CHAPTER II THEORITICAL BACKGROUND

2.1 Coffee

Coffee has been a long-standing cultivated crop in Indonesia, providing a livelihood for over one and a half million coffee farmers. In addition to being a source of income for the people, coffee is also a major export commodity and a source of foreign exchange earnings for the country (Islami et. al., 2022). The two main types of coffee cultivated in Indonesia are Arabica and Robusta. Arabica coffee is more popular among consumers due to its superior quality and flavor compared to Robusta.

In 2018, Indonesia's coffee production reached 722.460 thousand tons. Of this amount, 73.06% or 527.800 thousand tons were Robusta coffee, while the remaining 26.94% or 194.660 thousand tons were Arabica coffee (Mangku et al., 2021). This coffee production was managed in an area of approximately 1.2 million hectares, 95% of which was managed by smallholders, while the rest was managed by State-Owned Large Plantations (PBN) and Private Large Plantations (PBS). Around 86% of this area was planted with Robusta coffee and the rest with Arabica coffee.

2.2 Coffee Shop

Coffee shops, also known as cafes, are businesses that offer food and beverages in a setting that encourages relaxation and socialization for their patrons. Typically, coffee shops are strategically located in areas with high foot traffic, such as near schools or universities, which contributes to their popularity (Malini, 2021). Beyond offering a diverse menu of food and drinks, coffee shops also provide amenities like ample power outlets, free Wi-Fi, a cozy ambiance, spacious parking, and other features that enhance the comfort of their guests, enticing them to linger within their walls (Rachmatunnissa and Deliana, 2019). The affordability of the drinks and food served is another draw for young people, who make up a significant portion of coffee shop clientele (Pramelani, 2020).

Coffee shops have grown beyond their original function of simply serving food and drinks. They have become popular social hubs where people can connect with colleagues, friends, or even strangers. The ambiance and overall atmosphere of the coffee shop itself also play a role in attracting customers and creating a memorable experience.

2.3 Brand Awareness

The degree to which customers are aware of a brand and are able to identify or recall it when presented with a product category, product cue, or brand element is known as brand awareness (Keller & Swaminathan, 2020). The effectiveness of brand awareness can be gauged by how quickly and easily consumers can identify a brand. A brand with high awareness is instantly recognizable, making it an asset in a competitive marketplace. Brand awareness is a crucial aspect of brand success, and measuring it effectively is essential for companies to gauge their branding efforts. Keller (2013) outlines four key parameters that can be used to assess consumer responses to brand awareness:

- 1) Recall: Recall is a measure of a consumer's ability to identify a brand when presented with a product category. A strong recall score indicates that consumers can easily recognize the brand without any additional cues. This suggests that the brand has a high level of association in the consumer's mind.
- 2) Recognition: Recognition goes a step further than recall, assessing whether consumers can identify and remember a brand within a specific product category. While recall measures unaided brand awareness, recognition considers aided awareness, where consumers are presented with brand cues, such as logos or packaging.
- Purchase Decision: Purchase decision evaluates the likelihood of a consumer considering a particular brand when making a purchase. A higher probability of a brand being included in a consumer's consideration set indicates a stronger level of brand awareness.
- 4) Consumption: Consumption measures the extent to which consumers can identify a brand while using a competitor's product or service. A low level of consumption awareness suggests that consumers may not be fully aware of the brand or its differentiation in the market.

2.4 Perceived Service Quality

In the realm of business, service plays a pivotal role in shaping customer experiences and fostering brand loyalty. Service encompasses a range of intangible activities that arise from interactions between customers and employees or other service providers. The goal of these interactions is to address customer needs and provide solutions. The American Society for Quality Control, as cited in Kotler et al., 2021,

defines service quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs.

Based on research by Parasuraman et al. in Tiptono (2005.67-70), ten dimensions of service quality have been identified: reliability, responsibility, competence, access, courtesy, communication, credibility, security, understanding, and tangibles. In a subsequent study, Parasuraman et al. in Tiptono (2005) condensed the ten dimensions of service quality into five core dimensions based on their relative importance:

- 1) Reliability: the ability of a company to consistently deliver accurate services without errors and meet agreed-upon timelines.
- 2) Responsiveness: the willingness and ability of employees to assist customers promptly, respond to their requests, confirm service delivery times, and deliver services efficiently.
- 3) Assurance: the knowledge, courtesy, and competence of employees, fostering customer trust and a sense of security.
- 4) Empathy: the company's understanding of customer issues and actions to address them, demonstrating personalized attention and convenient operating hours.
- 5) Tangibles: the attractiveness of physical facilities, equipment, and personnel, as well as employee appearance.

