Top Management, and Relational Capital, "Consumer Decision-Making in Eastern Fast Food: An Urban Surabaya Perspective on Perceived Value and Behavioral Intent

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Info Article

Abstract

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This study aims to examine: (1) the influence of perceived value on behavioral intentions; (2) the influence of perceived value on consumer satisfaction; (3) the influence of consumer satisfaction on behavioral intentions; and (4) the mediating role of consumer satisfaction in the relationship between perceived value and behavioral intentions. The research population comprises all customers of Surabaya Urban Area. A total of 100 respondents were selected using a convenience sampling technique. Data were collected using a structured questionnaire, and instrument validity and reliability were assessed accordingly. Hypotheses were tested through path analysis, with data processing conducted using the SPSS software. The findings indicate that: (1) perceived value significantly affects behavioral intentions; (2) perceived value significantly influences consumer satisfaction; (3) consumer satisfaction significantly affects behavioral intentions; and (4) consumer satisfaction mediates the relationship between perceived value and behavioral intentions. The study concludes that all proposed hypotheses are empirically supported.

INTRODUCTION

Consumer behavioral intentions are widely acknowledged as a crucial determinant of corporate profitability. According to Clemes et al. (2009, p. 31), behavioral intentions are generally associated with customer retention (i.e., the duration of the customer relationship) and customer loyalty. Oliver (1999, p. 35) further equates behavioral intentions with *conative loyalty*, reflecting a customer's commitment to repurchase. Ryu et al. (2008, p. 461) describe behavioral intentions as consumers' inclination to either continue or discontinue their engagement with a service provider. Thus, behavioral intentions can be categorized into positive intentions (e.g., willingness to continue engagement with a company) and negative intentions (e.g., complaints or brand switching). Positive behavioral intentions are often reflected through tendencies such as disseminating favorable word-of-mouth, customer retention, and future patronage.

One of the key antecedents of behavioral intentions is **perceived value**—the extent to which consumers believe they receive substantial benefits relative to the costs incurred. When consumers perceive high value in the goods or services consumed, they are more likely to exhibit favorable behavioral intentions. Ha and Jang (2010, p. 460) support this assertion, stating that perceived value plays a pivotal role in consumers' decision-making processes. Positive consumption experiences often translate into behavioral outcomes such as revisit intentions, recommendations, and positive word-of-mouth.

Perceived value, often referred to as consumer perceived value, is defined by Kotler (2010, p. 34) as the evaluation of a bundle of benefits received from a product or service. This definition highlights the trade-off between the perceived benefits and the sacrifices made by consumers. In essence, a product or service is more likely to generate satisfaction if the perceived value is high.

Despite widespread agreement on the relevance of perceived value to behavioral intentions, empirical findings in service marketing remain inconclusive. While some studies (Andreassen & Lindestad, 1998; Chen & Tsai, 2007; Lee et al., 2007; McDougall & Levesque, 2000; Patterson & Spreng, 1997; Pura, 2005, as cited in Ryu et al., 2008, p. 462) confirm a significant positive relationship, others (e.g., Khan & Kadir, 2011, p. 4095; Chaohui et al., 2012, p. 742) report that dimensions of perceived value—namely functional, relational, and aesthetic value—do not significantly influence behavioral intentions.

This inconsistency in prior research points to a *research gap* in the direct relationship between perceived value and behavioral intentions. It is plausible that this relationship is mediated by other variables, such as customer satisfaction. For instance, Ryu et al. (2008) found that among restaurant consumers in Korea, satisfaction mediated the relationship between perceived value and behavioral intentions. Ha and Jang (2010, p. 10) similarly found that customer satisfaction acts as a mediating variable

between perceived value and behavioral intentions in the context of restaurant service.

Eastern Fast Foodis a well-known franchise restaurant specializing in desserts—primarily a variety of pancakes—while also offering a range of other dishes including pasta, steak, fried rice, and coffee. Established in 2008 in Jakarta, Eastern Fast Foodhas since expanded across Indonesia, with outlets in Balikpapan, Makassar, Yogyakarta, Surabaya, Bali, and more. Its newest branch is located in Surabaya, situated within the Surabaya Urban Area.

