



The Influence of Atmosphere, Price, and Service Quality towards Customer Loyalty at Koral Restaurant of Apurva Kempinski, Bali

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ABSTRACT

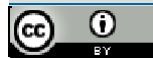
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The abstract of "The Influence of Atmosphere, Price, and Service Quality towards Customer Loyalty at Koral Restaurant of Apurva Kempinski, Bali" outlines a study that examines the relationships between atmosphere, price, service quality, and customer loyalty at the Koral Restaurant of Apurva Kempinski in Bali. Using a quantitative research approach, data was collected through surveys distributed to restaurant patrons. The study employed validated scales to measure the perceived atmosphere, price perception, service quality, and customer loyalty intentions. The collected data was subjected to statistical analysis, including regression analysis, to assess the impact of these factors on customer loyalty. Ethical considerations were observed throughout the research process. The findings contribute to a deeper understanding of the factors influencing customer loyalty in the context of fine dining restaurants, though potential limitations may arise from sample representativeness and self-reported data. Nonetheless, the study offers valuable insights for restaurant management seeking to enhance customer loyalty and overall dining experiences

INTRODUCTION

The hospitality sector over time will continue to develop further and the increase in competition will be more and more intense. Starting from accommodation, transportation service providers, lodging, restaurants, cafes to various entertainment venues such as amusement parks and cinemas, are all included in the hospitality sector which provides services to guests to meet their needs. At this point, businesses are switching from a traditional customer relationship strategy to a continually developing customer engagement approach in order to increase customer loyalty (Dhasan & Aryupong, 2019). In this competition, businesses engaged in the hospitality sector are competing to use strategies and think of various ways to move forward and survive because doing business in the hospitality sector can generate profitable profits, especially if it meets the expectations of customers and they will keep coming back again and again. To be able to increase customer loyalty and their satisfaction is one way for businesses to measure success in running their business (Kartikasari & Albari, 2019).

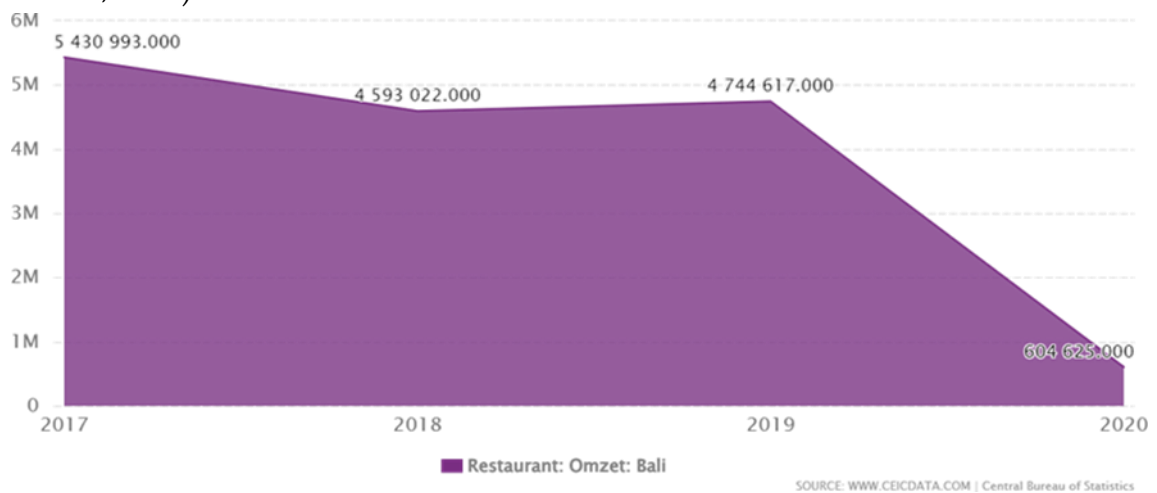


Figure 1. Measure Success in Running Their Business
Research: Central Bureau of Statistic Year 2017 - 2020 Indonesia Restaurant Omzet in Bali

It can be seen that in 2020 restaurant turnover in Bali has decreased to 604,625,000 compared to previous years (Ceic, 2020), because in that year the covid pandemic had just occurred so it is not surprising if there is a decrease in restaurant turnover, in 2021 - 2023 it has not there is clear statistical data regarding the increase in turnover, but if you look at the number of visitors and the increase in revenue in Bali in 2019 - 2022 based on the graphic below:



Figure 2. Number of Visitors and Increased Income in Bali Source (Bukitvista): The Number of Foreign Tourists Visit to Bali November 2022 - January 2023

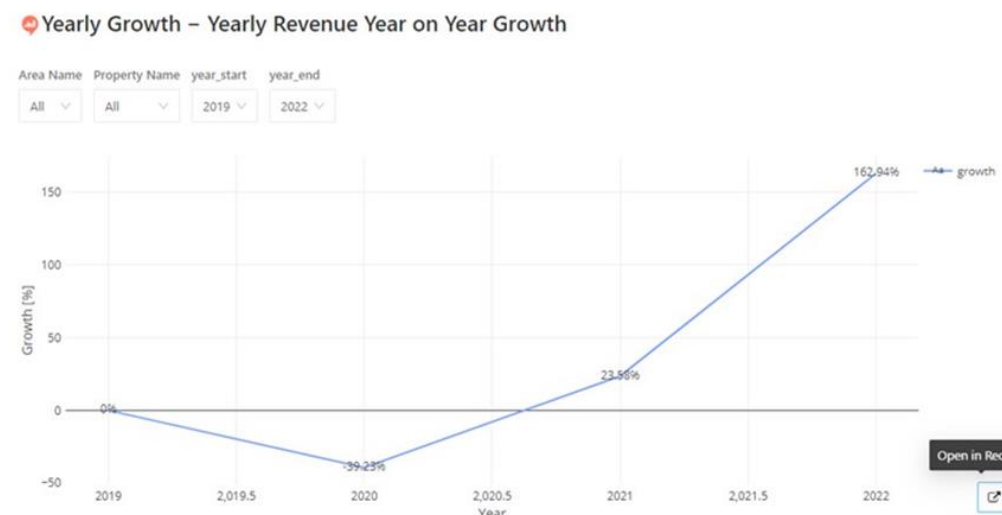


Figure 3. Yearly Growth-Yearly Revenue Year and Year Growth Source (Bukitvista): Yearly Revenue 2019 - 2022

There has been a significant increase from 2021 - 2022 because that year COVID-19 in Indonesia experienced a decrease in cases, so that visitors also increased, this automatically had an impact on one of the important elements of the running of the economy, namely F&B, more and more restaurant outlets are returning to operate.