2.5 Perceived Product Quality

In today's world, high-quality products are essential for any business to succeed. From tangible goods to intangible services, meeting and exceeding customer expectations is key to satisfaction. Product quality isn't just about the physical product itself, but also encompasses the entire experience, including service, personnel, and even the environment where the product is used. At its core, product quality refers to the features and characteristics that allow a product to effectively address the needs of its target audience (Halim et al., 2014). This close link between quality, customer value, and satisfaction makes it a critical factor in a product's market position. Ultimately, continuous innovation is essential for companies to ensure their products remain competitive and keep customers happy.

In the world of coffee shops, two main ingredients determine a product's overall quality: the coffee itself and the quality of any additional food and beverages offered. But coffee quality isn't a simple equation. It's a complex blend of factors, including the

coffee's aroma, flavor profile, aftertaste, and even the cleanliness of the beans before brewing (Gonzalez et al., 2019). Material factors are those we experience directly through our senses - sight, smell, taste, touch, and even sound. These qualities are shaped by the coffee's journey from bean to cup, influenced by physical, chemical, and biological processes involved in production. To get even more specific, the Specialty Coffee Association (2017) breaks down coffee quality into seven key characteristics: unique flavor, aftertaste, body (mouthfeel), aroma, sweetness, acidity, and temperature. Each element plays a role in crafting the perfect cup of coffee for a satisfying customer experience.

2.6 Physical Environment

The physical setting in which a service is provided that is designed to have a particular impact on clients and staff is known as the atmosphere. Stores use atmospherics to create a specific feeling for customers. This goes beyond just the products and includes how the store itself is designed. It considers everything from the outside storefront to the way things are arranged inside, affecting what customers see, hear, smell, and even touch. According to Berman and Evan (2018), the elements of store atmosphere are as follows:

1) Exterior (The outside of the shop)

Exterior features need to be designed as much as possible because they have a big impact on the company's reputation. The combination of these elements can give the company's façade a distinctive, appealing, noticeable, and inviting appearance that will entice customers inside. The company's exterior of entrance needs to focus on three key elements, specifically:

- a. The quantity of entries necessary. A lot of tiny businesses only have one door. Four to eight entrances can be found in a department store.
- b. The chosen entrance type and whether or not it opens automatically. Cement, ceramic, or carpet are used for the entry floor.
- c. The point of entrance for the business. Different atmospheres can be produced by wide and narrow highways. Even while a large storefront could be quite appealing, if there isn't enough space for an entrance, it could become problematic.

2) General Interior (Inside the shop)

A company's overall interior needs to be planned to optimize visual merchandising. After sales are made within the organization, display is the most crucial factor that might generate sales. An effective display is one that draws customers in and makes it simple for them to view, consider, and choose products before making a purchase when they enter the business. The temperature of the air within the business has an impact on customers as well; a deficiency of cool air can hasten the arrival of customers. A room with lots of space and minimal people has a distinct feel than one with limited space and lots of people. If they are not bothered by other customers, they are free to stay in the establishment and peruse the merchandise.

3) Store Layout

Customers will either be drawn in or driven away by the company's layout. when customers may peek inside the business through the entryway or storefront window. A well-designed business layout can encourage customers to spend more money and stay longer. The following areas are part of the company's space division:

- a. The sales room serves as both a showroom for merchandise and a meeting spot for vendors and customers.
- b. Products in the non-displayed item category are kept in the merchandise room.
- c. A room designated just for employees is called the employee room.
- d. Customers' space, including seating areas, restrooms, dining areas, and more.

4) Interior Display (Information display)

Each type of point of purchase display provides information to customers to influence the atmosphere of the company's environment. The main purpose of interior displays is to increase the company's sales and profits. Various types of interior displays include:

- Assortment displays. It is a form of interior display that is used for a variety of different products and can influence consumers.
- b. Theme-setting displays. It is a form of interior display that uses certain themes. Theme-setting displays are used with the aim of evoking a certain atmosphere or feel.

- c. Ensemble displays. It is a form of interior display used for a set of products which is a combination of various products. Usually used for clothing products (shoes, socks, trousers, etc.).
- d. Rack displays. It is a form of interior display which has the main function as a place or hanger for the products being offered.