In Surabaya, Eastern Fast Foodoperates in a highly competitive environment, with several other franchise restaurants such as Hurtz Pizza, Hoka Hoka Bento, Papa Ron's Pizza, KFC, Solaria, and Starbucks Coffee present in the area. Despite its brand strength, the Eastern Fast Foodbranch at Surabaya Urban Area has faced service-related issues, evident from the increasing number of customer complaints collected via suggestion cards between Maret 2025 July 2025 (see Figure 1).
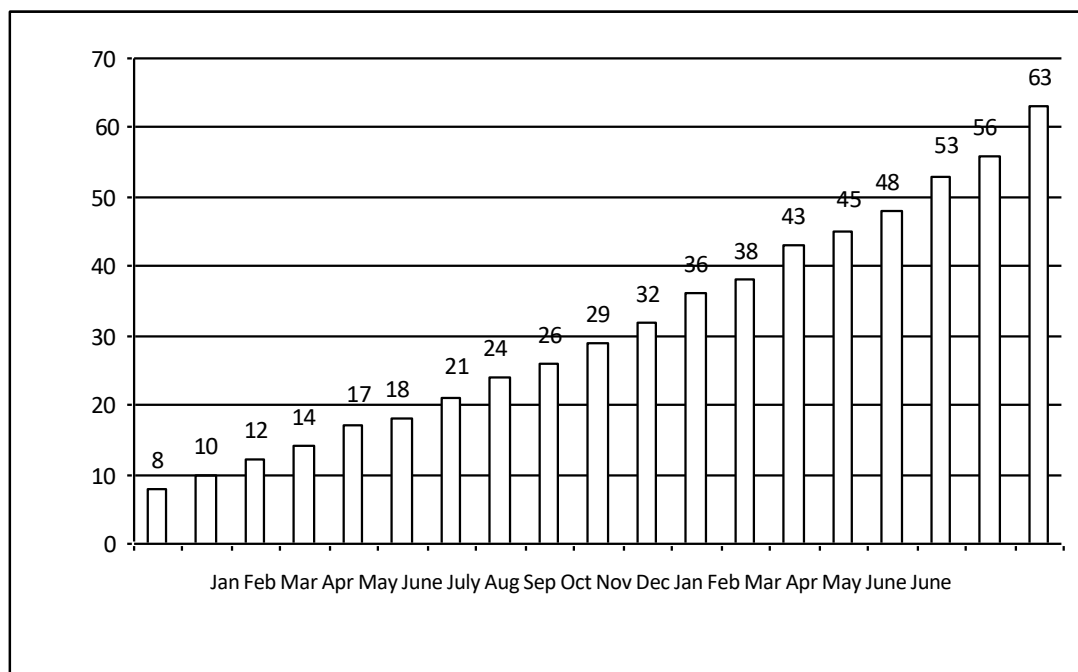
The complaint data indicates rising consumer dissatisfaction, primarily due to slow service, inadequate staff attentiveness, inconsistency in food quality and taste, unavailability of certain menu items, and relatively high prices. These issues point to service delivery deficiencies that need to be addressed promptly, as unresolved complaints may further erode customer satisfaction and loyalty.

In addition to addressing service-related complaints, Eastern Fast Food Surabaya Urban Area also faces fierce competition from other franchise brands. Such competitive pressure, coupled with increasing customer switching behavior, underscores the need for robust competitive strategies. A central strategy involves delivering high perceived value to consumers. The greater the perceived value, the higher the customer satisfaction, which

subsequently fosters positive behavioral intentions such as revisiting, recommending the restaurant, and spreading positive word-of-mouth.

Research Objectives

This study aims to explore and clarify the following research objectives:

1. To examine the significance of the influence of perceived value on consumer behavioral intentions at Eastern Fast FoodSurabaya Urban Area.

2. To assess the significance of the influence of perceived value on customer satisfaction at the same outlet.

3. To analyze the significance of the influence of customer satisfaction on consumer behavioral intentions at Eastern Fast FoodSurabaya Urban Area.

