

The impact of perceived price justice and satisfaction on customer loyalty towards restaurant industry

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Abstract: This study is about the perceived price justice towards customer loyalty with the customer satisfaction as the mediator. The role of pricing is crucial in today business especially when there are too many competitors in the industry. Restaurant is a kind of business that have a huge threat in rivalry among industry members. Restaurant also facing a well-informed customer where they have more knowledge and access to information. Data were collected from a selected prominent restaurant located in major cities in Indonesia. 200 respondents participated in the survey that have been done over 7 days during peak and off-peak hours. The survey was assisted by 5 research assistant that will approach customer at the restaurant compounds after they has finished their meals. The findings revealed that both that both perceived price justice and customer satisfaction have a positive relationship towards customer loyalty. Customer satisfaction at the same time become the predictors and control variable that hold a positive relationship for both parts. This study is important as it was done during the right time where the competition is stiff and customer are more knowledgeable. The fast development of technology has led to a more access to information online. Customer know exactly where there can have good meals and able to compare or read the review before making decision.

Keywords: Loyalty, Customer satisfaction, Revisit intention, Restaurant management, Perceived price justice

I. INTRODUCTION

Recent report related to restaurant industry in 2019 shows that there is a great challenge that coming ahead towards the competition in the restaurant industry. Beside that the report (Binsar Kristian P. & Panjaitan, 2014) however indicates that the overall spending on food will remain and expected to rise. The competition in restaurant industry is getting fierce since there are too many competitors in the industry (Hidayat, Adanti, Darmawan, & Setyaning, 2019). Expert says that the industry has been in the over built situation where there is abundant of service provider over a limited number of potential customers.

Industry players is not only facing competition within industry but need to face another challenges due to change in the market preferences (Kasmo, Abdul, & Ismail, 2016). Recent research in customer preferences indicates that there is a change in customer preference in selecting the restaurant. There is a trend in customer pattern that focusing on convenience rather than seeking memorable restaurant experiences (Lu, Suhartanto, Gunawan, & Chen, 2020). Such situations invite more challenges especially during the unstable economy due to many external and macro level. Restaurant industry also at the same time have been said to faced labor shortage in the market. As mentioned earlier that the size of the industry has been over built and such situation provides a better and promising opportunity to the employee to seek for a better job position and pay (Khoiriyana & Untoro, 2018). Indirectly the operation cost for the restaurant is getting higher and that may affect their pricing strategy.

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Service based industry is pretty much depending on the customer to survive. High numbers of customer will lead to high number of sales. Recent report produced by USA claimed that net margin for full restaurant is only 6.1% and restaurant earns 6.5% only. Such low numbers are very crucial for the restaurant industry to maintain and survive in the industry. Price is one of the important marketing mix and the roles of price is very significant towards the performance of business organizations. The only thing that service providers and industry players need to be careful is the side effect of their action when they are trapped in between of change in customer preferences, high customer bargaining power, intense competition and the needs to survive due to the high operational cost. Based on that, it is important for the industry players to understand exactly what is actual the customer needs and wants so that it can lead to a solution on how the industry can sustain in their business for longer time.

Understanding perceived price and customer satisfaction is one of way that industry players should do so that they can review their marketing strategy towards their long term business plan (Lu et al., 2020; Nurlaila, 2019). Both price and customer satisfaction is important as they are the main factors towards the success and stability of the business. Business organizations may need to come out with a better creative way of pricing and introduce unique services that can hold the customer to be in the customer lifecycle for long time.

II. LITERATURE REVIEW

2.1 Customer loyalty

Customer loyalty derived upon a consistent customer experiences happiness on the consumption of products or services. Loyalty is achieved when the customer continuously satisfied with the service given by the service providers (Keshavarz & Jamshidi, 2018). It is also related to the likeliness that customer to repeat purchase from the same service providers. Customer loyalty is important to business organization as it will reflect a steady growth of the business (Fernandes & Solimun, 2018). Loyal customer will keep the business organization stronger. They are among the group of customers that will not easily switch regardless how the competitor is trying to offer them a better deal. Business organizations will get the opportunity to enjoy higher profits with high number of customer loyalty (M.F. Shamsudin, Razak, & Salem, 2018b). Restaurant for example may enjoyed a consistent number of repeat customers from the loyal customers. Such situation will lead to a positive increase of revenues and profit (Salem, Shawtari, Shamsudin, & Hussain, 2016). Business organization is also enjoyed low churn rate from the customer loyalty segment.