Through this mini thesis, writers will discuss the atmosphere, service quality and price towards customer loyalty at Koral Restaurant of Apurva Kempinski Bali. Koral Restaurant is a one of eight restaurants at Apurva Kempinski Bali which is famous for being Bali's first aquarium restaurant which provides a unique set menu and the sensation of coral bistronomy, where visitors will enjoy luxurious dishes inspired by local flavors but in an elegant place and

uniq, is the price offered, the restaurant service, and the unique and luxurious atmosphere of the restaurant able to bring repeater guests to come back not just once.

Service quality is a measure of how well the level of service is provided and can match customer expectations (Tjiptono, 2017). As we know, service quality is one of the supporting elements in the running of a restaurant, such as service when guests come and go home, how they can be swift and have high initiative and reflexes in serving guests, and how to handle guests who are dissatisfied with service or food. Therefore, what I want to discuss is how service quality can also affect customer loyalty, how to build trust between service and guests so that guests will think about coming back, where we know that Koral Restaurant has been nominated for "traveler's choice best of the best 2022", and as we can see based on the review from Tripadvisor Koral Restaurant has excellent service and a memorable dining experience that cannot be found in other restaurants on the island of the gods.

The second element that is no less important is price, according to Kotler & Armstrong (2016), price is the amount that consumers have to pay to get a product or service to meet unsatisfied needs and wants, here price is the second important element that I will discuss here, starting from the price of 700,000 offering a 2 course menu up to 1 million and above offering a gourmet menu experience excluding tax and service, at a price that is quite expensive, of course visitors also expect something experimental and have never felt it, at this time the factors that determine consumer purchases increasingly diverse, so that factors other than price also play an important role in consumer purchasing decisions.

The third element is the atmosphere, purchasing activities are also influenced by the environment which can provide high comfort, so that purchasing activities can feel more enjoyable (Zhang et al., 2019), therefore the environment or atmosphere can be designed in such a way as to cause emotional effects in consumers, thereby increasing the likelihood of purchases, convenience and the desire to return (Ballantine et al, 2019). Same with Koral Restaurant offers a full bistronomic experience, combining delectable dining, a laid-back ambiance and the rarefied atmosphere of an aquarium, accompanied by a hypnotic soundtrack that captures the magic and mystery of life below the waves. The atmosphere that is built in such a way from the table setting, the lights that illuminate the room, to the choice of music being played, is a supporting element that is quite important and dominant. So, this research purpose is show how to increase customer loyalty based on that three independent variables that I already explain before.

Problem Limitation

This study discusses the relationship between atmosphere, price, and service quality on customer loyalty at the Apurva Kempinski Bali restaurant coral. So that the research is not too widened and can be concentrated into particular objects, there are limitations to the research in this journal where this

research was conducted at the Apurva Kempinski restaurant coral in Bali, especially in Indonesia.

In this study the researchers used 3 independent variables and 1 dependent variable which is: X1 : Influence of atmosphere indicator = Cleanliness, Stall Design, Comfort

X2 : Influence of price indicator = Competitive Price, Price quality trade off, Price service trade off

X3 : Influence of service quality indicator = Reliability, Responsiveness, Speed of Service Y : Customer Loyalty indicator = Recommendation, Positive review, Alternative choice

Problem Formulation

1. Does the influence of atmosphere have an impact on customer loyalty?
2. Does the influence of price have an impact on customer loyalty?
3. Does the influence of service quality have an impact on customer loyalty?
4. Does the influence of atmosphere, price, and service quality have an impact on customer loyalty?

Objective of the Research

The objective of this research include:

1. To determine if atmosphere affects customer loyalty at Koral Restaurant.
2. To analyze if price has a significant pact on customer loyalty at Koral Restaurant.
3. To find out if service quality has an effect on customer loyalty at Koral Restaurant.
4. To determine if atmosphere, price and service quality have a direct impact towards customer loyalty at Koral Restaurant.

Benefit of the Research

The purpose of this study is to provide information to the audience about the hospitality industry, in particular the factors that affect the loyalty of customers. So that after reading this mini thesis, readers will discover new knowledge that will assist in managing a business successfully. The advantages for the writer are that by applying the theories that have been previously examined throughout the research, many insights can be identified. Despite the writers' limitations in producing this thesis, it is hoped that readers will be able to comprehend it and offer suggestions for its improvement.

LITERATURE REVIEW

Hospitality Industry

The hospitality industry comprises a collection of enterprises engaged in delivering products and services characterized by warm treatment, reception, behavior, and a focus on serving guests. Typically, this industry encompasses activities such as cordial interactions between hosts and guests, along with provisions of accommodations and food and beverage services, which form the primary sectors of tourism. However, hospitality can also encompass additional elements like entertainment and captivating tours. It should be emphasized that

while these aspects operate independently, they frequently intersect and collaborate to create a unified and all-encompassing hospitality experience. In the hospitality industry, there is hospitality business. Hospitality business is from the term hospitality and tourism industry which lifted from the hospitality and tourism industry which refers to businesses with various services, especially tourism. In commercial activities, economic activists use the term hospitality industry in the context of the hospitality sector as services or services that depend on guests. According to Syawalia (2022), the goal of business in the hospitality industry is to make a profit by providing a good impression and service to guests.