2.7 Customer Satisfaction

Consumer demands for products and services are constantly evolving and diversifying. As product quality improves and becomes more varied, so does customer satisfaction with those products. According to Kotler et al., (2021), consumer satisfaction is a feeling of satisfaction or dissatisfaction based on a comparison of the perceived quality of a product with the consumer's expectations. Once satisfied and satisfied, consumers will make repeat purchases of the product.

Consumer satisfaction is the pinnacle of customer experience, achieved when a product successfully fulfills a customer's desires, needs, and preferences (Yafie et al., 2016). Satisfied customers are the lifeblood of any business, fostering loyalty and establishing a positive reputation for the company.

2.8 Customer Habit

Närvänen et al., (2020) views customer loyalty as a customer's attitude that exhibits a specific state and duration over time, stipulating that a purchase action must occur at least twice for loyalty to be established. Customer loyalty can be understood as a continuous purchasing behavior driven by a decision-making unit. It encompasses consistent repeat purchases and positive attitudes towards a product, producer, or service provider. Loyalty is not merely a one-time purchase decision but rather a pattern of repeated engagements. It can also be quantified as the percentage of purchases made by a customer within a specific timeframe, considering both initial and subsequent purchases.

Loyal customers are the lifeblood of any business. They visit regularly, contributing significantly to business overall revenue. Building a strong base of loyal customers helps stabilize income and creates a predictable revenue stream.

2.9 Revisit Intention

Revisit intention is a behavioral intention, spreading good news, staying longer than anticipated, and spending more than anticipated (Valarie and Bitner, 2014). Meanwhile, according to Baker and Crompton (2016) revisit intention is the potential for visitors to return to a location or repeat certain activities. When buyers have the intention to revisit, they intend to make another purchase after being happy with the first one. (Adixio and Saleh 2013). Purchase intention, a key psychological aspect, significantly influences consumer behavior. Kotler et al., (2021) define repurchase or revisit intention as an individual's or consumer's satisfaction with a product that meets their expectations and desired performance. This satisfaction drives repeat purchases of the same product or brand in the future and leads to positive word-of-mouth recommendations.

Repurchase intention is part of purchasing behavior. This repurchase intention usually occurs because customer loyalty has been formed, so that this repeat purchase occurs. This repurchase intention is also closely related to customer satisfaction, if the customer is not satisfied, the customer will not make the next purchase. So that the satisfaction obtained by a customer can encourage him to make repeat purchases, become loyal to the product or loyal to the store where he bought the item so that customers can tell good things to others. It can be concluded that repeat visit intention is the intention or desire of customers to make a visit / repurchase of a product or service, so that it becomes a force for the company to be able to increase profits and sustainable growth.

2.10 Previous Studies

Table 2.1 contains twelve previous studies that emphasize the variables of brand awareness, perceived product quality, perceived service quality, physical environment, customer satisfaction, customer habit, and intention to revisit. Previous studies will be used for hypothesis development which will be discussed in the next subchapter.

Table 2.1 Previous Studies

| No. | Author and Research Title | Variables studied | Research Method | Results or Research Findings |
|-----|------------------------------|--------------------|--------------------------------------|---|
| 1. | Effects of Coffee | Food Quality, | Total Data: 404 Respondents | Food quality has significantly influenced |
| | shop' Food Quality, | Service Quality, | Research Subjects: Individuals who | customer satisfaction. |
| | Service Quality and | Ambience | are over 18 years old and have | Service quality has significantly influenced |
| | Ambience Quality | Quality, Customer | visited a coffee shop in the city | customer satisfaction. |
| | on Customer | Satisfaction, | center of Batman, Turkey. | Ambience quality has significantly influenced |
| | Satisfaction and | Customer Loyalty | Research Object: Coffee Shop in the | customer satisfaction. |
| | Loyalty in Batman, | | city center of Batman, Turkey | Customer satisfaction is significantly influenced |
| | Turkey | | Data Collection Method: | by customer loyalty. |
| | Feridun Duman | | Questionnaire | |
| | (2020) | | Data Analysis: SPSS 21 | |
| 2. | A Study on The | Brand Awareness, | Total Data: 460 Respondents | In this study, two groups of respondents were |
| | Effect of Customer | Perceived Service | Research Subjects: Individuals who | divided into: |
| | Habits on Revisit | Quality, Perceived | visit a franchise coffee shop more | 1. Office Workers |
| | Intention Focusing | Product Quality, | than twice a month in Seoul, South | Perceived service quality and perceived product |
| | on Franchise Coffee | Physical | Korea. | quality have a positive effect on customer |
| | shop Hong-Joo Lee | Environment, | Object of Research: Franchise coffee | satisfaction. |
| | (2022) | Customer | shops in Seoul, South Korea | Brand awareness and the environmental |
| | | Satisfaction, | Data Collection Method: | atmosphere have no significant effect on |
| | | Customer Habit, | Questionnaire | customer satisfaction. |