Loyal customer will continuously support the business organization (Cakici, Akgunduz, & Yildirim, 2019). Besides helping business organization on the profit, loyal customer actually does wonders to the business organization in terms of communication (M. F. M. F. Shamsudin, Esa, & Ali, 2019). They will communicate and share the good experience to all and encourage them to visit the business organizations (Keshavarz & Jamshidi, 2018). Such thing is good since loyal customer can helps to approach right target market rather than the business organizations need to conduct event, advertisements or using media social to reach their market. Loyal customer can be categorized as brand ambassador where they will always recommend the brand to the people they have met especially when they are talking about the relevant topic to the business organizations. Brand ambassador will keep telling customer good things about the business organizations and they managed to convince the target customer more effectively as they are giving opinion from the customer perspectives (Cakici et al., 2019; Fernandes & Solimun, 2018). Business organizations could some time missed a few points that related to customer when they performed marketing communications but loyal customer will be able to share their own experiences which normally will be highly reliable

as compared to the communication from the business owner (M. F. Shamsudin, Shabi, & Salem, 2018). The fact is that customer will trust customer experiences rather than the statements from the service provider.

Loyal customer will spread their experiences through word of mouth. Research indicates that satisfied customer will talk about their satisfaction to 10-20 people (Kadir, Shamsudin, Nurul, & Mohd, 2020). It was stated that the direct referral is more effective in service-based business especially restaurant. Target market will put more trust on the remarks given by the customer itself (Hapsari, Clemes, & Dean, 2017). The referral given by the loyal customer is more value than the advertisements campaign. Research also indicates that loyal customer will insensitive towards pricing (S. Hassan, Shamsudin, & Mustapha, 2019). They will keep on support although there are almost similar products that can be obtained below the pricing set by the business organizations. Such thing indirectly guarantee some level of market share to the business organizations.

Business organizations also will have enjoyed a constant forecast accuracy due to the numbers of loyal customer. Business organizations should keep database on the frequency of their loyal customer come to visits. Such action will help service providers to have a good database and able to conduct market forecast accurately (M.F. Shamsudin, Ali, Ali, & Shabi, 2019). Recent research also indicates that loyal customer will tolerate on service failure. They are more practical in terms of facing the situations as they know the service delivery records by the service providers (Fernandes & Solimun, 2018; Keshavarz & Jamshidi, 2018). Normal customer may get frustrated due to service failure but for loyal customer they have faith that the mistake can be recovered and it could be not due to the service provider mistakes. Besides that, loyal customer will always come forward to share their feedback to the service providers (Hasim, Shamsudin, Ali, & Shabi, 2018). They will make suggestion on how the service providers can improve their operations based on the customer experiences. The comment or feedback is more valuable as it comes from the customer view of point that might represent the whole population of market.

Service providers such as restaurant should have focused on increasing customer loyalty by keep on providing better service that can exceed customer expectations. Service provider need to increase the number of customer satisfaction before they can have enjoyed the benefits of having customer loyalty.

