



Choice Decision as a Mediating Variable between Location, Price, and Tenant Satisfaction in Boarding Houses: A Perspective of Educational Service Management

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ABSTRACT

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This study aims to examine the effect of location and price on tenant satisfaction with choosing decision as a mediating variable in boarding houses located in Rungkut, Surabaya, from an educational service management perspective. Boarding houses in educational and industrial areas function as supporting services that influence students' learning environments and overall well-being. This study adopts a quantitative approach by collecting survey data from 100 boarding house tenants, consisting of students and industrial workers. Data were gathered using a structured questionnaire measured on a five-point Likert scale and analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 4. The results reveal that location and price have a positive and significant effect on choosing decision. Price and choosing decision significantly influence tenant satisfaction, while location does not have a direct significant effect on tenant satisfaction. Furthermore, choosing decision is confirmed to mediate the relationship between location and tenant satisfaction as well as between price and tenant satisfaction. These findings indicate that tenant satisfaction is largely shaped by how effectively tenants evaluate and decide on boarding house options rather than by physical location alone. From an educational service management perspective, this study highlights the importance of boarding houses as part of the educational support ecosystem. The findings imply that boarding house owners and managers should emphasize transparent pricing strategies, strategic location planning, and the provision of clear and reliable decision-support information to enhance tenant satisfaction and ensure sustainable service quality in educational environments.

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INTRODUCTION

Urban development in Indonesia has intensified over the past two decades, particularly in cities functioning as industrial and educational centers.

This development has reshaped patterns of population mobility, increasing the demand for temporary housing that is flexible, affordable, and strategically located (Hefniy & Alwahedi, 2025; Holidi, 2025; Khofsah, 2025; Manshur, 2026). For students and industrial workers, boarding houses are no longer merely places to live, but integral components of their daily productivity, learning engagement, and well-being. From a broader societal perspective, access to adequate housing directly influences educational participation, workforce stability, and social inclusion (Al-Kasasbeh, 2024; Khoiroh, 2025; Rusdiah, 2024). Empirical evidence shows that living conditions significantly affect individuals' psychological comfort, time management, and economic resilience, especially among young adults pursuing education or employment (Hikmah & Mudarris, 2026; Kusumawati, 2025; Syafiih, 2025). Therefore, understanding how housing attributes contribute to user satisfaction is not only a business concern but also a social issue. This study is important because it positions boarding houses as part of the educational service ecosystem, highlighting how housing-related decisions shape satisfaction outcomes that ultimately influence learning effectiveness and workforce sustainability in urban communities.

Despite the growing importance of boarding houses in supporting education and employment, many urban residents still face challenges in finding housing that meets their expectations and needs. In educational and industrial zones, limited availability of well-managed boarding houses often forces tenants to make decisions under information constraints, financial pressure, and time limitations (Listrianti et al., 2023; Rozi et al., 2023; Widad & Munif, 2025). These conditions frequently result in mismatches between expectations and actual living experiences, leading to dissatisfaction after occupancy. For students, dissatisfaction with housing can disrupt study routines, reduce academic focus, and increase stress levels. Similarly, industrial workers may experience decreased work performance due to commuting inefficiencies or financial strain. These problems indicate that tenant satisfaction is not merely determined by physical housing attributes but by how tenants process information and evaluate alternatives before choosing. However, many housing providers still prioritize availability over decision-support quality. This gap highlights the need for research that explains how location and price influence satisfaction through tenants' choosing decisions, particularly within the context of educational service management.

Rungkut, Surabaya, represents a dynamic urban area where industrial and educational functions coexist. The presence of the Surabaya Industrial Estate Rungkut (SIER) alongside several higher education institutions has attracted a heterogeneous population of students and migrant workers. This demographic diversity has stimulated rapid growth in the boarding house sector, accompanied by clear segmentation in pricing, facilities, and service quality (Khusnuridlo & Fauzi, 2024; Putri et al., 2024; Safuan et al., 2024; Sain et al., 2024). Field

observations reveal that boarding houses in Rungkut range from low-cost units with minimal facilities to premium accommodations offering enhanced comfort and accessibility. Interestingly, most tenants tend to choose moderately priced boarding houses that balance affordability and livability. This phenomenon suggests that tenants do not simply seek the lowest price or the closest location, but rather evaluate multiple attributes during the choosing decision process. Satisfaction, therefore, appears to be shaped not only by objective factors such as location and price but also by tenants' subjective evaluations and expectations formed prior to occupancy.

Previous studies have widely examined the role of location and price in housing and boarding house selection. Several empirical studies confirm that location and price significantly influence tenants' choosing decisions (Wijoyo & Maimunah, 2019; Al Hanif et al., 2023). These findings suggest that accessibility, proximity to activity centers, and affordability are key considerations during the pre-occupancy stage. Other studies extend this analysis by linking location and price directly to tenant satisfaction, reporting positive and significant effects (Azzahra, 2023; Deni Aries & Kumba Digdowiseiso, 2023). However, the empirical landscape is far from consistent. Some researchers argue that once tenants settle in and experience daily living conditions, location becomes less influential on satisfaction, particularly when other factors such as service quality and comfort take precedence (Afrianti & Zulkifli, 2017; Satria, 2022). These mixed findings indicate that the relationship between housing attributes and satisfaction is more complex than previously assumed.

