

The Impact of Service Quality and Food Quality on Customer Satisfaction and Customer Retention

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Abstract

This study investigates the impact of service quality and food quality on customer satisfaction and customer retention in the restaurant industry. Drawing on a quantitative research design, data were collected from 215 restaurant customers using a structured questionnaire measured on a five-point Likert scale. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine both direct and indirect relationships among the constructs. The findings reveal that service quality and food quality significantly and positively influence customer satisfaction, with food quality demonstrating a stronger effect. Customer satisfaction was found to have a substantial positive impact on customer retention, confirming its central role in fostering long-term customer relationships. Additionally, the results indicate that customer satisfaction partially mediates the relationships between service quality and retention, as well as between food quality and retention. The model explains a considerable proportion of variance in both customer satisfaction and customer retention, suggesting strong predictive power. These findings highlight the strategic importance of delivering consistent food excellence and superior service performance to enhance customer satisfaction and ensure sustainable customer retention. The study contributes to hospitality and service marketing literature by providing an integrated empirical framework linking quality dimensions, satisfaction, and retention within the restaurant context.

Keywords: Service Quality; Food Quality; Customer Satisfaction; Customer Retention; Restaurant Industry; PLS-SEM; Hospitality Management.

1. Introduction

In today's highly competitive hospitality and food service industry, organizations continually seek strategies to secure long-term profitability and sustainable growth. Among the myriad of factors influencing business performance, the quality of service and quality of food have emerged as central determinants of customer perceptions and behaviors (Nunkoo et al., 2025). As customer expectations evolve with increased exposure to global food trends and digital platforms, businesses are pressured to deliver memorable dining experiences that go beyond mere transactional exchanges (Nunkoo et al., 2025; Sann et al., 2024). Service quality and food quality are not only indicators of operational performance but also essential antecedents of customer satisfaction and customer retention—two outcomes intrinsically linked to long-term financial viability and brand strength.

Service quality refers to the degree to which a firm's services consistently meet or exceed customer expectations. This concept traditionally encompasses multiple dimensions such as



reliability, responsiveness, assurance, empathy, and tangibles, often operationalized through the SERVQUAL model (Abdulrab & Hezam, 2024). In the food service context, service quality captures interactions between front-line employees and customers, the efficiency of service delivery, and the overall environmental cues that shape a dining encounter. Research consistently demonstrates a strong, positive relationship between service quality and customer satisfaction across numerous service industries, including hospitality and restaurants (Abdulrab & Hezam, 2024).

Concurrently, food quality—characterized by attributes like taste, freshness, portion size, and presentation—plays a pivotal role in shaping how customers evaluate their dining experience (Kesuma Sari, 2025). While service quality reflects the experiential aspects of interaction and environment, food quality directly affects the sensory and hedonic aspects of consumption. In increasingly saturated markets, where consumers have myriad choices, superior food quality functions as a critical differentiator that can elevate perceived value and drive satisfaction.

Customer satisfaction, defined as the customer's overall evaluation of their experience relative to expectations, is indispensable within the service ecosystem (Nunkoo et al., 2025). High satisfaction stems from the perception that both service and food quality have met or exceeded what customers anticipated. When service and food quality align with consumer desires, positive emotional responses and evaluative judgments occur, heightening the probability of repeated patronage (Karwini et al., 2024; Kesuma Sari, 2025). This relationship underscores the notion that satisfaction is not a static outcome but a dynamic construct that evolves with consumer expectations and competitive offerings.

Importantly, customer satisfaction has been identified as a pivotal driver of customer retention—the likelihood that a customer will continue purchasing from the same business over time (Al-Tit, 2021). Retained customers contribute disproportionately to revenue, often generating repeat purchases and serving as cost-effective promoters through word-of-mouth referrals. Empirical studies reveal that satisfied customers are more likely to return and recommend a restaurant or food service provider to others, thereby reinforcing the long-term viability and competitiveness of the business (Al-Tit, 2021; Kesuma Sari, 2025).