2.2 Customer satisfaction

Customer satisfaction is really important especially for service based industry such as restaurant (Min & Min, 2011; Ramanathan, Di, & Ramanathan, 2016; Ryu, Lee, & Kim, 2012). There is a need for the service provider to captured the attention of customer and keep them in the customer life cycle (Hasim et al., 2018). The competition among the industry players is getting touch and therefore keeping customer through customer satisfaction is important (Jun, Kang, & Hyun, 2017; Peng & Chen, 2015; Shahzadi, Malik, Ahmad, & Shabbir, 2018). There is a need for business organization to provide the best service in order to gain customer satisfaction (Razak & Shamsudin, 2019). Customer satisfaction will stay longer than the normal customer (M.F. Shamsudin, Razak, et al., 2018b). There must be a way that service provider to think on the best possible ways to satisfied customer (Bujisic, Hutchinson, & Parsa, 2014; Clemes, Mohi, Li, & Hu, 2018; Nguyen, Nisar, Knox, & Prabhakar, 2018) restaurant services is a non-contract services therefore customer can easily come and go (Cheng, Chang, Tsai, Chen, & Tseng, 2019; Clemes et al., 2018; Shahzadi et al., 2018). Some customer in other industry may not allowed to switch due to non-satisfaction but they have been locked by the contract (S. Hassan et al., 2019). Customer who signed contract with service provider may not get the easy access to quits or join other service provider.

Customer satisfaction is the overall feeling of customer derived from the overall feeling of customer upon receiving or enjoying the services (Kotler, 2017) from the service provider. The level of customer satisfaction is the result of post services against the pre services (Slater, 1980). The comparison between post and pre services lead to the level of customer satisfaction (M.F. Shamsudin et al., 2019). Service provider need to ensure that the service delivered is meeting the overall customer

satisfaction. Customer will become dissatisfaction if the service level is below the expectations (Kumar, Scheer, & Kotler, 2000). At the same time, services offered exceed or meet customer satisfaction will lead to a better positioning to attract more customer to the restaurant. (García-Fernández et al., 2018; Konuk, 2018; Y. Wang, Liu, Huang, Zuo, & Rameezdeen, 2020) stated that happy customer will have tendency to share with their family and friends or closed networking about how they feel. Customer will help to spread the positive information about the restaurant and at the same time may inspire other members to visit (Konuk, 2019; Min & Min, 2011; Rita, Oliveira, & Farisa, 2019). The word of mouth concept by the satisfied customer may lead to promotions and awareness to new customers (Goodrich & de Mooij, 2014; Naeem, 2019; Serenko & Stach, 2009). Service provider will have enjoyed free advertising through customers. The same thing will also have happened if the customer is not satisfied (Hussain et al., 2018; Joe & Choi, 2019; Lindberg-Repo & Grönroos, 1999). Dissatisfied customer will rather share their negative experiences with family and friends rather than give feedback to the service provider (Davras & Caber, 2019; Y. Liu et al., 2019; Zhang, Zhang, & Zhang, 2019). In the past, the mode of communication is only using word of mouth which might limit the coverage and ability of the messages, but today the used of social media any other similar communication channels may bring greater impact (Gerdt, Wagner, & Schewe, 2019). Using technology, the e-word of mouth will spread the news whether positive or negative in a quicker time with unlimited coverage. The effect might be good or not to the service provider (Hirata, 2019). Positive word of mouth will bring good impact while the negative messages will be costly to the service provider (Lee, Che-Ha, & Syed Alwi, 2020).

Past research (Sallaudin Hassan & Shamsudin, 2019; Razak & Shamsudin, 2019; M. F. M. F. Shamsudin, Esa, et al., 2019) indicates that customer satisfaction lead to potential growth of the business. The service provider will have enjoyed the growth in revenue as more customer will come to the restaurant. (Min & Min, 2011) stated that satisfied customer will come back for repeat purchase and the effect of word of mouth will than create more desire from their networking to come and experienced the services. Satisfied customer will always convey positive information about the service provider (Ryu et al., 2012). They will become the voluntary spoke person to the service provider (Ramanathan et al., 2016). The benefits of achieving the level of customer satisfaction is actually advantages to the service provider. A restaurant that managed to meet the expectations of customer will have enjoyed the benefit of increase in market share and possibility of gaining higher profit (Peng & Chen, 2015). Number of visitors will increase and thus increase potential revenues and profit.

