
The Effect of Experience Quality, Customer Perceived Value and Customer Satisfaction on Customer Loyalty of Outdoor Restaurant During the Covid-19 Pandemic

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Abstract

The purpose of this study was to determine customer loyalty from using experience quality, customer perceived value and customer satisfaction variables. Cork & Screw Restaurant, located in Jakarta a restaurant outdoor concept restaurant so how customer loyalty is at this restaurant especially during the Covid 19 pandemic, outdoor concept restaurants are the customer's choice. In this study, using variables are experience quality, customer perceived value and customer satisfaction, and variable customer loyalty. The population in this study is for consumers who have visited and eaten at the Cork & Schew restaurant. Sample size using 260 respondents, sampling technique is Non Probability Sampling with purposive sampling method, data collection techniques with electronic and online questionnaires (G-form), measurement Scale: Interval scale with Likert scale and data Analysis Method: Structural Equation Modeling – Partial Least Square 3.0 Program. The results of this study indicate that experience quality has a positive effect on customer perceived value, customer satisfaction and customer loyalty. In the customer variable, perceived value shows a positive effect on customer satisfaction and customer loyalty.

Keywords: customer perceived value, customer satisfaction, customer loyalty, experience quality

I. INTRODUCTION

Consumer behavior is a part that needs to be studied because every consumer has different characteristics and behavior, especially since the covid 19 pandemic occurred. In the business world, every company needs to observe consumer behavior and market a product or service in meeting their needs because in determining to purchase a products and services are in the hands of consumers. So that consumer behavior is a science that can help companies to know the behavior of each individual in meeting their needs while consumers are an important

part for companies to earn income so companies must understand and know consumer behavior in making purchases.

[1] State that consumer behavior can be predicted using *reasoned action* theory, namely the amount of support for attitudes that can be related to behavior makes the intention of each person stronger to perform a behavior. The *reasoned action* theory proposed by Fishbein and Ajzen is not supported in [2] which explains that attitudes have no effect on determining goals for behavioral actions. So that goals and behavior have the influence to make decisions that are owned by each person to fulfill a planned goal.

Restaurant in general terms has an understanding that is a business that provides a dish in the form of food and drinks to consumers, during this pandemic, consumer behavior then changes due to risk factors [3]. The novelty in this research is how to see consumer behavior during the covid 19 pandemic which is related to consumer behavior when choosing a restaurant. And consumer choice focuses on the concept of an outdoor restaurant which is seen as safer than an indoor restaurant [4]. The restaurant remains the choice as a place to gather for consumers and relax to enjoy food and drinks, besides that the restaurant provides additional service facilities such as restaurant design, live acoustic music that can keep consumers entertained so it is not surprising that consumers spend longer time in restaurants to enjoy the additional facilities provided, especially since the covid 19 pandemic occurred, consumer choices for outdoor restaurants have become the main choice.

Based on the background explanation, and the current covid 19 pandemic situation, a research was conducted on the influence of Experience Quality on Customer Perceived Value and Customer Satisfaction on Customer Loyalty Cork & Screw during the covid 19 pandemic which became the consumer's choice.

II. LITERATUR REVIEW

1. Logic and Analytics

The restaurant industry must learn and find new ways to continue to run their business while still implementing the rules and regulations for consumers who come in terms of providing cleanliness, how to maintain distance and also accommodate it for customers [5] [6], so these variables are used in research to see how consumers behave.

2.1.1. Relationship between Experience Quality and Customer Perceived Value

Customer experience is an interaction made by the company with customers. Company waiters are expected to be able to work extra such as energy, the ability to communicate and hold emotions to customers so that customers can know the level of friendliness of waiters in serving to meet customer needs [7].

H1: *Experience Quality* has a positive effect on *Customer Perceive Value* at *Cork&Screw*

2.1.2. Relationship between *Experience Quality* and *Customer Satisfaction*

Improving service quality is expected to make customers feel satisfied so that satisfied customers with the service can help companies retain customers, get new customers, and get maximum profit and can expand the company [7].

H2: *Experience Quality* has a positive effect on *Customer Satisfaction* at *Cork&Screw*

2.1.3. Relationship between *Experience Quality* and *Customer Loyalty*

Experience in the economic field has a target by making customers have a good experience after using products and services [8] and customers can be reached by companies that have the goal of creating an experience for customers [9].