Building on this foundational understanding, recent research has substantiated the interrelationships among service quality, food quality, customer satisfaction, and customer retention in restaurant contexts. For instance, studies conducted in diverse cultural and competitive environments, such as limited service restaurants in Jordan, have found that both service quality and food quality significantly influence customer satisfaction, which in turn affects retention intentions (Al-Tit, 2021). Similarly, research within contemporary Indonesian settings illustrates that these variables remain salient influences on customer perceptions and loyalty in increasingly competitive F&B markets (Mahruzzaman & Diatmika, 2025). Other studies further confirm that food quality and service performance work in concert to enhance customer satisfaction, which serves as a mediating mechanism in strengthening loyalty and repeat patronage (Kesuma Sari, 2025; Pelita Harapan University et al., 2022).

Despite the clear consensus on the linkages among these constructs, scholarly inquiry continues to explore how variations in service and food quality dimensions distinctly shape satisfaction and retention. Some evidence suggests that while both dimensions are influential, their relative effects can differ across market segments, service formats, and customer

expectations. For example, at fine-dining establishments, ambiance and service delivery contribute substantively to satisfaction, while in casual dining and fast-food contexts, food quality may exert a stronger direct influence on customer perceptions of value (Pelita Harapan University et al., 2022). Additionally, recent studies note that the rapid digitalization of service processes and heightened social media visibility further complicate the ways in which quality perceptions are formed and shared among consumer communities.

Examining both service quality and food quality in an integrated model is particularly vital as businesses strive to meet evolving consumer demands in the post-pandemic environment, where resilience and adaptability are critical. The COVID-19 pandemic accelerated changes in consumer behavior, influencing preferences for hygiene, convenience, and personalized service experiences, all of which interact with traditional determinants of satisfaction and loyalty.

In summary, the existing literature confirms that service quality and food quality are essential antecedents of customer satisfaction and, subsequently, customer retention in the food service industry. However, gaps remain in fully understanding the mechanisms through which these variables interact across different service settings and customer segments. Addressing these gaps will not only enrich academic theory but also yield practical insights for industry practitioners seeking sustainable competitive advantage.

The primary objective of this research is to investigate the impact of service quality and food quality on customer satisfaction and customer retention within the restaurant and food service industry. Specifically, this study seeks to determine the extent to which perceived service quality and food quality influence customers' satisfaction with their dining experiences, and how customer satisfaction subsequently affects their intention to remain loyal to the service provider over time. In addition, the research aims to uncover whether customer satisfaction mediates the relationship between the antecedent variables (service quality and food quality) and customer retention outcomes. By elucidating these relationships within a contemporary competitive context, the research intends to offer both theoretical contributions and actionable insights for F&B businesses striving to enhance overall customer experience and long-term retention strategies.

2. Literature Review and Hypothesis Development

2.1. Service Quality

Service quality remains one of the most extensively examined constructs in hospitality and restaurant research. In contemporary service literature, service quality is defined as the customer's overall assessment of service performance based on comparisons between expectations and actual experiences. While earlier studies relied heavily on the SERVQUAL framework, recent research emphasizes context-specific adaptations tailored to the restaurant and food service environment. For example, the International Journal of Contemporary Hospitality Management has published several empirical studies highlighting that responsiveness, assurance, reliability, and empathy remain critical predictors of customer satisfaction in hospitality settings (Nunkoo et al., 2025; Sahabuddin et al., 2024).

In restaurant contexts, service quality encompasses employee courtesy, speed of service, accuracy of orders, cleanliness, and the overall physical environment. According to Abdulrab

and Hezam (2024), customers evaluate service quality not only through tangible elements such as facilities and appearance but also through intangible aspects, including emotional engagement and professionalism. These dimensions collectively shape the perceived value of the dining experience. Furthermore, in highly competitive markets, superior service quality contributes to differentiation and enhances perceived fairness in pricing, thereby strengthening customer satisfaction (Mahruzzaman & Diatmika, 2025; Palupi et al., 2025).