Recent findings on the restaurant services (Jun et al., 2017) claimed that customer satisfaction creates positive branding and popularity. Today customer used social media as a tool to communicate with their friends. They used live video and share photos and video in order to share their experiences (Shahzadi et al., 2018). Customer in 21st century does not need a grace period to share their experiences since they can share their experience live at the restaurant itself and viewed by thousands of people (Cheng et al., 2019). Such actions as mentioned by (Clemes et al., 2018) may bring positive or negative impact to service providers. Restaurants need to ensure to change their marketing strategy towards understanding customer. Today onwards the marketing approach should be market driven with the objective to meet customer demands and preferences (M. F. Shamsudin, Nurana, Aesya, & Nabi, 2018; M. F. Shamsudin, Razak, & Salem, 2018a; M. F. Shamsudin, Shabi, et al., 2018). Service provider that failed to sense the market will be left behind (Kant & Jaiswal, 2017; Lau, Cheung, Pires, & Chan, 2019; Nguyen et al., 2018).

(Eberle, Milan, & Dorion, 2016; Moghavvemi, Lee, & Lee, 2018; Yilmaz, Ari, & Gürbüz, 2018) highlighted that customer satisfaction will lead to strong positioning in the market. Restaurant that have a group of satisfied customer may not worry about the competition in the same industry (M. F. Shamsudin, Nurana, et al., 2018). Satisfied customer have the characteristics to support their preferred service provider and not easy to get influenced by competition advertisements (Han & Hyun, 2017; M.

T. Liu, Wong, Tseng, Chang, & Phau, 2017; Pizam, Shapoval, & Ellis, 2016). Satisfied customer provide the advantage to service provider to stand strong and out from the competition. Numbers of restaurant keeps on growing as restaurant is among the popular service based business that have wider market as compared to other businesses. New restaurants need to compete and gain market share in order to survive (M. F. Shamsudin, Nurana, et al., 2018; M. Shamsudin et al., 2015). In order to that, they will try to attract customer to come to their restaurant and enjoyed new experiences. Satisfied customer according to (Razak & Shamsudin, 2019) is very much reluctant to switch or look for any other service provider as they are currently happy with the service provider.

Customer satisfaction according to marketing research (Balabanis, Reynolds, & Simintiras, 2006; Bergel & Brock, 2018; Cullinan, Du, & Zheng, 2012) will lead to customer loyalty. Customer satisfaction provide an advantages to the service provider a secure revenue over a long term. Most of service providers regardless in which industry they are venture into will strive for the level of achieving customer satisfaction. Service provider know that achieving the level may bring them a greater impact over a long term period (M. F. M. F. Shamsudin, Esa, et al., 2019). They need to strive for success by understanding more on customer requirements and providing high quality services to customer (Raza, Jawaid, & Hassan, 2015). Recent research (M. F. M. F. Shamsudin, Ali, Nadzri, & Wahid, 2019) also indicates that customer satisfaction will minimize the customer defection. Satisfied customer may have high tolerance should there is a service failure (Medina-Viruel, López-Guzmán, Pérez Gálvez, & Jara-Alba, 2019; Ramseook-Munhurrin, Seebaluck, & Naidoo, 2015; Zailani, Ali, Iranmanesh, Moghavvemi, & Musa, 2016). Customer will support the service providers as they know it wasn't happened regularly as the service recovery was done in a good manner such as a good communication to update and inform about the progress (Lien, Cao, & Zhou, 2017; W. T. Wang, Ou, & Chen, 2019). Past research (M. F. Shamsudin, Razak, et al., 2018a) stated that customer satisfaction will lead their pathway as loyal customer. There are a lot of benefits that service provider may enjoyed once they have a group of customer who are loyal (M. Shamsudin et al., 2015). Many research studied on the relationship between customer satisfaction towards customer loyalty (Jusoh, Zakuan, Bahari, Ariff, & Hayat, 2012; Sharma & Sharma, 2019). Marketing literatures (Mohd Farid Shamsudin & Razali, 2015) indicates that satisfied customer may have high chance to become loyal but yet the service provider cannot take things for granted especially in service industry where the switching barrier is almost none and the switching cost is very low (Basha, Mason, Shamsudin, Hussain, & Salem, 2015). Based on that, there is no easy way for service provider to stay in the market as they need to continuously do marketing efforts and try to get more new customer in order to strengthen the revenue portions and profit.