4. To investigate the mediating role of customer satisfaction in the relationship between perceived value and behavioral intentions at Eastern Fast FoodSurabaya Urban Area.

LITERATURE REVIEW

Perceived Value

Yang and Peterson (2004, p. 803) emphasize that "customer value is the fundamental basis for all marketing activities." Similarly, Kotler (2010, p. 34) defines perceived customer value, or delivered value, as the difference between the total customer value and the total customer cost. Total customer value refers to the aggregate benefits that customers expect to derive from a product or service, while total customer cost encompasses all sacrifices - monetary and non-monetary - that

consumers anticipate incurring in evaluating, acquiring, and utilizing the product or service.

Adrian Payne (2010, p. 120) classifies total customer value into four dimensions: service value, product value, people value, and image value. Likewise, total customer cost includes monetary price, time cost, energy cost, and psychological cost. Ryu et al. (2008, p. 463) developed a set of indicators to measure perceived value in the context of restaurant consumers, including product pricing, overall benefits, dining experience, layout aesthetics and facilities, food portion size, and menu variety.

Customer Satisfaction

Customer satisfaction is commonly defined as a post-consumption evaluative judgment. It occurs when the perceived performance of a chosen alternative meets or exceeds a customer's expectations. Dissatisfaction, conversely, arises when the actual experience falls short of expectations (Tjiptono, 2002, p. 146). Kotler (2000, p. 36) further explains satisfaction as a person's feeling of pleasure or disappointment resulting from a comparison between the perceived performance of a product and prior expectations.

In the context of restaurant services, Andaleeb and Conway (2006, p. 6) and Ryu et al. (2008, p. 463) constructed a satisfaction measurement tool using indicators such as product quality, service quality, price fairness, the

overall dining experience, food enjoyment, and overall satisfaction.

From these perspectives, consumer satisfaction can be seen as the emotional state resulting from comparing perceived service performance with initial expectations. Satisfaction level is thus determined by the magnitude of the gap between performance and expectations: when performance exceeds expectations, satisfaction occurs; when it falls short, dissatisfaction follows.

Behavioral Intentions

Goode and Harris (2007, p. 513) define behavioral intentions as an individual's conscious motivation to exhibit specific behavior based on personal evaluations and normative beliefs. Oliver (1999, p. 35) associates behavioral intentions with "conative loyalty," reflecting the consumer's commitment or intent to repurchase. Loyalty itself progresses through several stages: cognitive, affective, conative, and behavioral/action loyalty.

In the restaurant context, behavioral intentions reflect the likelihood that a customer will revisit, recommend the restaurant to others, or speak positively about it. According to Ryu et al. (2008, p. 461) and Ha and Jang (2010, p. 5), these intentions may be evaluated through indicators such as desire to return, word-of-mouth behavior, recommendations, and visit frequency.

Therefore, behavioral intentions represent the consumer's predisposition either to continue or discontinue engaging with the service provider. Positive behavioral intentions include repurchase desire, advocacy through positive word-of-mouth, and willingness to recommend, while negative intentions encompass complaints, switching behavior, or service termination.

RESEARCH FRAMEWORK AND HYPOTHESES

The conceptual framework of this research is illustrated in Figure 2 (not shown here) and is guided by the following hypotheses:

- **H1:** Perceived value has a significant influence on consumer behavioral intentions at Eastern Fast FoodSurabaya Urban Area.
- **H2:** Perceived value has a significant influence on consumer satisfaction at Eastern Fast FoodSurabaya Urban Area.
- **H3:** Consumer satisfaction has a significant influence on behavioral intentions at Eastern Fast FoodSurabaya Urban Area.
- **H4:** Consumer satisfaction mediates the relationship between perceived value and behavioral intentions at Eastern Fast FoodSurabaya Urban Area

RESEARCH METHODOLOGY

Research Site and Sample

This research was conducted at the Eastern Fast Food restaurant located within the Surabaya Urban Area. The population comprises all customers who have visited the restaurant. A total sample of 100 respondents was selected using accidental (convenience) sampling.