| No. | Author and | Variables studied | Research Method | Results or Research Findings |
|-----|----------------------|-------------------|-------------------------------------|---|
| | Research Title | | | |
| | | Intention to | Data Analysis: Analysis of Average | Customer satisfaction has no significant effect |
| | | Revisit | Variance Extracted (AVE) and | on the intention to revisit. |
| | | | Construct Reliability (CR) | Customer satisfaction has a positive effect on |
| | | | | customer habits. |
| | | | | Customer habits have a positive effect on |
| | | | | intention to revisit. |
| | | 3 | | ア |
| | | | | 2. College Students |
| | | 5/ | | Brand awareness, perceived service quality, |
| | | | | perceived product quality, and physical |
| | | | | environment have a positive effect on customer |
| | | | | satisfaction. |
| | | | | Customer satisfaction has a significant effect on |
| | | | | the intention to revisit. |
| | | | | Customer satisfaction has a positive effect on |
| | | | · · | customer habits. |
| | | | | Customer habit has a positive effect on intention |
| | | | | to revisit. |
| 3. | Influence Factors of | Service Quality, | Total Data: 180 Respondents | Service quality has a positive effect on customer |
| | Customer | Product Quality, | Research Subjects: Consumers who | satisfaction. |
| | Satisfaction in | Customer | have visited coffee shops in Klang | Product quality has a positive effect on customer |
| | Coffee Industry in | Satisfaction | Valley. | satisfaction. |
| | Klang Valley | | Object of Research: Coffee shops in | |
| | Andreal Joann | | Klang Valley Data Collection | |
| | Thomas, Ong Siew | | Method: Questionnaire | |
| | Har, Chris, | | Data Analysis: SPSS | |
| | Ravindran | | | |
| | Ramasamy (2021) | | | |

| No. | Author and | Variables studied | Research Method | Results or Research Findings |
|-----|---------------------|-------------------|-------------------------------------|--|
| | Research Title | | | |
| 4. | The Influencing | Satisfaction, | Total Data: 300 Respondents | Satisfaction has a direct impact on revisit |
| | Factors on Coffee | Service, | Research Subjects: people who | intention. |
| | Shop Customers' | marketing mix, | know and have visited coffee shops. | Service marketing mix has a direct impact on |
| | Revisit Intention | Trust, | Data Collection Method: | revisit intention. |
| | (Widyawati, | Commitment, | Questionnaire | Trust has a direct impact on revisit intention. |
| | Berlianto, M.P., | Revisit intention | | Commitment has a direct impact on revisit |
| | 2019) | 3. | | intention. |
| 5. | Understanding | Loyalty, Service | Total Data: 384 Respondents | Service Quality has a positive and significant |
| | customer loyalty in | Quality, Store | Object of Research: 16 coffee shops | effect on Customer Sattisfation. |
| | the Kedai | Athosmphere, | in Jakarta | Store Atmosphere has no effect on Customer |
| | Kopiindustry (A | Price Fairness, | Data Collection Method: | Sattisfation. |
| | survey in Jakarta, | Customer | Questionnaire | Price fairness positively affects Customer |
| | Indonesia) | Satisfation | | Satisfation. |
| | (Dhisasmito & | | | Customer Satisfation has a significant effect on |
| | Kumar, 2020) | | | Customer Loyalty. |
| 6. | The Effect of | Customer Value, | Total Data: 291 Respondents | Customer value variable has a positive and |
| | Customer Value | Brand Awareness, | Research Subjects: Astro Customers | significant effect on customer satisfaction. |
| | And Brand | Customer | Data Collection Method: | Brand awareness has a positive and significant |
| | Awareness On | Satisfaction, and | Questionnaire | effect on customer satisfaction. |
| | Customer Retention | Customer | Data Analysis: AMOS 23 | Customer value has no effect on customer |
| | With Customer | Retention. | | retention. |
| | Satisfaction As A | | | Brand awareness has no effect on customer |
| | Mediating Variable | | | retention. |
| | (Octavia & Riza, | | | Customer satisfaction has a positive and |
| | 2023) | | V | significant effect on customer retention. |
| | | | | Customer value has a positive and significant |
| | | | | effect on customer retention with customer |
| | | | | satisfaction as a mediation variable. |