The success of service provider in achieving customer satisfaction is depending on the effort made by the service provider in understanding the customer needs and wants. Restaurant as an example of service based firms need to be more customer oriented and finds ways to serve the customer better by introducing more new elements that may create a "WOW" factors and keep customer surprise beyond their expectations.

2.3 Perceived price

Perceived price is among the popular topic researched related to consumer behavior. Perceived price can be considered as the amount of price that customer is willing to pay for a certain product or services. It is also related to the overall customer experiences before and after consume the products or services (Hamari, Hanner, & Koivisto, 2020). The perceived price is of course being subjective from one market segments to another. Service provider can make use of the perceived price to understand their market segment and can be used as their market strategy in the future (Song, Guo, & Zhang, 2019). Customer will associate the price to the value by comparing the benefits over the amount of dollars paid for the products (M. F. Shamsudin, Shabi, et al., 2018). Positive value means positive customer experiences that will lead to customer satisfaction. Negative value

means that customer is not happy of the overall product experience and they might not come back to the service providers for repeat purchase.

Perceived price according to research on consumer behavior may lead to few factors that need to be focused by the service providers. Perceived price is related to the price quality relationship. Customer may have thinking in mind that the high price is related to high quality while the low price is because of the fair quality (Mustak, 2019). In service based, business organizations need to clearly communicate about their pricing strategy. They may have claimed that their price is high because the product is premium. Customer may have a preset mind and expectations that the price is because of the high quality. There is also a cases where the price was set low in order to captured more attention and increase volume of sales (Ahn & Thomas, 2020; Hamari et al., 2020). Such situation may need good explanation on why the price was set a little bit lower so that customer will understand and make a fair judgement on their overall experiences.

Perceived price is also related to price consciousness from the perspective customer. They will start to make comparison between their choice and asked people for their feedback and review. Economic theory stated that customer is more careful in making decision on buying when it is related to price. The consumer market stated that customer will normally wanted to pay low for a high quality product (Kadir et al., 2020). In order to overcome the situation, service providers need to support their market campaign using the elements of value. Service providers need to explained the benefits of the products so that customer is aware and have product knowledge. Past research also indicates that customer make quick decision when paying for low price rather than high price. Service provider should be able to understand the psychological of customer and market their products according to categories. The most important is to get customer to experience the products first rather than kept them argue on the price.

(Ahn & Thomas, 2020; Hamari et al., 2020; Song et al., 2019) stated that customer may perceive high price as losing money as compared to low price. In marketing there are products that will get high sales when the price is high because customer will buy the products because of status. In the service based like restaurant, they are a need for the service providers to position their products correctly based on their target market. The price should be based on the ready target market and the products should be made according to the needs of the customers (S. Hassan et al., 2019; Salem et al., 2016). Restaurant for example may slowly introduce premium dishes after having a strong market demand and getting more popular. The most important for the restaurant is to increase their market share and market growth.

Overall, service provider can have determined their pricing strategy towards getting customer satisfaction and loyalty. Perceived price is important especially for first time customer. Customer may abundant their decision to purchase should they don't perceive the price as valuable (Song et al., 2019). Among the pricing strategy that can be implement by the service provider to attract more customer is by introducing satisfaction based pricing (Hamari et al., 2020). The satisfaction based pricing is based on customer driven price and it is more towards to capture the attention of customer to become their customer and get satisfied (Rita et al., 2019). Service provider can also implement relationship pricing where the objective is more towards tagging customer for a long term relationship. Most of the time relationship pricing is bundling with other services that may cause customer to come repeatedly. Efficiency pricing on the other hand is based on cost leadership pricing (Rita et al., 2019). It is more easy to set the price on cost leadership but it might not stable in the long run especially for a new entrant in the industry or for the service providers that facing tough competition in the market.