H3: *Experience Quality* has a positive effect on *Customer Loyalty* at *Cork&Screw*

2.1.4. Relationship between *Customer Perceived Value* and *Customer Satisfaction*

Satisfying customers is important because it can affect consumer buying behavior in a company in the long term, increasing profits and shareholder value [10].

Perceived value has a considerable influence in influencing customer behavior because waiters have provided excellent service to customers [11].

H4: *Customer Perceived Value* has a positive effect on *Customer Satisfaction* on *Cork&Screw*

2.1.5. Relationship between *Customer Perceived Value* and *Customer Loyalty*

In restaurant studies, perceived value is also responded to as a customer's intention to visit the place can be known through the behavior of restaurant customers [10]. The study revealed that the more positive the value perceived by the customer, the higher the loyalty.

H5: *Customer Perceived Value* has a positive effect on *Customer Loyalty* at *Cork&Screw*

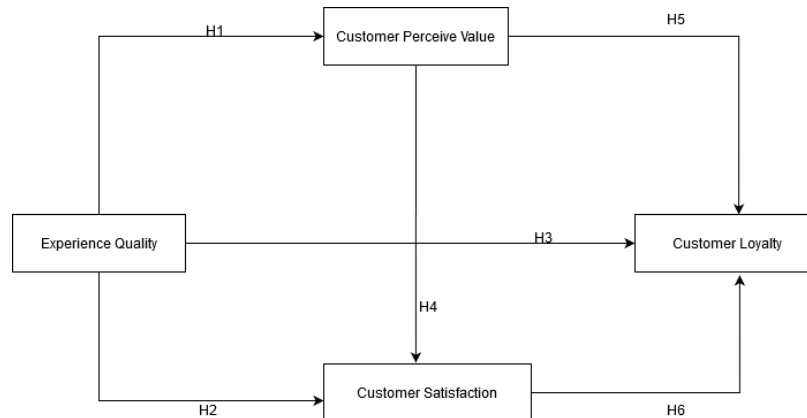
2.1.6. Relationship between *Customer Satisfaction* and *Customer Loyalty*

Loyalty is a form of customer loyalty to certain companies and service providers, when there are competitors who offer the same product but whose customers remain committed to staying loyal to a product or service that has been used [10]

H6: *Customer Satisfaction* has a positive effect on *Customer Loyalty* at *Cork&Screw*.

2. Conceptual framework

By looking at the current pandemic conditions, research was carried out to see customer loyalty at restaurants which is a replication model [12].



III. RESEARCH METHODS

Data collection in this research is by using a questionnaire distributed through *google form*. The target population in this study are consumers who have visited the *Cork&Screw* restaurant during pandemic covid 19, using 260 respondents with a description of the respondent profile consisting of 100 male respondents and 160 female respondents at the age of 21-25 years is the largest age range and jobs as entrepreneurs and students dominate the work of the respondents. The technique in taking the sample using *non probability sampling* with *purposive sampling* technique. Sampling is carried out for certain types of people who have information and the selected types of people enter as predetermined requirements. Measured by a 5-point *Likert* scale, namely 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. The items in the constructs of *Experience Quality*, *Customer Perceived Value*, *Customer Satisfaction* and *Customer Loyalty* were adapted from [13]. Statistical analysis using *Partial least square* or PLS-Sem with Smart PLS 3.0 program.

IV. FINDINGS AND RESULTS

4.1 Outer models

This study tested the reliability and validity before evaluating the structural model. The validity test was carried out to calculate the *Average variance extracted (AVE)* value as well as *the*

loadings or outer loadings factor . [14] stated that the minimum values for AVE and outer loadings were 0.5 and 0.7, respectively.