Independent Variable

Atmosphere

The entire tone, feeling, or ambience of a specific location or circumstance is referred to as the atmosphere. It includes the overall energy or vibe present in a particular area, as well as the emotional or psychological environment that is produced by several factors, including the physical surroundings, social dynamics, sensory stimulation, and general energy. The type of hotel, its location, target market, and overall brand positioning can all affect the industry's environment.

There are some common elements that contribute to the general atmosphere in the hotel industry. For the Koral Restaurant, Apurva Kempinski Bali built their restaurant to create a unique experience for their customers, where they built the Koral restaurant to become an indoor aquarium restaurant. Not only that, but with the concept of an indoor aquarium restaurant, this provides a comfortable and luxurious environment for customers, which lets customers enjoy their food while looking at the aquarium at the same time. The employees are also trained to be always attentive, friendly, and always responsive to customer needs. These create a welcoming and accommodating atmosphere for customers, where the customer enjoys the facilities yet the atmosphere.

The indicators of atmosphere are as follows:

1. Cleanliness
2. Stall Design
3. Comfort

Price

A product, service, or commodity's price is its monetary value or the sum that is assessed or charged for it. In a particular transaction, it indicates the price or exchange value of a good or service. Price is the cost a buyer or consumer is anticipated to pay to purchase or use the good or service. It is often expressed in a particular currency, such as dollars, euros, or pounds.

Production costs, supply and demand dynamics, market rivalry, brand value, perceived quality, and other economic factors are some of the variables that affect an item's pricing. Given that it reflects the value that both parties have agreed upon for the exchange of products or services, it is a crucial part of the buying and selling process. Prices might vary depending on elements including

the product or service's quality, features, customizability, and additional services or perks.

A key element of business and economics is price, which has a big impact on how consumers behave as well as market dynamics, profitability, and overall economic activity. It acts as a value signal, aids in resource allocation, and forms the cornerstone of income creation and monetary exchange in a variety of markets and sectors.

The Indicators of Atmosphere are as Follows:

1. Competitive Price
2. Price Quality Trade Off
3. Price Service Trade Off

Service Quality

Service quality has become an important indicator that can affect customer satisfaction. Service quality, customer perception of the service components of a product, is also an important determinant of customer satisfaction (Zeithaml, 2019). Service quality is a component that plays a major role in determining the level of customer satisfaction. Consistency in providing high-quality service and provide reliable services are markers of high service quality. Customers set expectations of service quality from the hotels, which become the standard for the service levels that customers demand.

The Indicators of Service Quality are as Follows:

1. Reliable

Reliable is a definition of ability to reliably and accurately deliver promised performance to the customers. When employees couldn't deliver the expected performance, the customer might give a bad response to the services. Reliability has become an important factor in service quality, which includes consumer perceptions of consistency and reliability. Employees need to deliver an accurate service that has been expected by the customers, adherence to service promises, etc.

2. Responsive

Responsive is the willingness to help customers, provide prompt service, serve customers quickly and appropriately. Customers can enjoy their services if the service provider is ready to serve them properly. This reflects how employees respond to customer needs, complaints and order cancellations, how they regularly update customers on the timing of service delivery, and how willing they are to respond to customer requests.

3. High-Speed Service

High-speed service means employees give a fast respond when serving the customers. This could be tracked from the way employees answer the customer's needs such as delivering food, resolving the customer's problem, and the others. In short, employees could fulfill the customer's needs in a short time without making customers wait for too long.

Dependent Variable Customer Loyalty

Consumer loyalty is a consumer response in the form of loyalty to consume a service or product over an extended period of time. Customer loyalty means that there is a guarantee that customers will use these services in the long term. There is a correlation between service quality and customer loyalty. Good service can increase consumer trust and satisfaction which impacts on the customer loyalty. It can be measured from the Repurchase Intention and doing things like information is disseminated via word of mouth or positive word of mouth from customers or recommendations, such as a positive reviews or alternative choices as the feedback of their loyalty.

The indicators of customer loyalty are as follows:

1. Recommendation

Recommendation is the way customers show their loyalty and trust. It can be measured from the Repurchase Intention and doing things like information is disseminated via word of mouth or positive word of mouth.

2. Positive Review

Positive review is the way customers share their reaction after receive products or services. Review could be a positive or negative response. Positive response means that customers are happy with the products or services that been delivery so that they giving feedback such as good response.

3. Alternative Choices

Alternative choices means that customers would choose the company as if it as their choices after their first choices. Its mean that customers do trust with the company.

Relation Between Variables Atmosphere and Customer Loyalty

- **Immediate Effect:** The atmosphere has an immediate impact on the impression and experience of customers during their stay. Customers are more likely to have a favorable experience and be satisfied with their visit if the environment is welcoming, comfortable, and pleasurable. This favorable experience may result in short-term client loyalty, since they are more likely to return to the business.
- **Recommendations from Others:** A nice environment can also motivate customers to tell others about their positive experience through word-of-mouth recommendations. Customers are more likely to refer a business to their friends, family, and coworkers when they have a nice and memorable experience as a result of the atmosphere. This can lead to improved short-term customer loyalty when new customers are drawn to the company as a consequence of positive recommendations.
- **Purchases on the spur of the moment:** The environment can encourage customers to make unplanned or additional purchases. A visually pleasing and enticing environment in a retail store, for example, can inspire visitors to browse more, discover different products, and make impulse purchases. Customers perceive the firm as delivering a gratifying and enjoyable purchasing experience, therefore these short-term purchases can lead to consumer loyalty.

- **Repeat Visits:** By encouraging repeat visits, a favorable atmosphere can contribute to short-term consumer loyalty. Customers are more likely to return to a business for future purchases or visits if they have a positive experience owing to the atmosphere. In the short term, recurrent patronage indicates a level of loyalty and can contribute to long-term client loyalty.

Price and Customer Loyalty

- **Customers frequently judge the value they receive in relation to the price they spend in a restaurant.** Customers are more likely to be satisfied and have a positive sense of value for money if they believe the price they pay is in line with the quality, portion size, taste, and overall dining experience. This impression of value can lead to short-term client loyalty, with customers more likely to return to the restaurant.