III. METHODOLOGY

This research is about measuring the relationship of perceived price justice towards customer loyalty. This research also testing customer satisfaction as mediator between perceived price justice and customer loyalty. The aims are to get the results

how important is the perceived price justice towards customer loyalty and secondly is to measure whether there is any significant impact of customer satisfaction as the control variable. This is a quantitative study thus it used questionnaire as a medium for data collection. 200 respondent participated in this research over a 7 days' data collection exercises. Respondent consist of people who have enjoyed their meal from the selected restaurant. 10 restaurants were selected and the data collection was done at the restaurant compound upon customer completed their meal. 230 customers were selected using convenience sampling. This study has excluded incomplete questionnaires with numerous missing responses. The present study managed to obtain 200 usable questionnaires, providing a response rate of 87 per cent. Overall 21 questions divided into 2 sections. Section A is more on respondent profile while section B is about the topic of study for each variable namely perceived price justice, customer satisfaction and customer loyalty. All items are measured using 7 point Likert-scale, ranging 1 = strongly disagree and 7 = strongly agree. Perceived price justice was measured using 3 items and five items for customer satisfaction. Customer loyalty was measured with only four items. Relationship analysis was done using structural model using structural equation modelling.

IV. FINDINGS

Table 1 below presented the details of 200 respondents that participated in the research. There are altogether 67.5% of male participants and 32.5% is female. It was found that most female reluctant to participate but male customer is more responsive and supportive. 37.5% percent are attached to private sectors and 32.5 are currently with governments sectors. 75% of the respondent is 30 years and above with the majority is between 30 – 39 years old (42%). 98% of the respondent can be considered as regular customer since they have visited the restaurant from more than 4 times. Only 2% is new to the restaurant. It was also found out that 77% have at least bachelor degree for the level of education.

Table 1: Respondent profile

Descriptions	Frequency	Percentage
Gender		
Male	135	67.50%
Female	65	32.50%
	200	100.00%
Employer		
Government	65	32.50%
Private	75	37.50%
Self-employed	60	30.00%
	200	100.00%
Age		
<20 years	2	1.00%
20 - 29 years	45	22.50%
30 - 39 years	84	42.00%
40 - 49 years	66	33.00%
50 and above	3	1.50%
	200	100.00%
Frequent visit		
1 - 3 times	4	2.00%
4 - 6 times	103	51.50%

7 - 10 times	73	36.50%
More than 10 times	20	10.00%
	200	100.00%
Education level		
Secondary school	54	27.00%
Bachelor degree	86	43.00%
Master degree	56	28.00%
Doctorate	4	2.00%
	200	100.00%

Table 2 indicates the results for factors loading, t-value, maximum shared variance (MSV), average shared variance (ASV), average variance extracted (AVE) and composite reliability (CR). Based on the table 3, all figures show a good result that reflect model fit statistics. AVE for perceived price justice, customer satisfaction and customer loyalty is 0.91, 0.94 and 0.91 whereas the composite reliability are 0.92, 0.92 and 0.97.

Table 2: Overall reliability of the constructs and factors loadings of indications

Items	Factor loading	t-value	MSV	ASV	AVE	CR
Perceived price justice			0.71	0.54	0.91	0.92
PPJ 1	0.91	22.51				
PPJ 2	0.93	23.21				
PPJ 3	0.91	20.68				
Customer satisfaction			0.76	0.64	0.94	0.92
CS 1	0.91	21.91				
CS 2	0.93	22.27				
CS 3	0.97	21.96				
CS 4	0.81	19.32				
CS 5	0.83	19.34				
Customer loyalty			0.51	0.47	0.91	0.97
CL 1	0.93	21.21				
CL 2	0.92	20.24				
CL 3	0.71	14.34				
CL 4	0.74	14.87				

In this study, the discriminant validity was also assessed. According to Hair et al. (2010), the square root of the AVE value for each structure should be larger than the shared relationship coefficients to establish the discriminant validity of the factors in the model. Table 3 confirmed the discriminant validity. These results also demonstrated that all measures were reliable (Bagozzi and Yi, 1988). Means, standard deviations and correlations of latent variables are presented in Table 3. The results in Table 3 indicate that all correlations are significant.