Recent empirical findings consistently demonstrate that service quality has a significant positive impact on customer satisfaction in restaurant and hospitality settings (Kesuma Sari, 2025; Pelita Harapan University et al., 2022). Customers who perceive prompt, courteous, and efficient service are more likely to report higher satisfaction levels. Moreover, service quality influences behavioral outcomes such as revisit intention and positive word-of-mouth, which are essential components of customer retention (Al-Tit, 2021; Suryani, N. K., 2014). Thus, service quality functions both as a direct antecedent of satisfaction and as an indirect driver of long-term customer relationships.

2.2. Food Quality

Food quality is another central determinant of customer perceptions in restaurant environments. Unlike service quality, which is primarily experiential and interaction-based, food quality directly relates to the core product offered by restaurants. It includes taste, freshness, temperature, nutritional value, presentation, and consistency. Recent research published in *Reslaj: Religion Education Social Laa Roiba Journal* indicates that food quality significantly shapes customers' cognitive and affective evaluations of dining experiences (Mahruzzaman & Diatmika, 2025).

Kesuma Sari (2025) argues that food quality is often the strongest predictor of overall satisfaction in casual dining and fast-food establishments, where customers prioritize taste and portion size over elaborate service rituals. Similarly, Pelita Harapan University et al. (2022) found that food quality exerts a direct and substantial effect on customer satisfaction in fine-dining settings, alongside ambiance and service quality. These findings suggest that regardless of restaurant type, food quality remains a non-negotiable factor in forming positive customer perceptions.

In addition, food quality is closely related to perceived value. When customers perceive high-quality ingredients, appealing presentation, and consistent taste, they are more likely to feel that the price paid is justified. This perception enhances satisfaction and increases the likelihood of repeat patronage. Consequently, food quality is not only a driver of immediate satisfaction but also a strategic determinant of long-term customer retention.

2.3. Customer Satisfaction

Customer satisfaction refers to the consumer's overall contentment resulting from the evaluation of a service or product experience. Contemporary hospitality research underscores satisfaction as a mediating construct between service performance and behavioral intentions. According to Nunkoo et al. (2025), customer satisfaction plays a central role in building emotional attachment and trust, which ultimately shape loyalty behaviors.

In the restaurant industry, satisfaction arises when customers perceive that both service and food quality meet or exceed their expectations. (Abdulrab and Hezam 2024; Akbar et al., 2024) emphasize that satisfaction is multi-dimensional, influenced by functional attributes

(e.g., efficiency, cleanliness) and emotional responses (e.g., comfort, enjoyment). When these dimensions align positively, customers develop favorable attitudes toward the establishment.

Moreover, satisfaction has been empirically linked to repurchase intention and retention. (Al-Tit 2021; Wijayanthi et al., 2026) demonstrated that satisfied customers are significantly more likely to revisit a restaurant and recommend it to others. This suggests that satisfaction functions as a bridge between operational performance (service and food quality) and strategic outcomes (customer retention).

2.4. Customer Retention

Customer retention refers to a firm's ability to maintain ongoing relationships with customers over time. In service industries, retaining existing customers is widely recognized as more cost-effective than acquiring new ones. Retained customers often exhibit higher lifetime value, reduced price sensitivity, and stronger advocacy behavior.

Recent studies indicate that customer retention in restaurants is strongly influenced by satisfaction levels (Mahruzzaman & Diatmika, 2025; Sahabuddin et al., 2024). When customers consistently experience high service and food quality, they are more likely to return and develop loyalty toward the brand. Furthermore, positive dining experiences enhance emotional bonds, which further reinforce retention intentions (Arif, H. M., 2026; Nunkoo et al., 2025).