Table 1 calculation of the measurement model evaluation

Research Constructs and Items	Outer loadings
Experience Quality (AVE=0.646, CR=0.936)	
EQ1 I can interact with employees well	0.786
EQ2 The service provided by the employees is very friendly	0.800
EQ4 The overall physical environment of the outdoor restaurant is very nice and attractive	0.789
EQ5 The standard of the physical environment in outdoor restaurants with natural nuances is quite high and very good	0.838
EQ6 The physical environment in the outdoor restaurant has a natural feel to provide comfort when visiting	0.806
EQ7 I am happy with everything that a nature-inspired outdoor restaurant has to offer	0.802
EQ8 I have an amazing experience when visiting an outdoor restaurant with a natural setting	0.796
EQ11 Access to outdoor restaurants with natural nuances is very easy to visit	0.811
Customer Perceived Value (AVE= 0.674, CR= 0.935)	
CPV1 The price of the product offered is quite cheap and affordable	0.840
CPV2 The price of the product in this restaurant is in accordance with the quality of the product	0.838
CPV3 The perceived value when visiting is as expected	0.817
CPV4 The product provided is well received	0.812
CPV5 The services provided are well received	0.863
CPV6 The perceived value is in accordance with the sacrifices made	0.824
CPV7 Perceived value provides an experience in enjoying products and services	0.748
Customer Satisfaction (AVE= 0.660, CR= 0.946)	
CS1 I feel happy and satisfied when I visit an outdoor restaurant with a natural nuance	0.857
CS2 I am satisfied with outdoor restaurant products with natural nuances	0.849
CS3 I am satisfied with the services provided by the outdoor restaurant with a natural feel	0.843
CS4 I am satisfied with the policy that I have taken to visit outdoor restaurants with natural nuances	0.778
CS5 I am satisfied with the nature-inspired outdoor restaurant	0.842
CS6 I can accept the services provided by the outdoor restaurant with a natural feel	0.823
CS7 Overall I am satisfied with everything in this outdoor restaurant with a natural feel	0.820
CS8 I feel more satisfaction in an outdoor restaurant with a natural setting than visiting other restaurants	0.710
CS9 I am satisfied with the experience of visiting an outdoor restaurant with a natural setting	0.779
Customer Loyalty (AVE= 0.617, CR= 0.928)	
CL1 I will re-purchase at an outdoor restaurant with natural nuances	0.814
CL2 I don't feel like moving to another restaurant	0.788
CL3 I am willing to visit outdoor restaurants with nature more often	0.808
CL4 I will direct my friends to come to an outdoor restaurant with a natural feel	0.785
CL5 I will always leave positive comments about outdoor restaurants with a natural feel	0.791
CL6 I will give a review about an outdoor restaurant with a natural nuance on my social media	0.775
CL7 I will recommend friends to visit the outdoor restaurant with nature	0.768
CL8 I will make an outdoor restaurant with a natural feel as the first choice when I want to visit a restaurant	0.755

Source: Results of data processing (2020)

Then it can be seen in table 2 where the discriminant validity test has been fulfilled because the AVE value is greater than the correlation value between the variables.

Table 2 Discriminant Validity Test Results (Fornell Lacker)

	Experience Quality	Customer Perceptive Value	Customer Satisfaction	Customer Loyalty
Experience Quality	0.804			
Customer Perceptive Value	0.777	0.821		
Customer Satisfaction	0.612	0.634	0.812	
Customer Loyalty	0.764	0.725	0.661	0.786

Source: Data Processing Results (2020)

4.2 Inner Model

The results of data processing contained in the R-square value of 0.604 is a moderate category. Then the *Customer Satisfaction* variable is explained from the *Experience Quality* and *Customer Perceive Value* variables so that the remaining 56.2% can be explained by other variables outside the variables used in the study, so that the results of data processing contained in the R-square value of 0.438 is a moderate category. Then the *Customer Loyalty* variable is explained from the *Experience Quality*, *Customer Perceive Value* and *Customer Satisfaction* variables so that the remaining 33.7% can be explained by other variables outside the variables used in the study, so that the results of data processing contained in the R-square value of 0.663 is moderate category.