- **Special Offers and Promotions:** Restaurants frequently utilize price-related promotions to attract guests and drive short-term customer loyalty, such as discounts, happy hour bargains, or meal bundles. Offering these unique deals can help to create a sense of exclusivity and persuade customers to prefer the restaurant over competitors during the promotional period. The apparent cost and the possibility to try new cuisines or experiences at a reduced price encourage this short-term commitment.

- **Perceived Quality:** Price can also influence a customer's assessment of the quality of food and service in a restaurant. While a higher price may imply higher quality, the restaurant must live up to those expectations. Customers are more likely to establish short-term loyalty and return to a restaurant if they believe the price they pay is justified by the quality of the cuisine, presentation, ambiance, and overall dining experience.

- **Comparative Value:** Customers frequently compare the costs of other restaurants offering similar cuisines or experiences. In the near run, a restaurant's pricing strategy can influence customer loyalty if customers believe the price is competitive or superior to alternative options. Consumers choose restaurants based on their perceived value for money, thus offering acceptable rates or unique value propositions can attract consumers and create short-term loyalty.

Service Quality and Customer Loyalty

- **Customer Satisfaction:** The quality of service in a restaurant has a significant impact on customer satisfaction. When consumers receive attentive, prompt, and polite service, their eating experience improves. This favorable experience can lead to short-term customer loyalty because clients are more likely to return to the restaurant if they are satisfied with the service.

- **Good Word-of-Mouth Recommendations:** A restaurant with great service quality might create good word-of-mouth recommendations. When customers have a pleasant experience with a service, they are more likely to tell others about it. These suggestions can attract new customers in the short term, contributing to customer loyalty because positive feedback about the restaurant's service quality influences new customers.

- **Return Visits:** In the short term, superior service quality can encourage return visits. When clients receive attentive and individualized treatment, it produces a positive impression and enhances their connection to the business. This great experience and happiness with the service can lead to short-term customer loyalty, as customers choose to return to the restaurant for future eating experiences.
- **Service Recovery:** When there are flaws or faults with a service, efficient service recovery can save the client experience and sustain short-term loyalty. When a restaurant responds quickly to and resolves client complaints or problems, it demonstrates its dedication to service quality and customer satisfaction. In the short term, this attentive approach to service recovery can reduce any negative impact on loyalty and even increase it.
- **Emotional Connection:** Superior service quality has the potential to elicit an emotional response from customers. It can elicit good feelings and make a lasting impression when restaurant employees go above and beyond to give personalized, friendly, and memorable service. Because of the favorable emotions linked with the service experienced, customers are more likely to recall and frequent the restaurant, which can contribute to short-term customer loyalty.

METHODOLOGY

In this research, survey will be conducted to collect primary data by sharing the questionnaires to people. Secondary data is information that has already been collected and may be utilized to answer current questions for which it was not initially collected. The data and information can be gathered from sources such as articles, journals, books and etc.

RESULT

General View of Research Object Overview of Koral Restaurant

Koral Restaurant is located at The Apurva Kempinski hotel and is located in the elite area of Nusa Dua Bali, Koral Restaurant offers the first underwater restaurant concept in Indonesia and the second in Southeast Asia. With this underwater concept, the Koral Restaurant presents a dining atmosphere with views of a giant aquarium with every corner designed in such a way that visitors can feel the view of dining with various marine life and beautiful corals from the glass walls. The dishes served by this restaurant are prepared directly by a professional chef from Italy named chef Andrea Astone with work experience in a two-star Michelin restaurant in Lyon, France and is a specialist in European cuisine. The menu offered includes several cuisines, both local and international, prioritizing culinary ingredients in the form of the gifts of the Indonesian sea. The following menus are served at the Koral Restaurant, including an Italian menu, an experience gourmet menu, a vegetarian menu, and also offers a wide selection of kid's menus.

History of Koral Restaurant

Koral restaurant opened at the end of 2019 and is located on Jl. Raya Nusa Dua Selatan at The Apurva Kempinski Bali hotel and has won the award of "first aquarium restaurant in Bali". Koral Restaurant is located inside The Apurva Kempinski Bali which stands on 14 hectares of land. The resort, which was built for 7 years, is also thick with a touch of Indonesian culture. When you set foot in the lobby, your arrival will be greeted with a soaring and wide ceiling. By carrying out the concept of a pavilion, the hotel lobby is dominated by wooden elements and Javanese or Gebyok carved partitions. At the end of 2019, the Koral restaurant was officially opened with the concept of underwater fine dining. They also presented the wealth of the Majapahit kingdom as the main concept. The first achievement was that they were awarded the most beautiful restaurant in the world in 2021 by placing in the first rank.

