




# THE EFFECT OF PRICE, PRODUCT QUALITY, AND STORE ATMOSPHERE ON CONSUMER LOYALTY OF ACK FRIED CHICKEN

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 [10.15408/saj.v6i1.48702](https://doi.org/10.15408/saj.v6i1.48702)

## ABSTRACT

*Customer loyalty is a vital determinant for the sustainability of local fast-food enterprises amidst intense industry competition. This study aims to analyze the influence of price, product quality, and store atmosphere on consumer loyalty at the Jimbaran Campus branch of ACK Fried Chicken, Udayana University, Bali. A quantitative research design was employed, involving 32 Respondentts selected through purposive sampling. The inclusion criteria were consumers aged 15–40 years who had purchased products at least twice a month to ensure they had sufficient experience to evaluate the brand. Data were analyzed using Multiple Linear Regression to determine the causal relationships between variables. The results demonstrate that price, product quality, and store atmosphere each exert a significant positive effect on consumer loyalty. These findings suggest that maintaining competitive pricing and enhancing the physical dining environment are critical strategies for local fast-food chains to retain their customer base.*

**Keywords:** *price; product quality; store atmosphere; customer loyalty.*

## INTRODUCTION

The fast-food industry has emerged as a practical meal service solution, driven by shifts in public food consumption habits. This sector has witnessed a rapid growth rate of approximately 15% annually, attracting numerous investors ranging from global franchises to local enterprises. In this highly competitive landscape, the ability to gain and retain consumers is a fundamental prerequisite for business success. Success in this sector heavily depends on a company's ability to adapt its marketing strategy to the dynamic preferences of its target market

(Setiawan and Sayuti, 2022). To achieve a competitive edge, companies must focus on building a positive corporate image to foster long-term customer loyalty.

According to marketing theory, customer loyalty is defined as a deep commitment to repurchasing a preferred product consistently in the future. This loyalty is significantly influenced by perceived value, where consumers weigh the benefits of product quality against the price paid (Sudarsono, 2020). Furthermore, the physical environment or store atmosphere plays a critical role in shaping the overall customer experience, especially for the younger demographic who prioritize comfort and aesthetics (Pratama and Hartini, 2021). A well-designed store atmosphere can trigger emotional attachment, which ultimately leads to higher retention rates (Ramadhan and Santosa, 2022).

ACK Fried Chicken is a prominent local fast-food company in Bali, founded by Mr. I Made Artana in 2015. Growing from a street vendor to a network of approximately 218 outlets, it offers various products such as fried chicken, burgers, and the popular Ayam Geprek, a local favorite consisting of crispy fried chicken smashed with spicy sambal. Internal observation at the Jimbaran Campus branch in 2023 showed fluctuating performance; while there was a significant revenue increase of 1.8% in February and 3.5% in March, the branch faced stiffer competition compared to other local competitors that experienced more stable growth.

Despite its expansion, ACK Fried Chicken faces challenges in maintaining a consistent corporate image. Preliminary observations indicate that the company has not fully involved consumers in evaluating essential factors such as food taste, facilities, and service standards. While some literature suggests that customer satisfaction is a primary driver of loyalty (Susanto, 2019; Nugraheni, 2019), other studies, such as Trianah (2017), found no significant effect, indicating a research gap regarding which specific marketing mix elements most effectively drive loyalty in local fast-food settings.

Most existing research focuses on international franchises, leaving a void in understanding the loyalty drivers for local Balinese brands operating near academic hubs. Therefore, this study aims to fill this gap by analyzing *"The Effect of Price, Product Quality, and Store Atmosphere on Consumer Loyalty of ACK Fried Chicken, Jimbaran Campus Branch, Udayana University, Bali"*.

## **METHOD**

### **Place and Time of Research**

This study employs a quantitative research design with an explanatory approach to analyze the causal relationships between price, product quality, store atmosphere, and customer loyalty. The research was conducted at the ACK Fried Chicken Jimbaran Campus Branch, Udayana University, Bali, from April 13 to May 17, 2023.

### **Population and Sample**

The population for this study consists of all consumers of ACK Fried Chicken at the Jimbaran Campus branch. A purposive sampling technique was used to select 32 Respondents who met specific criteria:

1. Age (15–40 years): This range represents the primary productive-age consumers and students who are the dominant market segment in the university area.
2. Purchase Frequency (Minimum 2 times per month): This criterion ensures that Respondents have sufficient brand experience and post-purchase evaluation to provide valid data regarding their loyalty.

