6], highlighting customer satisfaction's mediating role between service quality and customer loyalty, as well as research by [7] and [8], underlining its role as a mediator between marketing mix and customer loyalty. In the SIFE context, the presence of customer satisfaction as a mediating factor strengthens the relationship between service quality, marketing mix, and customer loyalty. This diverges from [4]'s findings, where the direct effect of service quality on customer loyalty was more pronounced. Instead, the interplay of these factors in SIFE, mediated by customer satisfaction, creates an intricate web of influence. Consequently, SIFE must adeptly understand customer needs, deploy effective service quality and marketing mix strategies, and address customer satisfaction to foster loyalty. The synergy of service quality and marketing mix serves as a magnet, drawing in customers, solidifying their satisfaction, and nurturing loyalty towards SIFE. This underscores that by delivering exceptional service quality and optimizing the marketing mix, SIFE can generate satisfied patrons, translating into heightened customer loyalty.

## **5. CONCLUSION & RECOMMENDATION**

### **A. Conclusion**

The study findings underscore several key relationships within the context of small-scale Indonesian food enterprises:

Firstly, both service quality and marketing mix wield significant influence over customer satisfaction. Moreover, service quality independently yields a noteworthy impact on customer loyalty. In contrast, the marketing mix does not exert a direct effect on customer loyalty. Instead, customer satisfaction emerges as a pivotal link, acting as a mediator that effectively connects service quality and marketing mix to customer loyalty. This pivotal role of customer satisfaction is highlighted by its capacity to explain approximately 62.5% of the variations in customer satisfaction and about 52.1% of the variations in customer loyalty.

Furthermore, when dissecting the dimensions that best encapsulate these concepts, the dimension of assurance stands out as the most apt descriptor for service quality. Within this dimension, the indicator that resonates most is the employees' ability to engender comfort and confidence in customers. Turning to the marketing mix, the price dimension emerges as the most relevant, with the indicator of appropriate food pricing in relation to portion size being the standout.

Equally significant is the dimension of customer satisfaction, where satisfaction with the purchase process emerges as the prime descriptor. This dimension is illuminated by indicators such as courtesy and communication, which play a pivotal role in shaping customer contentment.

In contrast to customer satisfaction, the construct of customer loyalty does not manifest distinct dimensions. Instead, the two indicators—intention of repurchase and positive word-of-mouth—hold exceptional sway in explaining customer loyalty. These indicators serve as powerful catalysts in nurturing loyalty among patrons.

In sum, the study underscores the intricate interplay between service quality, marketing mix, customer satisfaction, and customer loyalty in the context of small-scale Indonesian food enterprises. It underscores the potency of customer satisfaction as a mediating force, with specific dimensions and indicators playing instrumental roles in shaping these relationships. This comprehension paves the way for strategic recommendations to enhance the performance of these enterprises and cultivate lasting customer loyalty.

## **B. Recommendation**

To enhance the performance and foster lasting customer loyalty within small-scale Indonesian food enterprises, a series of targeted recommendations are proposed. These recommendations revolve around refining service quality and optimizing the marketing mix to create a compelling and satisfying dining experience for patrons.

### **1. Elevating Service Quality**

One of the fundamental pillars for success lies in ensuring a comfortable and enjoyable dining environment. To achieve this, proprietors are advised to reconfigure seating arrangements and other furnishings, thereby providing a sense of ease to customers during their meals. Furthermore, maintaining a consistent taste profile of the food offerings over time is essential to building customer trust and loyalty. A meticulous approach to billing accuracy enhances transparency and reinforces the bond of trust between customers and the establishment. Moreover, precise order fulfillment ensures that dishes are served precisely as customers requested, reducing any discrepancies and enhancing overall satisfaction. Notably, during peak hours, the imperative of prompt service remains unchanged; strategies must be in place to cater to customer needs efficiently. The commitment to efficient service during busy periods underscores the enterprise's dedication to ensuring consistent quality, regardless of the operational tempo.