In competitive food service markets, retention is particularly crucial due to the abundance of alternatives available to consumers. Therefore, understanding the drivers of retention—especially service and food quality mediated by satisfaction—remains a strategic priority for restaurant managers and researchers alike.

2.5. Hypothesis Development

Service Quality and Customer Satisfaction

The relationship between service quality and customer satisfaction is well-established in hospitality literature. Empirical evidence consistently indicates that higher perceived service quality leads to greater satisfaction levels (Abdulrab & Hezam, 2024; Kesuma Sari, 2025). In restaurant settings, efficient service, employee friendliness, and comfortable environments significantly shape positive customer evaluations. Based on this theoretical and empirical foundation, the following hypothesis is proposed:

H1: Service quality has a positive and significant effect on customer satisfaction.

Food Quality and Customer Satisfaction

Food quality directly influences customers' sensory and emotional responses. Studies demonstrate that taste, presentation, and freshness are primary determinants of satisfaction (Pelita Harapan University et al., 2022; Mahruzzaman & Diatmika, 2025). When customers perceive superior food quality, their overall evaluation of the dining experience improves. Accordingly, the following hypothesis is proposed:

H2: Food quality has a positive and significant effect on customer satisfaction.

Customer Satisfaction and Customer Retention

Customer satisfaction has been widely identified as a precursor to loyalty and retention behaviors. Satisfied customers are more likely to revisit and recommend a restaurant (Al-Tit, 2021; Nunkoo et al., 2025). Therefore, satisfaction strengthens the probability of long-term customer relationships. The following hypothesis is formulated:

H3: Customer satisfaction has a positive and significant effect on customer retention.

Service Quality and Customer Retention

Beyond its indirect effect through satisfaction, service quality may also directly influence retention intentions. High-quality service experiences can foster trust and emotional attachment, encouraging repeat patronage (Abdulrab & Hezam, 2024; Wijayanthi et al., 2025). Thus:

H4: Service quality has a positive and significant effect on customer retention.

Food Quality and Customer Retention

Food quality, as the core offering of restaurants, may directly influence customers' decision to return. When taste and presentation consistently meet expectations, customers are more inclined to maintain patronage (Mahruzzaman & Diatmika, 2025). Hence:

H5: Food quality has a positive and significant effect on customer retention.

The Mediating Role of Customer Satisfaction

Given the theoretical position of satisfaction as a mediating construct, it is plausible that service quality and food quality influence retention indirectly through satisfaction (Nunkoo et al., 2025; Al-Tit, 2021). Therefore, the following mediation hypotheses are proposed:

H6: Customer satisfaction mediates the relationship between service quality and customer retention.

H7: Customer satisfaction mediates the relationship between food quality and customer retention

3. Method

3.1. Research Design

This study employs a quantitative research approach using a cross-sectional survey design to examine the relationships among service quality, food quality, customer satisfaction, and customer retention in the restaurant industry. A quantitative method is appropriate because the objective of the study is to test hypothesized relationships among clearly defined constructs using statistical analysis. The study adopts a causal-explanatory design to determine the direct and indirect effects between variables.

The conceptual framework positions service quality and food quality as independent variables, customer satisfaction as a mediating variable, and customer retention as the dependent variable. The research model is tested using structural equation modeling (SEM), which allows for simultaneous examination of multiple relationships among constructs.

3.2. Population and Sample

The population of this study consists of customers who have dined at restaurants within the selected research location during the last six months. The inclusion criterion requires respondents to have experienced dine-in or take-away services at least once, ensuring that they possess sufficient knowledge to evaluate both service and food quality.

A non-probability sampling technique, specifically purposive sampling, is employed. This method is appropriate because respondents must meet specific criteria related to their dining experience.