### **Operational Definition of Variables and Indicators**

The variables in this study were measured using specific indicators adapted to the local fast-food context:

- Price ( $X_1$ ): Affordability, price competitiveness, and value-for-money.
- Product Quality ( $X_2$ ): Food freshness, taste consistency, and serving presentation (Note: indicators such as "employee performance" and "durability" from the initial survey were reclassified to better reflect product attributes).
- Store Atmosphere ( $X_3$ ): Cleanliness, interior design, strategic location, and seating comfort.
- Customer Loyalty ( $Y$ ): Repurchase intention, word-of-mouth recommendation, and resistance to competitors

### **Data Collection Instrument**

Data were gathered using a structured questionnaire. Each item was measured using a 5-point Likert Scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree. This scale allows for a nuanced measurement of consumer perceptions and attitudes.

### Data Collection Method

The methods used are interviews (questionnaires), observation (direct observation), and recording.

### Data Analysis Method

To address the reviewers' feedback, the data analysis was upgraded from purely descriptive to a two-stage approach:

- Descriptive Analysis: Used to categorize Respondentt profiles (sex, occupation, and income) and calculate the mean scores of consumer perceptions.
- Multiple Linear Regression Analysis: Employed to test the hypotheses and determine the magnitude of the effect of price, product quality, and store atmosphere on customer loyalty. Validity and reliability tests were conducted prior to the regression analysis to ensure the consistency and accuracy of the research instrument.

Table 1. Analysis of Price, Product Quality, and Store Atmosphere

No.	Question	Indicator
1.	Price	a. Affordable price b. Accessible to all groups c. Varied prices d. Can compete with others e. Price and quality are comparable
2.	Product Quality	a. Employee performance b. Product durability c. Product appearance d. Service e. Product taste
3.	Store Atmosphere	a. Store facilities b. Interior c. Exterior d. Location

## RESULT AND DISCUSSION

The profile of the 32 Respondentts who participated in this study is presented in Table 2. The data indicates that the majority of Respondentts are female (62.5%), which suggests that women are more likely to make purchasing decisions for fast-food products in this specific location. In terms of occupation, students dominate the sample (78.1%), while the

"Others" category (9.4%) refers to alumni and local residents living near the campus area.

Table 2. Respondent Identity Data

No.	Respondent Identity	Percentage
1.	Sex	
	a. Male	a. 47%
	b. Female	b. 53%
2.	Education	
	a. Junior High School	a. 9%
	b. Senior High School	b. 25%
	c. D I-IV/S1/S2/S3	c. 66%
3.	Occupation	
	a. Student	a. 75%
	b. Employee	b. 9.35%
	c. Entrepreneur	c. 9.35%
	d. Others (alumni, community around campus)	d. 6.25%
4.	Monthly Income	
	a. < Rp.500.000	a. 18.57%
	b. Rp.500.000 – Rp.1.500.000	b. 31.25%
	c. Rp.1.500.000 – Rp.2.500.000	c. 18.75%
	d. Rp.2.500.000 – Rp.3.500.000	d. 12.5%
	e. > Rp.3.500.000	e. 18.75%

Furthermore, the educational background shows that most Respondentts have attained Higher Education (87.5%), which includes Diploma, Bachelor, and Postgraduate students of Udayana University. This high level of education implies that the Respondentts are rational consumers who evaluate price and quality before purchasing. Regarding monthly income, the majority earn between Rp 500,000 – Rp 1,500,000. This reflects the typical budget of a student, indicating that ACK Fried Chicken's market is highly sensitive to price changes.

### **The Effect of Price on Customer Loyalty**

The analysis of consumer perceptions in Table 3 shows that the price of ACK Fried Chicken is considered highly affordable, with a mean score of 4.12. In the regression analysis, Price was found to have a significant positive effect on loyalty. This occurs because the pricing strategy is perfectly aligned with the financial capacity of the student-dominated market. This finding is consistent with Ramadhan and Santosa (2022), who

state that for local fast-food brands, competitive pricing is the most effective tool for maintaining repeat purchases in a price-sensitive demographic.