### **2. Optimizing Marketing Mix**

To solidify the enterprise's position and engage patrons, the marketing mix warrants careful attention. Expanding the menu's diversity emerges as a strategic move to cater to a broader spectrum of preferences, contributing to the satisfaction of varied customer tastes. Concurrently, crafting a distinctive brand name positions the establishment memorably, enabling customers to readily identify and engage with it. Aligning the price of food with its portion size establishes a balanced and transparent value proposition. It is prudent to ensure that prices are reflective of the taste and quality offered, conveying a fair and compelling value to customers. Embracing effective online and offline advertising strategies is pivotal in acquainting a wider audience with the establishment's offerings, fostering broader brand recognition.

### **3. Nurturing Customer Satisfaction**

Sustained customer satisfaction hinges upon meticulous attention to detail. Displaying food attractively communicates a visual promise that resonates with customers, thereby enhancing their overall dining experience. Quality control mechanisms, such as promptly replacing unsatisfactory food items or drinks, reflect a commitment to excellence and safeguard customer contentment. Furthermore, adept complaint handling showcases the establishment's professionalism and empathy in addressing concerns swiftly and effectively. Infusing a positive attitude among employees, characterized by politeness, attentiveness, and friendliness, creates an inviting



atmosphere that encourages repeat visits. Accurate communication of information regarding menu availability and facilities ensures transparency and assists customers in making informed choices.

In conclusion, by heeding these comprehensive recommendations, small-scale Indonesian food enterprises can elevate their service quality and optimize their marketing mix. This holistic approach cultivates heightened customer satisfaction, reinforcing their loyalty. The interplay between a comfortable dining environment, consistent taste experiences, diverse menu options, and a customer-centric attitude forms the foundation for fostering enduring patronage and business success.

## REFERENCES

- [1] Directorate of Finance, Information Technology, and Tourism Statistics, "Food and beverage service activities statistics," BPS-Statistics Indonesia, 2020
- [2] P. J. Ardika, "Food and beverage industry is projected to grow five to seven percent in 2023," <https://money.kompas.com/read/2023/04/11/140500126/industri-makanan-dan-minuman-diproyeksi-tumbuh-5-7-persen-pada-2023#:~:text=JAKARTA%2C%20KOMPAS.com%20%2D%20Direktur,7%20persen%20hingga%20akhir%202023>, April 2023.
- [3] Y. Zhong and H. C. Moon, "What drives customer satisfaction, loyalty, and happiness in fast-food restaurants in China? Perceived price, service quality, food quality, physical environment quality, and the moderating role of gender," *Foods*, vol. 9, pp. 460-478, April 2020.
- [4] J. M. M. Joudeh, A. Khraiwish, J. A. Al-Gasawneh, N. A. Abu-Loghod, N. M. Nusairat, and N. N. Ali, "Customers' perception of service quality in Syrian restaurants operating in Jordan: The mediating effect of customer satisfaction," *Academy of Strategic Management Journal*, Vol. 20, no. 6, pp. 1–14, 2021.
- [5] A. N. AbuKhalifeh and A. P. Mat Som, "Hotel restaurants' service quality, customer satisfaction and loyalty: A test of mediation," *Asia-Pacific Journal of Innovation in Hospitality and Tourism*, vol. 5, no. 1, pp. 21–39, March 2016.
- [6] A. A. Al-Tit, "The effect of service and food quality on customer satisfaction and hence customer retention," *Asian Social Science*, vol. 11, no. 23, pp. 129–139, 2015.
- [7] A. Mustaqimah, Hartoyo, and R. Nurmalina, "Marketing mix effect towards customer satisfaction and loyalty: Case study of Rejuve Cold-Pressed Drinks," *Indonesian Journal of Business and Entrepreneurship*, vol. 5, no. 3, pp. 310–320, September 2019.
- [8] K. Amadi, "Effect of marketing mix on customer loyalty and satisfaction in food and beverage restaurants in Kenya," *International Journal of Recent Research in Commerce Economics and Management (IJRRCEM)*, vol. 7, issue 1, pp. 68-76, January - March 2020.
- [9] R. C. Y. Chang, J. Kivela, and A. H. N. Mak, "Food preferences of Chinese tourists," *Annals of Tourism Research*, vol. 37, no. 4, pp. 989-1011, 2010.
- [10] M. Nummedal and M. C. Hall, "Local food in tourism: An investigation of the New Zealand South Island's bed and breakfast sector's use and perception of local food," *Tourism Review International*, vol. 9, pp. 365-378, 2006.
- [11] R. Sims, "Putting place on the menu: The negotiation of locality in UK food tourism, from production to consumption," *Journal of Rural Studies*, vol. 26, no. 2, pp. 105-115, 2010.
- [12] E. Ignatov and S. Smith, "Segmenting Canadian culinary tourists," *Current Issues in Tourism*, vol. 9, no. 3, pp. 235–255, 2006.
- [13] S. Wijaya, B. King, A. Morrison, and T. H. Nguyen, "Destination encounters with local food: The experience of international visitors in Indonesia," *Tourism Culture & Communication*, vol. 17, no. 2, pp. 79-91, 2017.
- [14] W. W. Wongso, "Flavors of Indonesia: William Wongso's culinary wonders," BAB Publishing Indonesia, 2016.
- [15] Y. H. Shin and L. Yu, "The influence of quality of physical environment, food and service on customer trust, customer satisfaction, loyalty and moderating effect of gender: An empirical study on foreigners in South Korean restaurant," *International Journal of Advanced Culture Technology*, vol. 8, no. 3, pp. 172-185, 2020.
- [16] A. Parasuraman, V. A. Zeithaml, and L. L. Berry, "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality," *Journal of Retailing*, vol. 64, no. 1, pp. 14-40, 1988.
- [17] P. Stevens, B. Knutson, and M. Patton, "DINESERV: A tool for measuring service quality in restaurants,"