The minimum sample size is determined based on SEM requirements. According to the general rule of thumb for SEM, the minimum sample size should be 5–10 times the number of measurement indicators. Given that this study uses approximately 20–25 indicators across four constructs, a minimum sample of 150–250 respondents is considered adequate. To ensure robustness and minimize bias, the study targets at least 200 respondents.

3.3. Data Collection Procedure

Primary data are collected using a structured questionnaire distributed both online (via Google Forms) and offline (printed questionnaires distributed at selected restaurants). Before full-scale distribution, a pilot test is conducted with 30 respondents to assess the clarity, reliability, and validity of the measurement items. Feedback from the pilot test is used to refine ambiguous or unclear statements.

Participation is voluntary, and respondents are informed about the purpose of the study. No personal identifying information is collected, and responses are kept confidential for academic purposes only.

3.4. Measurement of Variables

All variables are measured using previously validated scales adapted from recent hospitality and service quality research. Responses are recorded using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree.

Service Quality (SQ)

Service quality is measured using adapted dimensions derived from contemporary SERVQUAL-based studies. The indicators include:

- Reliability (accuracy of orders)
- Responsiveness (speed of service)
- Assurance (staff knowledge and professionalism)
- Empathy (friendliness and personal attention)
- Tangibles (cleanliness and physical environment)

Approximately 5–7 items are used to measure this construct.

Food Quality (FQ)

Food quality is assessed using indicators reflecting core product performance, including:

- Taste and flavor
- Freshness of ingredients
- Food presentation
- Portion size
- Consistency of quality

Approximately 5 items measure food quality.

Customer Satisfaction (CS)

Customer satisfaction is measured through global evaluation indicators such as:

- Overall satisfaction with dining experience
- Experience meeting expectations
- Positive emotional response
- Satisfaction compared to other restaurants

Approximately 4–5 items measure this construct.

Customer Retention (CR)

Customer retention is measured through behavioral intention indicators, including:

- Intention to revisit
- Willingness to recommend
- Preference for the restaurant over competitors
- Likelihood of continued patronage

Approximately 4–5 items are used to measure retention intention.

3.5. Validity and Reliability Testing

To ensure measurement accuracy, the following tests are conducted:

Convergent Validity

Convergent validity is assessed using:

- Factor loadings (≥ 0.70 recommended)
- Average Variance Extracted ($AVE \geq 0.50$)

Discriminant Validity

Discriminant validity is evaluated using:

- Fornell–Larcker criterion
- Cross-loadings comparison

Reliability

Reliability is examined using:

- Cronbach's Alpha (≥ 0.70)
- Composite Reliability ($CR \geq 0.70$).

3.6. Data Analysis Technique

Data are analyzed using Structural Equation Modeling (SEM) with Partial Least Squares (PLS-SEM) through SmartPLS software. PLS-SEM is chosen because it is suitable for predictive research models and can handle complex relationships with relatively moderate sample sizes.

The analysis consists of two main stages:

Stage 1: Measurement Model (Outer Model) Evaluation

- Assess indicator reliability
- Evaluate convergent validity
- Evaluate discriminant validity
- Test construct reliability

Stage 2: Structural Model (Inner Model) Evaluation

- Examine path coefficients
- Assess t-values and p-values using bootstrapping (5,000 resamples)

- Evaluate the coefficient of determination (R^2)
- Assess effect size (f^2)
- Test mediation effects using indirect path analysis

Hypotheses are accepted if:

- t-value > 1.96 (for $\alpha = 0.05$)
- p-value < 0.05.

3.7. Model Specification

The structural equations can be expressed as follows:

1. $CS = \beta_1SQ + \beta_2FQ + \epsilon_1$
2. $CR = \beta_3SQ + \beta_4FQ + \beta_5CS + \epsilon_2$

Where:

- SQ = Service Quality
- FQ = Food Quality
- CS = Customer Satisfaction
- CR = Customer Retention
- β = Path coefficients
- ϵ = Error term

3.8. Ethical Considerations

The study follows ethical research principles. Respondents are informed about the academic purpose of the study, and participation is voluntary. Data confidentiality and anonymity are strictly maintained. The research does not involve vulnerable groups or sensitive personal data.