Business Model of Koral Restaurant

BUSINESS MODEL CANVAS

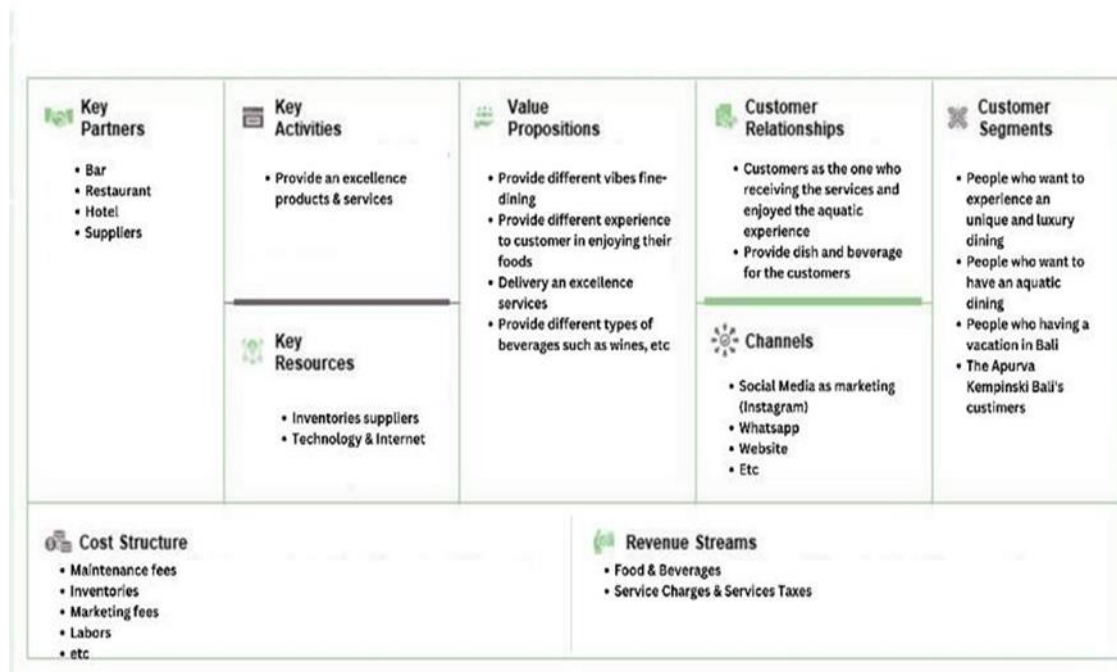


Figure 4. Business Model of Koral Restaurant

Core Values of Koral Restaurant

Koral Restaurant is the first underwater restaurant concept in Indonesia and the second in Southeast Asia. This unique concept of Koral Restaurant has made him one of the most unique restaurants in the world. Koral Restaurant offers a different kind of experience. We value guest privacy and have regulations by the restaurant. One of the core values of The Koral Restaurant is that guest privacy is important and Apurva Kempinski Bali guests are not allowed to enter the restaurant without a reservation. Reservations are required for access to Koral Restaurant. Also, access to the Koral Restaurant outside of dining times is

prohibited. In order to protect the image of the restaurant, only come in smart casual attire. Last, taking picture aren't allowed due to a privacy concerns.

Research Result Descriptive Statistic

There is total of 90 samples that have been collected from the survey conducted. Likert scale ranging from 1-5 is being used to measure how is the level of agree to disagree regarding the statements given in the questionnaire. From each indicator, total of 12 questions are made for the survey. Each of the variable both independent and dependent contains 1 question from each indicator. There are 3 questions for atmosphere variable, 3 questions for price variable, 3 questions for service quality variable and 3 questions for customer loyalty variable.

Respondent Characteristics

Table 1. Gender Characteristics

Gender	Number	Percentage
Male	50	55.5%
Female	40	44.5%
Total	90	100%

The table above is the characteristics of respondents differentiated by gender. There are total of 90 respondents with 50 males and 40 females. It can be concluded that more male respondents participated in answering the questionnaire with the percentage of 55.5%. The difference between female and male is not very significant so it means that Korall Restaurant is suitable for both male and female.

Table 2. Age Characteristics

Range of Age	Number	Percentage
17-22 years old	41	45.6%
23-27 years old	23	25.6%
28-32 years old	20	22.2%
>35 years old	6	6.6%
Total	90	100%

Age characteristics are also being measured in this research, to define which group age are the participants in this questionnaire. The biggest group range of age is around 17-22 years old as more sample is taken from friends and relatives around that which have been there before with their own friends and family. It can be concluded that this environment created by the restaurant is more attractive to young age people.

Table 3. Educational Background

Education	Number	Percentage
Senior High School	31	34.4%
S1	59	65.6%
S2	0	0
S3	0	0
Total	90	100%

The table above shows the characteristics of the educational background from 90 samples. The biggest number is 59 people with the education of S1 and the rest is in senior high school. Meanwhile none of the respondents that have the educational background of S2 and S3.

Table 4. Income rate

Income Range	Total	Percentage
< Rp 1.500.000	16	17.8%
Rp 3.000.000 - Rp 8.000.000	31	34.4%
Rp 10.000.000 - Rp 15.000.000	34	37.8%
>Rp 20.000.000	9	10%
Total	90	100%

The table above shows the characteristics of the respondents categorized by income rate. Most of the respondents have the income rate of Rp 10.000.000 - Rp 15.000.000 with the total of 34 people which is about 37.8%. Meaning that people who visited Koral Restaurant have the average of people with the income rate ranging from Rp 10.000.000 to Rp 15.000.000. Since menu of choices started from the budget around Rp 750.000, it can be concluded from the survey that people with income rate less than Rp 1.500.000 can visit the restaurant to have the diningexper.

Table 5. Descriptive Statistics of the Responsesience

		Statistics											
		X1.Q1	X1.Q2	X1.Q3	X2.Q1	X2.Q2	X2.Q3	X3.Q1	X3.Q2	X3.Q3	Y.Q1	Y.Q2	Y.Q3
N	Valid	90	90	90	90	90	90	90	90	90	90	90	90
	Missing	0	0	0	0	0	0	0	0	0	0	0	0
Mean		4,42	4,38	4,30	4,18	4,26	4,20	4,33	4,29	4,37	4,30	4,37	4,02
Median		4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00	4,00
Mode		4	5	5	4	4	4	4	4	4	4	4	4
Std. Deviation		,580	,680	,756	,743	,680	,753	,636	,623	,626	,644	,608	,793
Variance		,337	,462	,572	,552	,462	,566	,404	,388	,392	,415	,370	,629

From the table above, the descriptive statistics include mean, median, mode, standard deviation, and variance of each question. X1 is the independent variable of atmosphere, the result shows that the mean from three questions of X1 is around 4.30-4.42, meaning that most of the respondents chose to agree. The mode is 4 and 5 which shows the most frequent numbers coming out, most chosen answers are agree and strongly agree. X2 is the variable for price, the mean is ranging from 4.18-4.26 shows that most of the questions are answered agree. The mode of price variable is 4. X3 is service quality variable of an independent variable, the mean is 4.29-4.37 meaning that the average of the answers is agree. Meanwhile, the most frequent answer is 4. Y is the dependent variable which is customer loyalty, the mean is ranging from 4.02-4.37 and the average answers is agree. The mode is 4 for this variable.