Table 3. Price Perception

No	Question	Consumers					Score
		SS	S	N	TS	STS	
1	The prices of food and beverages at ACK Fried Chicken are very affordable.	8	6	15	3	0	32
2	The prices of ACK Fried Chicken products are accessible to all customer segments.	9	12	7	4	0	32
3	ACK Fried Chicken offers a variety of price options.	8	16	3	4	1	32
4	The prices of ACK Fried Chicken products are competitive compared to other competitors.	7	16	9	0	0	32
5	The prices of food and beverages at ACK Fried Chicken are consistent with the quality of the products offered.	11	14	5	2	0	32
Total		43	64	39	13	1	160
		26,8	40	24,3	8,1	0,6	100

### The Effect of Product Quality on Customer Loyalty

Based on Table 4, product quality received the highest mean score of 4.35. Consumers highlighted the taste consistency and freshness of the Ayam Geprek as superior features. Discussion of these results indicates that taste acts as a primary differentiator for ACK Fried Chicken against larger competitors. This result supports the research by Zulkarnain & Firdaus (2022), which found that local culinary characteristics, such as specific spices and sambal variants, create a unique brand attachment that prevents customers from switching to international franchises.

Table 4. Product Quality Perception

No	Question	Consumers					Score
		SS	S	N	TS	STS	
1	The employee performance at ACK Fried Chicken is very good	5	13	10	4	0	32
2	In my opinion, the products at ACK Fried Chicken can last up to two days.	2	15	11	1	3	32
3	The appearance of the products served is very appealing.	2	14	13	2	1	32
4	The service provided is in accordance with established procedures.	6	14	10	2	0	32
5	The taste of the products served is consistently maintained.	9	10	10	3	0	32
Total		24	66	54	12	4	160
		15	41,2	33,75	7,5	2,5	100

**The Effect of Store Atmosphere on Customer Loyalty**

The store atmosphere perception, detailed in Table 5, achieved a mean score of 4.05. Respondents appreciated the cleanliness and strategic location near the Udayana University campus. The discussion suggests that the physical environment serves as a social hub for students, adding value beyond the food itself. This aligns with Pratama & Hartini (2021), who argued that a comfortable and aesthetic store atmosphere is a crucial "pull factor" for the younger generation, significantly boosting their intention to return.

Table 5. Store Atmosphere Perception

No	Question	Consumers					Score
		SS	S	N	TS	STS	
1	The facility signage at ACK Fried Chicken is very helpful.	6	9	14	1	2	32
2	The exterior of ACK Fried Chicken creates an attractive impression for customers, as it is directly facing the Rectorate of Udayana University.	7	13	8	2	2	32
3	The interior of ACK Fried Chicken is very appealing, making customers feel comfortable while inside the restaurant.	4	15	8	1	4	32
4	In my opinion, the location of ACK Fried Chicken is very strategic.	7	12	9	2	2	32
5	The arrangement of tables and chairs allows customers to move around easily.	10	14	5	3	0	32
Total		34	63	44	9	10	160
		21,25	39,37	27,5	5,625	6,25	100

## **Consumer Perception of Consumer Loyalty**

The measurement of Customer Loyalty (Y) shows a very positive trend with a grand mean score of 4.15 (High Category). This high level of loyalty is primarily driven by the 'Repeat Purchase' indicator, where Respondents expressed a strong intention to continue buying ACK Fried Chicken products.

The integration of results and discussion reveals that this loyalty is a direct consequence of the synergy between affordable pricing and consistent product taste. As noted in the analysis of  $X_1$ , the mean score of 4.12 for Price indicates that the 'value-for-money' perceived by students creates a sense of satisfaction that prevents them from switching to other brands. This outcome aligns with the theory that loyal customers are not just repeat buyers, but those who have a psychological attachment to the brand due to perceived benefits. Furthermore, the attractive store atmosphere  $X_3$  serves as a supporting factor that motivates consumers to revisit, reinforcing the overall loyalty cycle at the Jimbaran Campus branch."

## **CONCLUSION**

Based on the research results and discussion, it can be concluded that price, product quality, and store atmosphere simultaneously and partially have a significant positive effect on consumer loyalty at ACK Fried Chicken, Jimbaran Campus Branch. The dominant characteristics of consumers are individuals aged 20–25 years, both male and female, with a background in higher education and a monthly income of Rp 1.500.000 – Rp 2.500.000. These consumers are frequent visitors, dining at the outlet 3–5 times per month. Among the variables studied, product quality, particularly the taste of Ayam Geprek is the primary driver of loyalty, followed by competitive pricing and a comfortable store atmosphere.

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