Table 3 R-Square . Value

	R Square
Customer Perceived Value	0.604
Customer Satisfaction	0.438
Customer Loyalty	0.663

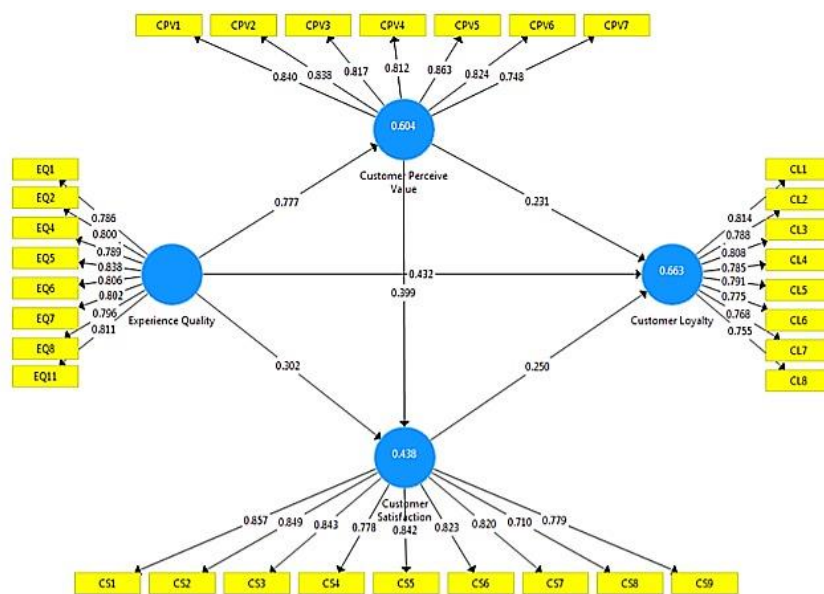
Source: Data Processing Results (2020)

The calculation of the VIF value limit to be able to find out whether there is a tendency for collinearity to the maximum value is 5.0. If the VIF value is more than 5.0, then there is a tendency for collinearity to occur [16]. Table 4 shows that the VIF value in the model is below 5.0, so it can be concluded that there is no collinearity in the model.

Table 4 Inner VIF of the Actual Study

	Experience Quality	Customer Perceptive Value	Customer Satisfaction	Customer Loyalty
Experience Quality			2,523	2,684
Customer Perceptive Value			2,523	2,806
Customer Satisfaction				1,778
Customer Loyalty				

Source: Data Processing Results (2020)



PLS SEM calculation drawings, created for this study.

V. DISCUSSIONS

Hypothesis calculation testing aims to find out how the influence between constructs has a supported or unsupported hypothesis. To find out indications on a hypothesis is supported or not can be seen from the critical value and p-value. Furthermore, the limit for t-count is $\hat{A} \pm 1.96$ and the limit for p-value is 0.05. If the t-count is more than 1.96, it can be concluded that the results of the hypothesis are supported. The data obtained from table 5 t-count exceeds the limit so that it can be concluded that the hypothesis is supported.

Table 5 Hypothesis Test Results

Hypothesis	Variable Relationship	Path Coefficient Value	t count	P-value	Conclusion
H ₁	Experience Quality -> Customer Perceive Value	0.777	20,398	0.000	Supported
H ₂	Experience Quality -> Customer Satisfaction	0.302	2,926	0.004	Supported
H ₃	Experience Quality -> Customer Loyalty	0.432	6,245	0.000	Supported
H ₄	Customer Perceive Value -> Customer Satisfaction	0.399	4.118	0.000	Supported
H ₅	Customer Perceive Value -> Customer Loyalty	0.231	3,318	0.001	Supported
H ₆	Customer Satisfaction -> Customer Loyalty	0.250	3,637	0.000	Supported

Source: Data Processing Results (2020)

The results of the analysis and discussion on research regarding the Effect of Experience Quality on *Customer Perceived Value*, *Customer Satisfaction* on *Customer Loyalty* Cork&Screw then concluded that *Experience Quality* has a positive influence on *Customer Perceived Value*, *Experience Quality* has a positive influence on *Customer Satisfaction*, *Experience Quality* has a positive influence on *Customer Loyalty*, *Customer Perceived Value* has a positive influence on *Customer Satisfaction*, *Customer Perceived Value* has a positive influence on *Customer Loyalty*, *Customer Satisfaction* has a positive influence on *Customer Loyalty*.

VI. CONCLUSION

In this study, especially for companies that can provide information for business people, especially in the culinary field, it is necessary to pay attention to overall service so that they can provide good *Experience Quality* to have loyalty from consumers because restaurants with outdoor concepts are consumer choices during the covid 19 pandemic.

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