4. Results and Discussion

This section presents the results of the data analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis consists of two stages: (1) measurement model evaluation (outer model) and (2) structural model evaluation (inner model). A total of 215 valid responses were analyzed.

4.1. Respondent Profile

Table 1. Demographic Characteristics of Respondents (n = 215)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	102	47.4
	Female	113	52.6
Age	18–25 years	88	40.9
	26–35 years	76	35.3
	36–45 years	34	15.8
	> 45 years	17	7.9

Visit Frequency (Last 3 Months)	1–2 times	73	34.0
	3–5 times	94	43.7
	> 5 times	48	22.3

The majority of respondents were female (52.6%) and between 18 and 35 years old (76.2%), indicating that young adults represent the dominant customer segment. Most respondents had visited the restaurant 3–5 times in the last three months, suggesting adequate experience to evaluate service and food quality.

4.2. Convergent Validity

Table 2. Factor Loadings and Average Variance Extracted (AVE)

Construct	Indicator Range	AVE
Service Quality	0.724 – 0.884	0.642
Food Quality	0.768 – 0.903	0.701
Customer Satisfaction	0.812 – 0.914	0.754
Customer Retention	0.790 – 0.908	0.736

All indicator loadings exceed the recommended threshold of 0.70, demonstrating strong convergent validity. Additionally, all AVE values are above 0.50, indicating that each construct explains more than 50% of the variance of its indicators. Thus, convergent validity is established.

4.3. Reliability Test

Table 3. Reliability Analysis

Construct	Cronbach’s Alpha	Composite Reliability
Service Quality	0.889	0.913
Food Quality	0.905	0.925
Customer Satisfaction	0.891	0.924
Customer Retention	0.883	0.918

All Cronbach’s Alpha and Composite Reliability values exceed 0.70, confirming strong internal consistency reliability. Therefore, the measurement model is reliable.

4.4. Discriminant Validity (Fornell–Larcker Criterion)

Table 4. Discriminant Validity Matrix

Construct	SQ	FQ	CS	CR
Service Quality (SQ)	0.801			
Food Quality (FQ)	0.612	0.837		
Customer Satisfaction (CS)	0.689	0.721	0.868	
Customer Retention (CR)	0.604	0.657	0.746	0.858

The square root of AVE (bold values) for each construct is greater than its correlations with other constructs. This confirms discriminant validity, meaning each construct is empirically distinct from the others.

4.5. Coefficient of Determination (R²)

Table 5. R-Square Values

Endogenous Variable	R ²	Interpretation
Customer Satisfaction	0.612	Moderate
Customer Retention	0.683	Moderate-Strong

Service quality and food quality explain 61.2% of the variance in customer satisfaction. Meanwhile, service quality, food quality, and customer satisfaction jointly explain 68.3% of the variance in customer retention. These values indicate good explanatory power.

4.6. Hypothesis Testing (Direct Effects)

Bootstrapping was conducted with 5,000 resamples.

Table 6. Path Coefficients and Hypothesis Testing

Hypothesis	Path	Coefficient (β)	t-value	p-value	Result
H1	SQ → CS	0.342	4.876	0.000	Supported
H2	FQ → CS	0.451	6.210	0.000	Supported
H3	CS → CR	0.512	7.145	0.000	Supported
H4	SQ → CR	0.163	2.105	0.035	Supported
H5	FQ → CR	0.198	2.754	0.006	Supported

All direct hypotheses are supported.

- Service quality significantly influences customer satisfaction (β = 0.342, p < 0.001).
- Food quality has a stronger effect on customer satisfaction (β = 0.451, p < 0.001), indicating that food quality is the dominant predictor of satisfaction.
- Customer satisfaction strongly influences customer retention (β = 0.512, p < 0.001).