Operational Definitions of Variables

- **Perceived Value**
Perceived value refers to consumers' overall assessment of the value received relative to the sacrifices made. In this study, perceived value is measured using indicators from Ryu et al. (2008) and Ha and Jang (2010), which include: product price, total benefits, dining experience, layout and facility aesthetics, portion size, and menu variety.
- **Customer Satisfaction**
Customer satisfaction is defined as the emotional state resulting from the comparison of service performance at Eastern Fast Food Surabaya Urban Area with consumer expectations. Measurement is based on indicators developed by Andaleeb and Conway (2006) and Ryu et al. (2008): product quality, service quality, pricing, dining experience, food enjoyment, and overall satisfaction.
- **Behavioral Intentions**
Behavioral intentions refer to the consumer's tendency to continue or discontinue patronizing Eastern Fast FoodSurabaya Surabaya Urban Area. Indicators include: intention to return, willingness to spread positive feedback, willingness to recommend, and frequency of future visits (Ryu et al., 2008; Ha & Jang, 2010).

Data Collection Method

Primary data was collected through structured questionnaires employing a 5-point Likert scale: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), Strongly Disagree (1).

DATA ANALYSIS TECHNIQUES

1. Classical Assumption Tests

To ensure the validity of regression analysis, four classical assumption tests were conducted:

- Multicollinearity Test
- Autocorrelation Test
- Heteroscedasticity Test
- Normality Test

2. Path Analysis

Path analysis was employed to examine both direct and indirect effects of perceived value (X_1) on behavioral intentions (Y), with customer satisfaction (X_2) serving as a mediating variable. The equations follow the formulation of Ghozali (2005, p. 223).

$$X_2 = \alpha + p_1 X_1 + e_1 \dotfill (1)$$
$$Y = \alpha + p_2 X_1 + p_3 Y_2 + e_2 \dots\dots (2)$$

3. Hypothesis Testing

1. **Hypotheses H1 and H3** were tested using a t-test derived from Regression Equation 2. The significance criterion is based on the resulting *p-value*. If $p < 0.05$, the null hypothesis (H_0) is rejected, indicating a significant partial effect.

2. **Hypothesis H2** was tested using a t-test from Regression Equation 1. A *p-value* < 0.05 implies a significant influence of perceived value on satisfaction.

3. **Hypothesis H4** tested the mediating effect of satisfaction using comparison between direct and indirect effect coefficients:

o If: **Indirect Effect ($p_1 \times p_3$) + Direct Effect (p_2) > Direct Effect (p_2)** → Then H_0 is rejected, and customer satisfaction is confirmed as a mediator.

o If: **Indirect Effect ($p_1 \times p_3$) + Direct Effect (p_2) < Direct Effect (p_2)** → Then H_0 is accepted, indicating no mediating effect.

RESEARCH FINDINGS

Demographic Profile of Respondents

The demographic characteristics of the respondents are presented in the following section, detailing key attributes relevant to the analysis.

Characteristics	Information	Number of people)	Percentage (%)
Gender	Man	44	44.00
	Woman	56	56.00
	Total	100	100
Level Education	Elementary School	0	0.00
	JUNIOR HIGH SCHOOL	3	3.00
	SENIOR HIGH SCHOOL	25	25.00
	Academy/Diploma	20	20.00
	Bachelor degree)	35	35.00
	Bachelor's Degree (S-2)	12	12.00
	Other	5	5.00
	Total	100	100.00
Level Work	Students	28	28.00
	civil servant	15	15.00
	Private employees	32	32.00
	Trader/Entrepreneur	18	18.00
	Other	7	7.00
	Total	100	100.00
Level Pocket money/ Income	≤ Rp1,500,000	23	23.00
	Rp 1,500,001 – Rp 3,000,000	30	30.00
	Rp 3,000,001 – Rp 4,500,000	28	28.00
	> Rp. 4,500,000	19	19.00
	Total	100	100.00

Validity and Reliability Testing

The validity of the research instruments - comprising constructs of perceived

value, customer satisfaction, and behavioral intentions - was tested using Pearson's correlation. The results indicate that all items were valid, as evidenced by significance levels (p-values) below 0.05. Furthermore, reliability testing using Cronbach's Alpha yielded coefficients greater than 0.60 for all variables, confirming the internal consistency and reliability of the measurement instruments.