| No. | Author and Research Title | Variables studied | Research Method | Results or Research Findings |
|-----|--|---|---|---|
| | | | SATMA JAKA | Brand awareness has a positive and significant effect on customer retention with customer satisfaction as a mediation variable. |
| 7. | A study of service quality, corporate image, customer satisfaction, revisit intention and word- of-mouth: evidence from the KTV industry Khoo (2020) | Service quality, Customer satisfaction, Revisit intention, Word of mouth, and Corporate image | Total Data: 253 Respondents Research Subjects: KTV X Customers Data Collection Method: Questionnaire Data Analysis: PLS SEM | Service quality has a significant positive influence on corporate image and customer satisfaction. Corporate image does not have a significant influence on revisit intention but has a significant positive influence on word of mouth. Furthermore, customer satisfaction has a significant positive influence on revisit intention and word of mouth. The mediation effect of corporate image and customer satisfaction is also found to be significant for most of the relationships. |
| 8. | Influence of Product Quality, Service Quality and Completeness on Customer Satisfaction on Mie Soponyono Producer Zakirin (2021) | Product Quality, Service Quality, Product Completeness, and Customer Satisfaction | Total Data: 112 Respondents Research Subjects: consumers of Mie Soponyono Producers Data Collection Method: Questionnaire | Product quality has no effect on customer satisfaction at the Mie Soponyono producer. Service quality influences customer satisfaction at Mie Soponyono producers. Completeness of the product influences customer satisfaction at the Mie Soponyono Producer. |
| 9. | The influence of physical environment on emotions, customer | Environment, Customer | Total Data: 170 Respondents Research Subjects: Customers of Resort Hotels in | Physical environment has a positive influence on customer emotions. Physical environment has a positive influence on customer satisfaction. |

| No. | Author and Research Title | Variables studied | Research Method | Results or Research Findings |
|-----|---|--|---|--|
| | satisfaction and behavioural intentions in Chinese resort hotel industry (Ali & Amin, 2014) | Satisfaction, Behavioural Intentions | three cities of China including Nanjing, Hangzhou and Shanghai Data Collection Method: Questionnaire Data Analysis: SPSS and AMOS | Physical environment has a positive influence on behavioral intentions. Customer emotions have a positive influence on customer satisfaction. Customer emotions have a positive influence on behavioral intentions. Customer satisfaction has a positive influence on behavioral intentions. |
| 10. | Predicting Customer Satisfaction and Intention to Revisit at Local Coffee Shop with Industrial Concept in Jakarta (Haifa et. al., 2022) | Service Quality, Food Quality, Variety of Menu, Café Atmosphere, Customer Satisfaction, Revisit Intention. | Total Data: 246 Respondents Research Subjects: Customers of local coffee shops with industrial concepts in DKI Jakarta Data Collection Method: Survey Data Analysis: SPSS 26 and AMOS | Service quality has a positive and significant influence on customer satisfaction. Service quality has a positive and significant effect on revisit intention. Food quality has a positive and significant influence on customer satisfaction. Food quality has a positive and significant effect on revisit intention. Customer satisfaction has a positive and significant influence on revisit intention. Variety of menu has a positive and significant influence on customer satisfaction. Variety of menu has a positive and significant effect on revisit intention. Café atmosphere has a positive and significant influence on customer satisfaction. Café atmosphere has a positive and significant influence on customer satisfaction. Café atmosphere has a positive and significant effect on revisit intention. |
| 11. | The mediating effects of habit on | | Total Data: 528 Respondents | Consumer attitudes are positively correlated with Continuance intention. |