Median is known as the middle value which is arranged in descending order from the smallest to the largest. For the descriptive data above, showing that the median value of all the variables have the same number which is 4. The standard deviation is related to the mean, so the value of the data distribution depends on the mean value. If the standard deviation value is higher than the mean, the data variation is wider and conversely, if the standard deviation is lower, it is closer to the average value. Overall, of all the variables, it is stated that the value of the standard deviation is smaller than the mean value, which means that the spread of the data is not so varied and close to the mean. Question number 3 in dependent has got the most variety of answer spread for both standard deviation and variance which are 0.793 and 0.629. The question is “You go to Koral Restaurant since there are no other options”, it is understandable since there are many restaurants with more interesting concepts so there will be many other choices to go to the other place.

Weighting Analysis

A statistical approach called weighting analysis, sometimes referred to as data weighting or sample weighting, is used to modify the impact of individual data points in a dataset based on their relative significance or representativeness. In order to account for the sample strategy, compensate for biases, and guarantee that the results accurately represent the target population, it is frequently employed in survey research and other types of data analysis.

Table 6. the Range is Determined to be 0.8, Which was Calculated as (5-1)

Divided By 5

Average Range Value	Category/Class
1.0 - 1.8	Strongly Disagree (Very bad)
1.81 - 2.60	Disagree (bad)
2.61 - 3.40	Neutral (normal)
3.41 - 4.20	Agree (good)
4.21 - 5.00	Strongly agree (very good)

Source: Prepared by Writer (2023)

Table 7. Weighting Analysis for Atmosphere (X1)

Question	Mean	Category
Q1	4.422222222	Very Good
Q2	4.377777778	Very Good
Q3	4.3	Very Good

All the responses regarding perceived usefulness fall into the "very good" category, indicating that the respondents agree with the statements in the questions. In summary, the average mean for the entire variable X1 is calculated to be 4.367.

Table 8. Weighting Analysis for Price (X2)

Question	Mean	Category
Q1	4.177777778	Good
Q2	4.255555556	Very Good
Q3	4.2	Good

In this variable, respondent lies on the category "Good" with the average of X2 with 4.21.

Table 9. Weighting Analysis for Service Quality (X3)

Question	Mean	Category
Q1	4.333333333	Good
Q2	4.288888889	Very Good
Q3	4.366666667	Good

In this variable, it lies on the category of "Good" with the average X3 with 4.33.

Table 10. Weighting Analysis for Customer Loyalty

Question	Mean	Category
Q1	4.3	Good
Q2	4.366666667	Very Good
Q3	4.022222222	Good

All the mean all lies under the "Good" category, so the variable has a grand mean of 4.23.

Result for Instrument Testing Validity Test

Table 11. Validity Test for Atmosphere

Question	R Count	R table	Validity
Q1	0.66	0.361	Valid
Q2	0.72	0.361	Valid
Q3	0.717	0.361	Valid

Sources: Prepared by Writer (2023)

Validity Test for Price

Table 12. Validity Test for Price

Question	R Count	R table	Validity
Q1	0.725	0.361	Valid
Q2	0.737	0.361	Valid
Q3	0.778	0.361	Valid

Validity Test for Service Quality

Table 13. Validity Test for Service Quality

Question	R Count	R table	Validity
Q1	0.756	0.361	Valid
Q2	0.66	0.361	Valid
Q3	0.643	0.361	Valid

Validity Test for Customer Loyalty

Table 14. Validity Test for Customer Loyalty

Question	R Count	R table	Validity
Q1	0.676	0.361	Valid
Q2	0.687	0.361	Valid
Q3	0.664	0.361	Valid

Reliability Test

Reliability Statistics Atmosphere

Table 15. Reliability Statistics Atmosphere

Scale Reliability Statistics		
	Cronbach's α	N of Items
scale	0.472	3

From this result, it proves that the 3 question with the value of Cronbach alpha for 0.472 which didn't reach 0.6, so the atmosphere didn't pass the reliability test.

Reliability Statistic Price

Table 16. Reliability Statistic Price

Scale Reliability Statistics		
	Cronbach's α	N of Items
scale	0.602	3

From this result, it proves that the 3 question with the value of Cronbach alpha for 0.602 and reach 0.6, so the atmosphere pass the reliability test.

Reliability Statistic Service Quality

Table 17. Reliability Statistic Service Quality

Scale Reliability Statistics		
	Cronbach's α	N of Items
scale	0.439	3

From this result, it proves that the 3 question with the value of Cronbach alpha for 0.439 which didn't reach 0.6, so the atmosphere didn't pass the reliability test.

Reliability Statistic Customer Satisfaction

Table 18. Reliability Statistic Customer Satisfaction

Scale Reliability Statistics		
	Cronbach's α	N of Items
scale	0.386	3

From this result, it proves that the 3 question with the value of Cronbach alpha for 0.386 which didn't reach 0.6, so the atmosphere didn't pass the reliability test.

Result of Data Quality Testing

Classical Assumption Testing Result Normality Test

In our research, normality test will be implemented in order to know if the variable data approaches the normal distribution population. It is to determine the type of statistic which will discover the connection between the variables. There are several ways to determine whether the result of normality test is normal, it can be use from SPSS Statistics software, which it helps to determine the normality test. The results are shown on the table below:

Table 19. Normality Test

	Residuals
N	90
Mean	1.45E-17
Median	0.0242
Standard deviation	0.457
Minimum	-1.00E+00
Maximum	1.35
Shapiro-Wilk W	0.99
Shapiro-Wilk p	0.705

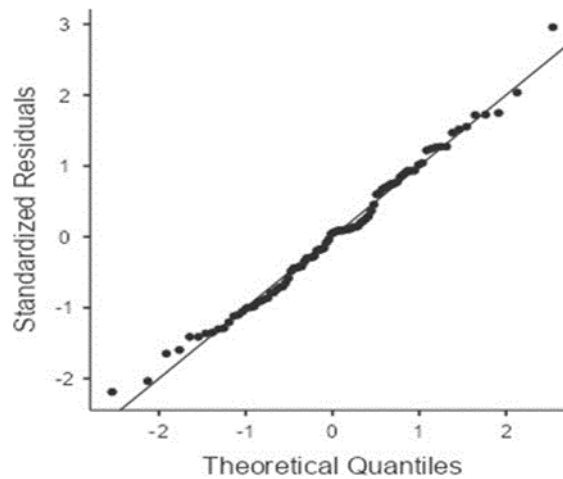


Figure 5. Standardized Residuals and Theoretical Quantiles

The table shows the significant value which is 0.705, where it is greater than 0.05. This means that the data is normally distributed and the requirements for normality have been met.