Table 3: Means, standard deviations and correlations of study constructs

	Mean	SD	Perceived price justice	Customer satisfaction	Customer loyalty
Perceived price justice	4.26	0.74	(0.91)		
Customer satisfaction	4.35	0.84	0.84	(0.92)	
Customer loyalty	4.12	0.78	0.62	0.78	(0.85)

Notes: All correlations are significant at the 0.01 level (two-tailed test). SD: Standard Deviation. The numbers in the cells of diagonal line are squared root of AVE

The results in Table 3 indicate that all correlations are significant

Table 4: Path estimates of structural models

Hypothesis		Standardize d path coefficients	t-values	Result
H1	Perceived price justice-> Customer loyalty	0.26	5.36	Supported
H2	Perceived price justice -> Customer satisfaction	0.28	4.73	Supported
H3	Customer satisfaction -> Customer loyalty	0.53	6.15	Supported

In the present study, the hypotheses were tested using structural equation modelling. Therefore, the fit indices values of the appropriate model, the values for path estimates are shown in Table 4. perceived price justice influences loyalty positively ($b = 0.26$ $p < 0.001$), supporting H1. Result for H2 shows that perceived price justice influence customer satisfaction ($b = 0.28$ $p < 0.001$). Therefore, H2 is supported.

Further, perceived satisfaction influences loyalty positively ($b = 0.53$ $p < 0.001$), thereby supporting H3.

Table 5: Path estimates of structural models

	Standardized path coefficients value			
	Full mediation model		Partial mediation model	
	β	t-value	β	t-value
Perceived price justice-> Customer loyalty			0.26	5.36

Perceived price justice -> Customer satisfaction	0.31	11.36	0.28	4.73
Customer satisfaction -> Customer loyalty	0.74	18.12	0.53	6.15

V. DISCUSSION AND CONCLUSION

The study related to perceived price justice and customer loyalty as customer satisfaction as mediator revealed that both perceived price justice and customer satisfaction play positive roles towards customer loyalty in the contacts of restaurant industry. Perceived price justice have a strong relationship towards customer satisfaction and customer loyalty. That means that the perceived price justice is very important towards creating a customer satisfaction and loyalty. Restaurant and business owner in the same industry need to take into attention that the perceived price justice is one of the factors that can lead to bot satisfaction and loyalty. There are many elements in the price that restaurant owner can take into considerations., Among the important elements in price is the price fairness. The price should be perceived as fair compared to the service and menu. Restaurant need a strong justification to convinced customer that their price is fair either based on the market driven, competitor driven, or cost driven. Another important element is price transparency which indicates that the restaurant must clearly declare their price before the purchase. Customer will not have satisfied if they were charged something that was not told upfront due to customization or depending on the quality of the raw materials. Restaurant must have explained to customer the type of grade and quality as well as the charges of each selected items to ensure that customer is satisfied. It is also important that restaurant to present and engaged in a price reliability although sometimes it is difficult especially related to seafood that may come in different sizes and grade. Nevertheless, restaurant need to do something that can render the price reliability towards the price imposed.

Customer satisfaction at the same time shows a positive relationship and roles as predictor and control variable in the research. The result is similar with many other past studies (Gerdt et al., 2019; Y. Liu et al., 2019; Zhang et al., 2019) in the past where customer will tends to stay in the cycle once they are satisfied and feel comfortable. Based on the results it is recommended that industry players in restaurant to carefully review their pricing strategy as it is proven as one of the factors that can lead to satisfaction and loyalty. The price elements are crucial as there is many choices at customer end that they can have based on comparison. The ideas of keeping customer satisfied and loyal is very important for a long term business survival and sustainability. Therefore, it is concluded that perceived price justice is one of the important factors towards customer satisfaction and customer loyalty.

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