| No. | Author and Research Title | Variables studied | Research Method | Results or Research Findings |
|-----|--|--|---------------------------------|--|
| | continuance intention. (Amoroso & Lim, 2017) | Habit, Emotions, Attitude, Satisfaction, and Continuance intention | Users MA JA JA | with Habit. |
| | | 5 | | Habit is positively correlated with Continuance Intention. |
| 12. | Factors Influencing | Perceived Service | Total Data: 300 Respondents | Brand Awareness positively influences |
| | Customer | Quality, Perceived | Research Subjects: Customers of | Customer Satisfaction. |
| | Satisfaction and | Product Quality, | Tuku Coffee Shop Industry | Brand Image positively influences Customer |
| | Their Impact on | Physical | Data Collection Method: Online | Satisfaction. |
| | Habits | Environment, | Questionnaire | There is no positive impact of Perceived Service |
| | and Intention to | Satisfaction, | Data Analysis: SMART PLS | Quality on Customer Satisfaction. |
| | Revisit in the Tuku | Habits, | | There is a positive influence of Perceived |
| | Coffee Shop | Intention to | | Product Quality on Customer Satisfaction. |
| | Industry | Revisit. | | There is no positive influence of the Physical |
| | (Tomokumoro & | | | Environment on Customer Satisfaction. |
| | Berlianto, 2024) | | | Customer Satisfaction positively influences |
| | | | | Customer Habit. |
| | | | | Customer Satisfaction positively influences |
| | | | | Intention to Revisit. |
| | | | V | Customer Habits has a positive effect on |
| | | | | Intention to Revisit. |

2.11 Hypothesis Development

1) The influence of brand awareness on customer satisfaction.

Brand awareness significantly impacts consumer choices. Brand association, brand awareness, and perceived quality are significantly correlated with purchase intention; furthermore, they positively influence customer preference and purchase intention (Sürücü, et al., 2019). Consumers find it easier to select a brand they are familiar with, which could result in a more satisfying purchase experience. When faced with multiple products in the same category, consumers are more likely to consider brands they are familiar with (Cheng et al., 2014). Customers who are aware of a brand can form expectations regarding its goods and services. If the brand consistently meets or exceeds these expectations, it leads to satisfaction.

Building on the findings of Octavia & Riza (2023), research suggests that brand awareness has a positive influence on customer satisfaction. This is further supported by Poranki (2015), who highlights the strong impact of brand awareness on customer satisfaction. Therefore, based on the existing research, the following hypothesis is proposed:

H1: Brand awareness positively affects customer satisfaction.

2) The influence of perceived service quality on customer satisfaction.

Delivering exceptional service quality is essential for long-term success in serviceoriented businesses. A customer's perception of the value they receive is influenced by high service quality. Throughout the customer journey, a business that provides highquality service will either meet or surpass the demands and expectations of its customers. Customers are more satisfied when they feel they are receiving their money's worth when a good product is paired with excellent service.

Building on the findings of Khoo (2022), research suggests that service quality has a significantly positive influence on both corporate image and customer satisfaction. This is further supported by who Haifa et. al. (2022), whose study found a significant relationship between service quality and customer satisfaction. Therefore, based on the existing research, the following hypothesis is proposed:

H2: Perceived service quality has a positive effect on customers' satisfaction.

3) The influence of perceived product quality on customer satisfaction.

Customers' overall perception of product quality, known as perceived quality, significantly influences their future behavior. A high perceived quality of a product means that its usefulness, performance, and durability either meet or beyond the customer's expectations. Customers are more comfortable purchasing a product when they have faith in its quality. This assurance makes the process go more smoothly and enjoyably, which raises satisfaction in the end. Product quality can predict a consumer's repurchase intentions compared to consumer satisfaction (Wang et al., 2023).

Building on Wantara & Tambrin's (2019) research, product quality has a significant positive impact on customer satisfaction. This is further supported by Tomokumoro & Berlianto (2024), whose study found a significant positive impact of perceived product quality on customer satisfaction of a coffee shop. Therefore, based on the existing research, the following hypothesis is proposed:

H3: Perceived product quality has a positive effect on customer satisfaction.

4) The influence of physical environment on customer satisfaction.

The physical environment, encompassing everything tangible and intangible within a restaurant, presents a valuable opportunity for businesses to gain a competitive edge. To enhance this aspect, restaurant managers should prioritize investments in interior design, decorations, clean floors, and other elements. Azim et al. (2014) highlight the importance of such investments in attracting customers.

Based on Ngah et al.'s (2022) research, specific elements like aesthetics, ambience, lighting, layout, and table setting within the physical environment have been shown to significantly impact customer satisfaction in restaurants. This is further supported by Ali & Amin (2014), whose research found a significant positive relationship between the perceived quality of the physical environment and customer satisfaction. Therefore, based on the existing research, the following hypothesis is proposed:

H4: The physical environment has a positive effect on customer satisfaction.