Linearity Test

To check whether there is a linear relationship between the independent and dependent variable, this test was performed using Microsoft Excel. The cutoff for the linearity test is similarly 0.05; if the significant value is less than 0.05, the connection between the independent and dependent variables is linear. The results are shown on the table below:

Table 20. Linearity Test for Atmosphere (X1)

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3582,27222 2	1	3582,27222 2	2805,84760 2	6,6311E- 111	3,8942321 3 1
Within Groups	227,255555 6	178	1,27671660 4			
Total	3809,52777 8	179				

Figure 21. Linearity Test for Price (X2)

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3200,45	1	3200,45	1996,775675	1,12704E-98	3,894232131
Within Groups	285,3	178	1,602808989			
Total	3485,75	179				

Table 22. Linearity Test for Service Quality (X3)

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3345,422222	1	3345,422222	3238,287855	3,8783E-116	3,894232131
Within Groups	183,8888889	178	1,033083645			
Total	3529,311111	179				

The three tables each represents the linearity test of variable X1, X2 and X3 towards the dependent variable Y.

Heteroskedasticity Test

If the independent variable values have an impact on the variance of the regression errors, this will be revealed by the heteroskedasticity test. One method for determining heteroskedasticity is the Glejser test. The results are shown on the graph below:

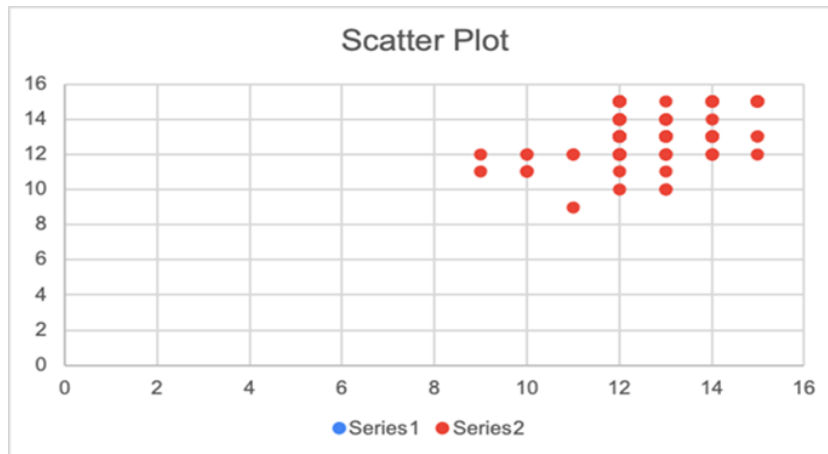


Figure 6. Heteroskedasticity Test

The scatter plot is another way to determine the occurrence of heteroskedasticity. If there is a certain pattern on the graph, it indicates the

existence of heteroskedasticity. Based on the scatter plot, there are pattern, and the data is not scattered, we can conclude that there is heteroskedasticity in this study.

Multicollinearity Test

A multicollinearity test seeks to determine whether the independent and dependent variables may be correlated. Multicollinearity's existence might produce false results. A suitable regression model should therefore not be multicollinear. The results are shown on the table below: A multicollinearity test seeks to determine whether the independent and dependent variables may be correlated. Multicollinearity's existence might produce false results. A suitable regression model should therefore not be multicollinear. The results are shown on the table below:

Table 23. Multicollinearity Test

<i>Regression Statistics</i>	
Multiple R	0,419261701
R Square	0,175780374
Adjusted R Square	0,166414242
Standard Error	1,259198991
Observations	90

The existence of multicollinearity can be determined by observing the collinearity tolerance and statistics variance inflation factor (VIF). The VIF is calculated as $1 / (1 - R \text{ Square})$ which is $1 / (1 - 0,175780374)$ and the result is 1.21.

Multiple Linear Regression

Since there is more than one independent variable, this study test for multiple linear regression, this test analyzes how they relate to the dependent variable, and the information to be transferred is taken from the independent variables that are used to generate an accurate amount of influence they have on the dependent variable.

Table 24. Multiple Linear Regression

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,483	1,541		2,908	,005
	X1	,284	,097	,292	2,920	,004
	X2	,247	,087	,291	2,841	,006
	X3	,104	,110	,098	,951	,344

a. Dependent Variable: Y

The equation is as of follows:

$$Y = 4,483 + 0,284 X1 + 0,247X2 - 0,104 X3$$

With this equation, the writers deduce that:

- The value of the non-standard column constant (a) is 4.483, although the atmosphere, price, and service quality will also be 4.483..
- The atmospheric perception coefficient has a value of 0.284, which means that if one value increases, the dependent variable of customer loyalty will likewise increase by 0.284.

- The value of the price perception coefficient is 0.247, so if there is an increase in the value of the dependent variable from customer loyalty, it will also increase by 0.247.
- The value of the perceived service quality coefficient is 0.104, so if there is an increase in the value of the dependent variable from customer loyalty, it will also increase by 0.104.

Hypothesis Testing Coefficient of Determination

When predicting the outcome of a specific event, the coefficient of determination acts as a statistical measure that assesses how variation in one variable can be explained by changes in other variables, which could be because R square determines the strength of the linear relationship between two or more variables, so I will explain the coefficient of determination results for this ongoing research in the table below.