Results of *Classical Assumption Testing*

The classical assumption tests, which include assessments for normality, multicollinearity, heteroscedasticity, and linearity, have been conducted. The complete results are summarized in Table 2.

Classical Assumption Test	Test Results	Conclusion
Multicollinearity Test	Tolerance (0.672 > 0.1) VIF (1.489) < 10	There is no multicollinearity
Autocorrelation Test	p (0.315) > 0.05	No autocorrelation
Heteroscedasticity Test	p (0.483; 0.426) > 0.05	There isn't any heteroscedasticity
Normality Test	p (0.776) > 0.05	Normal residual

Path Analysis

The path coefficient for the influence of perceived value (X1) on behavioral intentions (Y) is 0.145, with a t-value of 2.429 and a p-value of 0.017, indicating statistical significance at the 5% level.

Hypothesis Testing

Hypothesis 1

A t-test was conducted to evaluate the effect of perceived value on behavioral intentions. The results show a t-value of 2.429 and a p-value of 0.017 (< 0.05), signifying a statistically significant influence. Therefore, Hypothesis 1, which posits that *"Perceived value has a significant influence on the behavioral intentions of customers at Eastern Fast FoodSurabaya Urban Area,"* is supported.

Hypothesis 2

The t-test for the effect of perceived value on customer satisfaction yielded a t-value of 6.921 and a p-value of 0.000 (< 0.05), indicating a significant relationship. Thus, Hypothesis 2, which states that *"Perceived value significantly influences customer satisfaction at Eastern Fast FoodSurabaya Urban Area,"* is accepted.

Hypothesis 3

The influence of customer satisfaction on behavioral intentions was also tested. The analysis revealed a t-value of 5.105 and a p-value of 0.000 (< 0.05), confirming a significant effect. Therefore, Hypothesis 3, which asserts that *"Customer satisfaction significantly affects the behavioral intentions of customers at Eastern Fast*

FoodSurabaya Urban Area," is validated.

Hypothesis 4: Mediation Analysis

To examine whether customer satisfaction mediates the relationship between perceived value and behavioral intentions, an indirect effect analysis was conducted through the following steps:

1. **Path Coefficients**
o   Perceived Value $\rightarrow$ Customer Satisfaction (p1) = 0.573
o   Customer Satisfaction $\rightarrow$ Behavioral Intentions (p3) = 0.484
o   Perceived Value $\rightarrow$ Behavioral Intentions (direct effect, p2) = 0.230
2. **Indirect Effect Calculation**
o   Indirect effect: p1 × p3 = 0.573 × 0.484 = 0.277
o   Total effect: direct (p2) + indirect (p1 × p3) = 0.230 + 0.277 = **0.507**

Since the magnitude of the indirect effect (0.277) exceeds the direct effect (0.230), it can be concluded that customer satisfaction acts as a mediator in the relationship between perceived value and behavioral intentions. Accordingly, Hypothesis 4, which states that *"Customer satisfaction mediates the relationship between perceived value and behavioral intentions at Eastern Fast FoodSurabaya Urban Area,"* is accepted.

CONCLUSION

The empirical findings of this study support all proposed hypotheses:

*   **H1:** Perceived value significantly influences behavioral intentions (p2 = 0.230).
*   **H2:** Perceived value has a significant effect on customer satisfaction (p1 = 0.573).
*   **H3:** Customer satisfaction significantly influences behavioral intentions (p3 = 0.484).
*   **H4:** The indirect effect of perceived value on behavioral intentions via customer satisfaction (0.277) exceeds the direct effect (0.230), confirming the mediating role of customer satisfaction.

In sum, customer satisfaction plays a critical mediating role in the link between perceived value and behavioral intentions among customers of Eastern Fast FoodSurabaya Urban Area, reinforcing the importance of perceived value in shaping consumer loyalty and future behavioral outcomes.

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