5) The influence of customer satisfaction on intention to revisit.

Customer satisfaction is the assessment that a feature, or the product or service overall, fulfills the customer's expectations in a way that is enjoyable (Oliver, 2014). Research by Oliver (2014) established a significant positive influence of customer

satisfaction on their intention to revisit. This intention to revisit reflects a person's emotional state and desire to return for another experience within a specific timeframe. High interest in repeat visits typically indicates a high level of customer satisfaction. Building on Haifa et al.'s (2020) research, a positive relationship has been found between customer satisfaction variables and intention to revisit. This is further supported by Elistia & Maulana (2023), who highlight the impact of customer satisfaction on revisit intention. Therefore, based on the existing research, the following hypothesis is proposed:

H5: Customer satisfaction has a positive impact on the intention to revisit.

6) The influence of customer satisfaction on customer habits.

Habits are learned sequences of actions that become automatic responses triggered by specific situations. When a customer is satisfied with a product or service, they are less likely to look for alternatives on a regular basis. Because of this, consumers are less likely to become overwhelmed by options and are more likely to develop a habit of sticking with something they know and find satisfying. When individuals repeatedly perform an action and are consistently satisfied with the outcome, the action can become habitual.

Building on Lee's (2022) research, a significant influence of customer satisfaction on customer habits has been established. This is further supported by Tomokumoro & Berlianto (2024), who found a positive impact of customer satisfaction on the formation of customer habits. Therefore, based on the existing research, the following hypothesis is proposed:

H6: Customer satisfaction has a positive impact on customer habits.

7) The influence of customer habits on intention to revisit.

Habits represent automated behaviors formed through prior learning. Consumers often favor repetition and the path of least resistance. Customers who habitually use a product or service know exactly what to expect and how to interact with it. This creates an efficient and convenient experience, making them more likely to revisit for future needs. Once they establish a connection with a brand that fulfills their rational or emotional needs, the habit itself may become a stronger predictor of their continued patronage than even satisfaction or loyalty (Lafley & Martin, 2017).

Based on Lee's (2022) research, the customers habits influenced their intention to revisit. This is further supported by Amoroso & Lim (2017), who highlight the strong link between habit and intention to continue using a service or product. Therefore, based on the existing research, the following hypothesis is proposed:

H7: Customer habits have a positive impact on intention to revisit.

8) The mediating effect between customer satisfaction and intention to revisit through customer habits.

Positive reinforcement occurs when a customer is consistently satisfied with a product or service. The relationship between using the good or service and the intended result (satisfaction) is strengthened by this reinforcement. This relationship may eventually cause a habit of sticking to that particular brand. Once established, a habit is an instinctive behavior that is brought on by particular circumstances. This makes returning to the well-known brand the easiest option and lessens decision fatigue. Customer satisfaction doesn't directly guarantee a revisit. However, it might indirectly affect the intention to revisit by encouraging the development of pleasant habits.

Based on the previous research of Lee (2022), the mediating effect of habit on the relationship between customer satisfaction and revisit intention was found to be statistically significant. Therefore, based on the existing research, the following hypothesis is proposed:

H8: Customer habits mediate the effect between customer satisfaction and intention to revisit.

2.12 Research Framework

Based on the background and hypothesis development description hypothesis above, the researcher describes the research model framework as follows:

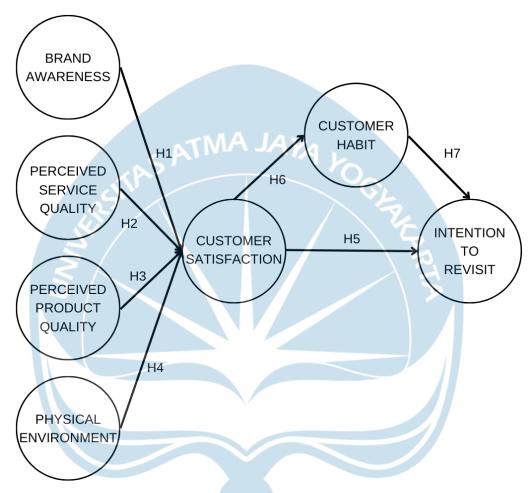


Figure 2.1 Research Framework Reference: Lee (2022)