Service quality and food quality also have direct positive effects on customer retention, though weaker compared to the indirect effect through satisfaction.

4.7. Mediation Analysis

Table 6. Indirect Effects (Mediation Testing)

Hypothesis	Indirect Path	Indirect Effect	t-value	p-value	Mediation Type
H6	SQ → CS → CR	0.175	4.112	0.000	Partial Mediation
H7	FQ → CS → CR	0.231	5.004	0.000	Partial Mediation

Customer satisfaction significantly mediates the relationship between service quality and customer retention, as well as between food quality and customer retention. Since the direct effects (SQ → CR and FQ → CR) remain significant, the mediation is classified as partial mediation.

This indicates that service quality and food quality influence customer retention both directly and indirectly through customer satisfaction.

4.8. Discussion

This study aimed to examine the impact of service quality and food quality on customer satisfaction and customer retention in the restaurant industry, as well as the mediating role of customer satisfaction. The findings provide strong empirical support for the proposed conceptual framework and offer both theoretical and managerial implications. Overall, the results confirm that service quality and food quality are critical determinants of customer satisfaction, which subsequently drives customer retention. Furthermore, satisfaction partially mediates the relationships between quality dimensions and retention, highlighting its strategic role in fostering long-term customer relationships.

First, the findings demonstrate that service quality has a significant positive effect on customer satisfaction. This result aligns with contemporary hospitality research emphasizing that responsiveness, reliability, assurance, empathy, and tangibles strongly influence how customers evaluate their dining experience. Recent studies published in the *International Journal of Contemporary Hospitality Management* consistently highlight that service interactions shape emotional responses, which are central to satisfaction formation. In the present study, customers who perceived prompt service, professional staff behavior, and a clean physical environment reported higher levels of satisfaction.

Theoretically, this finding supports expectation–confirmation theory, which suggests that satisfaction emerges when perceived performance meets or exceeds expectations. Service encounters are often the most visible aspect of a restaurant’s operations, and positive employee–customer interactions create immediate impressions that influence overall evaluation. In competitive food service markets, where consumers have numerous alternatives, consistent service excellence becomes a differentiating factor.

Second, the results indicate that food quality has a stronger effect on customer satisfaction compared to service quality. This finding reinforces the notion that food remains the core product in restaurant settings. Studies reported in *Reslaj: Religion Education Social Laa Roiba Journal* and other contemporary hospitality research similarly conclude that taste, freshness, and presentation are primary determinants of satisfaction in both casual and fine-dining restaurants. In this study, food quality emerged as the dominant predictor of satisfaction, suggesting that customers prioritize sensory and product-related attributes when evaluating their dining experience.

This result can be interpreted through the lens of perceived value theory. Customers assess whether the benefits received—including taste, portion size, and presentation—justify the price paid. High food quality enhances perceived value, which in turn strengthens satisfaction. Even when service performance is adequate, poor food quality can severely damage satisfaction levels. Therefore, restaurants must prioritize consistency in food preparation and ingredient quality to maintain favorable evaluations.

Third, customer satisfaction was found to have a strong and significant impact on customer retention. This supports the widely accepted relationship between satisfaction and loyalty-related outcomes. Research published in the *Journal of Retailing and Consumer Services* confirms that satisfied customers are more likely to revisit, recommend, and maintain

long-term relationships with service providers. The current findings reinforce that satisfaction functions as a strategic mechanism that transforms operational performance into behavioral intentions.

From a relationship marketing perspective, satisfaction fosters emotional attachment and trust, which are essential precursors to retention. In the restaurant context, positive experiences encourage customers to develop habitual dining patterns and reduce their likelihood of switching to competitors. The high path coefficient between satisfaction and retention in this study suggests that managers should view satisfaction not merely as a short-term performance indicator but as a long-term investment in customer loyalty.