- The Cornell Hotel and Restaurant Administration Quarterly, vol. 36, no. 2, pp. 56-60, 1995.
- [18] S. Markovic, S. Raspor, and K. Segaric, "Does restaurant performance meet customers' expectations? An assessment of restaurant service quality using a modified dineserv approach," *Tourism and Hospitality Management*, vol. 16, no. 2, pp. 181-195, 2010.
- [19] P. Pheunpha, "The influence of corporate image and marketing mix on consumer motives: An empirical study of MK Restaurant," *ABAC Journal*, vol. 41, no. 4, pp. 43-66, October – December 2021.
- [20] A. Dutka, "AMA handbook of customer satisfaction: A complete guidance to research planning and implementation NTC business book," Lincoln Wood, USA: Illinors, 2003.
- [21] P. Kotler and G. Armstrong, "Principles of marketing, 17<sup>th</sup> edition," United Kingdom: Pearson Education Limited, 2018.
- [22] F. S. A. Quddus and H. Hudrasyah, "The influence of service quality dimensions on customer satisfaction and customer loyalty in PT. JNE North Bandung Area," *Journal of Business and Management*, vol. 3, no. 5, pp. 546-556, 2014.
- [23] Mutsikiwa, C. H. Basera, K. Dhliwayo, and J. Muzangwa, "The effectiveness of marketing mix strategies on competitiveness: A case of food micro and small enterprises in Masvingo, Zimbabwe," *International Journal of Management & Information Technology*, vol. 2, no. 1, pp. 78-85, November 2012.

DOI: <https://doi.org/10.15379/ijmst.v10i4.2247>

This is an open access article licensed under the terms of the Creative Commons Attribution Non-Commercial License (<http://creativecommons.org/licenses/by-nc/3.0/>), which permits unrestricted, non-commercial use, distribution and reproduction in any medium, provided the work is properly cited.