Table 25. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	,526a	,277	,251	1,193

a. Predictors: (Constant), X3, X1, X2

The R Square value is 0.251, as shown in the table above, indicating that 25.1% of the elements that truly influence customer loyalty are based on three indicators: atmosphere, price, and service quality. With 74.9% remaining in the presentation, this suggests that the reminder are elements outside of this study that are not explained.

F test

Table 26. F Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46,846	3	15,615	10,968	,000 ^b
	Residual	122,443	86	1,424		
	Total	169,289	89			

a. Dependent Variable: Y
 b. Predictors: (Constant), X3, X1, X2

Based on the output above, it is known that the significant value for the effect of X1, X2, and X3 on Y at the same time is $0.000 < 0.05$ and the computed F value is $10.968 > F$ Table 2.71, therefore it can be concluded that H4 is accepted, implying that X1, X2, and X3 have an influence on Y.

T Test

Table 27. T Test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,483	1,541		2,908	,005
	X1	,284	,097	,292	2,920	,004
	X2	,247	,087	,291	2,841	,006
	X3	,104	,110	,098	,951	,344

a. Dependent Variable: Y

Testing the First Hypothesis (H1)

It is known that the sig value for the effect of atmosphere (x1) on customer loyalty (y) is 0.004

<0.05 and the t count value is 2.920 > t table 1.991, so it can be concluded that H1 is accepted because there is an influence of X1 on Y.

Testing the Second Hypothesis (H2)

It is known that the sig value for the effect of price on customer loyalty is 0.006 <0.05 and the t count is 2.841 > t table 1.991, so it can be concluded that H2 is accepted because there is an effect of x2 on y.

Testing the Third Hypothesis (H3)

It is known that the value of the t count is smaller than the t table, so it can be concluded that atmosphere and price have a greater influence on customer loyalty compared to service quality.

DISCUSSION

Based on data and results obtained from this research, this section will further describe the outcome of the debate and analysis of the results on the points below:

This study consists of four variables, three of which are independent variables and one is the dependent variable, The purpose of this study is to determine how the perception of the atmosphere, price, and service quality at Koral restaurant will affect customer loyalty. The author uses quantitative research methods. The author chose this method because it is easier to process data and the resulting data is more valid, The population size of this study is not defined because the researcher will take all information from people who have visited the coral restaurant, and then the sample uses a simple random sampling technique with a sample size of as many as 90 respondents, of which 55.5% were male" and the remaining 44.5% were female respondents. The results of the descriptive analysis show that respondents in the age group of 17-22 years, with an average educational background" are people with an undergraduate degree. As we know, the young generation is more readily available and willing to fill out surveys, because the general young generation is a generation that doesn't want to be left behind with the latest trends, so it's no wonder that most visitors at Koral Restaurant are the young generation.

CONCLUSION AND RECOMMENDATION

Conclusion

In this study, a research model was designed to identify the influence of the atmosphere, price, and service quality, on Customer Loyalty in The Koral Restaurant of Apurva Kempinski Bali. The fundamental for this research model is to determine the influence of The atmosphere, price, service quality, towards Customer Loyalty in The Koral Restaurant of Apurva Kempinski Bali.

To answer the problem, the writer's final findings are based on the discussion, data analysis, and hypothesis testing which had been done in the preceding chapter. This hypothesis testing has been carried out with proposed hypotheses that were accepted.

This results in this study model can be concluded as follows:

- Based on the respondent's results, the mean variable of the atmosphere is around 4.30-4.42, meaning that most of the respondents agree that atmosphere has become one of the factors that influence customer loyalty.
- The price variable's mean is ranging from 4.18-4.26 showing that most of the questions answered agree, which mean that respondents agree that price has become one of the factor that influences customer loyalty.
- The service quality variable's mean is 4.29-4.37 meaning that the average of the answers is agreed, its mean that respondents agree that service quality has become one of the factor that influences customer loyalty.
- It is known that the value of the t count is smaller than the t table, so it can be concluded that atmosphere and price have a greater influence on customer loyalty compared to service quality.
- Based on Multilinear Regression Calculation, The atmospheric perception coefficient has a value of 0.284, which means that if one value increases, the dependent variable of customer loyalty will likewise increase by 0.284. The value of the price perception coefficient is 0.247, so if there is an increase in the value of the dependent variable from customer loyalty, it will also increase by 0.247.
- Based on the data analysis from the questionnaire, it can be concluded that the price at The Koral Restaurant of Apurva Kempinski is good which the indicators of price such as the competitive price, price quality trade off, and price service trade off that are given to customers were performed well. From the results show that the respondents were agree with the price at The Koral Restaurant of Apurva Kempinski.
- Based on the data analysis from the questionnaire, it can be concluded that the customer satisfaction at The Koral Restaurant of Apurva Kempinski is good as shows good results. From the descriptive analysis results show that the respondents agreed with the statement of customer satisfaction at The Koral Restaurant of Apurva Kempinski.

Recommendation

Based on the result, the writer considers that there are still some limitations on this study. Therefore, the writer offers the following recommendations:

- The statement “You go to Koral Restaurant since there are no other options” has become a question that receives a varieties answer, its understandable since there are many restaurants with more interesting concepts so there will be many other choices for customers to go to the other place. To increase customer loyalty to Koral Restaurant, Koral Restaurant could improve its service quality that gives a different personal experience to the customers.
- Atmosphere and price have a greater influence with a significant impacts towards customer loyalty compared to service quality. To maintain customer loyalty, The Koral Restaurant could improves their indicator-indicator that could affects the atmosphere such as cleanliness, stall design, and customer’s comfort during their dining in The Koral Restaurant. In addition, price’s indicator such as price quality and service trade off also need to be aware. When this two variable could be improved, it could give a positive and significant impacts to the customer loyalty.

FURTHER STUDY

This research still has limitations, so it is necessary to conduct research related to the topic of The Influence of Brand Image, Social Media Advertisement, and Word of Mouth Toward Customer Attraction in order to perfect this research and add insight for readers.

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