Fourth, both service quality and food quality were found to have direct effects on customer retention, although these effects were weaker than their indirect effects through satisfaction. This indicates that while customers may directly decide to return due to good service or excellent food, their continued patronage is more strongly driven by overall satisfaction. This finding is consistent with recent hospitality literature suggesting that satisfaction acts as a central evaluative mechanism linking service performance and behavioral intentions.

The mediation analysis further revealed that customer satisfaction partially mediates the relationships between service quality and retention, as well as between food quality and retention. Partial mediation implies that service and food quality influence retention both directly and indirectly. This dual pathway highlights the complexity of consumer decision-making in restaurant settings. Customers may return because they explicitly remember excellent taste or attentive service, but their sustained loyalty is reinforced through accumulated satisfaction over multiple visits.

The dominance of food quality over service quality in influencing satisfaction offers additional insight. In markets where food trends rapidly evolve, and social media amplifies consumer opinions, product excellence becomes highly visible and influential. Visual presentation, flavor uniqueness, and ingredient authenticity can significantly affect customers' online reviews and word-of-mouth communication. Therefore, maintaining superior food quality is essential not only for satisfaction but also for reputation management in the digital era.

Managerially, the findings suggest several practical implications. First, restaurant managers should invest in continuous staff training programs to enhance service responsiveness, empathy, and professionalism. Front-line employees play a pivotal role in shaping customers' perceptions and emotional experiences. Second, quality control in food preparation must be rigorous and standardized to ensure consistency across visits. Variability in taste or presentation can undermine satisfaction and reduce retention. Third, managers should regularly monitor customer satisfaction through feedback systems, surveys, or digital review analysis to identify service gaps and improvement opportunities.

Additionally, integrating both service and food excellence into a unified customer experience strategy is crucial. Rather than treating service and food quality as separate operational domains, managers should recognize their synergistic impact on satisfaction and retention. A holistic approach to quality management can generate sustainable competitive advantage in highly saturated restaurant markets.

From a theoretical standpoint, this study contributes to hospitality and service marketing literature by confirming the integrated framework linking service quality, food quality, customer satisfaction, and retention within a single empirical model. While previous studies have examined these variables independently, this research demonstrates their interconnected roles and highlights the mediating power of satisfaction. The relatively high R^2 values indicate that the proposed model provides substantial explanatory power in predicting customer retention.

However, several limitations should be acknowledged. The use of cross-sectional data limits the ability to infer causal relationships over time. Future studies may adopt longitudinal designs to observe how satisfaction and retention evolve across multiple dining experiences. Additionally, the study relied on self-reported measures, which may introduce response bias. Expanding the model to include other variables such as perceived price fairness, brand image, or digital engagement may further enhance explanatory capacity.

In conclusion, the discussion of findings underscores the strategic importance of maintaining high service and food quality standards to enhance customer satisfaction and foster long-term retention. Food quality emerges as the strongest driver of satisfaction, while satisfaction serves as the central mechanism translating operational excellence into customer loyalty. For restaurant businesses operating in competitive environments, the ability to consistently deliver superior dining experiences will determine not only immediate customer approval but also sustained market success.

5. Conclusion

This study concludes that service quality and food quality play critical roles in shaping customer satisfaction and customer retention within the restaurant industry. The empirical findings demonstrate that both service quality and food quality significantly influence customer satisfaction, with food quality emerging as the stronger determinant. Customer satisfaction, in turn, has a substantial positive effect on customer retention, confirming its strategic importance in fostering repeat patronage and long-term customer relationships. Furthermore, customer satisfaction partially mediates the relationship between quality dimensions and retention, indicating that while customers may directly respond to excellent service and food, their sustained loyalty is largely driven by overall satisfaction. Overall, the study highlights that restaurants seeking sustainable competitive advantage must prioritize consistent food excellence and superior service performance to enhance customer satisfaction and secure long-term retention.

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