The inconsistencies in prior findings reveal several important research gaps. First, many studies treat location and price as direct predictors of satisfaction, without sufficiently explaining the cognitive mechanisms through which these factors influence post-occupancy evaluations. Second, choosing decision is often positioned merely as an outcome variable, rather than as a mediating process that links housing attributes to satisfaction (Mustafa & Maulana, 2024). This limits theoretical understanding of how satisfaction is formed. Third, existing research predominantly focuses on homogeneous tenant groups, particularly students, while neglecting boarding houses that accommodate heterogeneous tenants, such as a combination of students and industrial workers. This limitation is critical, as different tenant groups may apply distinct evaluative criteria when assessing location, price, and housing value. Consequently, there is a need for an integrative model that simultaneously examines direct and indirect relationships while accounting for diverse tenant characteristics.

This study introduces novelty by positioning the choosing decision as a mediating variable between location, price, and tenant satisfaction within the boarding house context. Drawing on the stimulus–organism–response (S–O–R) framework, location and price are conceptualized as external stimuli, the

choosing decision as the internal cognitive process, and tenant satisfaction as the behavioral response. Additionally, expectancy disconfirmation theory is employed to explain how satisfaction emerges when actual living experiences align with expectations formed during the decision-making stage. Methodologically, this study applies Partial Least Squares–Structural Equation Modeling (PLS-SEM) to simultaneously test both direct and indirect effects, an approach that remains limited in Indonesian boarding house research. From an educational service management perspective, this study advances understanding by framing boarding houses as supporting educational services that influence students' welfare and learning environments.

Based on the identified gaps, this study addresses the following research problem: how do location and price influence tenant satisfaction through the mediating role of choosing decision in boarding houses located in Rungkut, Surabaya? This study argues that satisfaction is not directly shaped by housing attributes alone, but by the quality of tenants' decision-making processes. Well-informed and rational choosing decisions enable tenants to form realistic expectations, thereby increasing the likelihood of satisfaction after occupancy. Theoretically, this study contributes by clarifying the mediating role of choosing decision in satisfaction formation, enriching consumer behavior and educational service management literature. Practically, the findings provide actionable insights for boarding house owners to improve pricing transparency, strategic location positioning, and decision-support information, ultimately enhancing tenant satisfaction and long-term service sustainability in educational and industrial environments.

Literature Review

Location and Choosing Decision

Location is a key determinant in tenants' choosing decisions for boarding houses. A strategic location offers accessibility, convenience, and perceived safety, which shape tenants' initial evaluations. (Sukraaliawan, 2011) identify location as the most dominant factor in boarding house selection due to proximity to campuses, workplaces, and public facilities. (Wijoyo & Maimunah, 2019) emphasize that ease of transportation access increases the attractiveness of residential choices. (Al Hanif et al., 2023) further highlight that environmental conditions and accessibility significantly influence choosing decisions. In urban areas such as Rungkut, Surabaya, location becomes a strategic consideration to support daily mobility and comfort. Therefore, a better location increases the likelihood of a boarding house being selected.

H1: Location positively influences the choosing decision.

Price on Choosing Decision

Price represents the monetary sacrifice that tenants must make to obtain housing facilities and services. In boarding house selection, tenants tend to evaluate price by comparing costs with the quality of facilities, comfort, and security provided. According to value-for-money theory, a reasonable and transparent price strengthens tenants' confidence in making a choice. (Sukraaliawan, 2011) states that price suitability significantly affects rental decisions, particularly among students and young workers with limited budgets. (Asri Utami et al., 2024) finds that competitive pricing increases tenants' willingness to choose a boarding house over alternatives. (Dewi, 2023) emphasize that price clarity reduces perceived risk and uncertainty in decision-making. When prices are perceived as fair and proportional to benefits received, tenants are more likely to make a positive choosing decision. Therefore, pricing becomes a strategic factor that directly shapes tenants' selection behavior.

H2: Price positively influences the choosing decision.

Location and Tenant Satisfaction

Location is often considered an important factor in attracting tenants; however, its role in shaping satisfaction after occupancy may differ. While a strategic location provides convenience and accessibility, tenant satisfaction is more strongly influenced by daily living experiences. (Afrianti & Zulkifli, 2017) explains that location primarily affects initial selection rather than post-occupancy satisfaction. (Satria, 2022) also finds that internal factors such as room comfort, cleanliness, and service quality play a more dominant role in determining satisfaction. (Izzuddin & Muhsin, 2020) argue that once tenants adapt to their environment, location becomes less salient compared to functional and service-related attributes. Therefore, location may not directly determine tenant satisfaction after the choosing decision has been made.

H3: Location does not significantly influence tenant satisfaction.

Price and Tenant Satisfaction

Price is a crucial determinant of tenant satisfaction because it reflects perceived fairness and value. When tenants perceive that the price paid is proportional to the facilities, comfort, and services received, satisfaction levels tend to increase. According to price fairness theory, consumers experience higher satisfaction when prices are considered reasonable and transparent. (Susanti, 2019) state that price-facility compatibility significantly affects boarding house satisfaction. (Istiawati et al., 2024) confirm that pricing plays a key role in shaping satisfaction in rental housing businesses. Therefore, fair and competitive pricing contributes positively to tenant satisfaction.

H4: Price positively influences tenant satisfaction.

Choosing Decision and Tenant Satisfaction

The choosing decision reflects a rational evaluation process conducted before selecting a boarding house. When tenants believe that their decision aligns with their expectations and needs, satisfaction tends to increase. Expectancy disconfirmation theory explains that satisfaction occurs when actual experiences meet or exceed prior expectations. (Deni Aries & Kumba Digdowiseiso, 2023) find that accurate and well-considered decisions significantly enhance user satisfaction. Susanti and Widya Mandala (2019) also highlight that choosing decisions strongly predict post-consumption satisfaction. Thus, the quality of the choosing decision plays a decisive role in determining tenant satisfaction.

H5: Choosing decision positively influences tenant satisfaction.

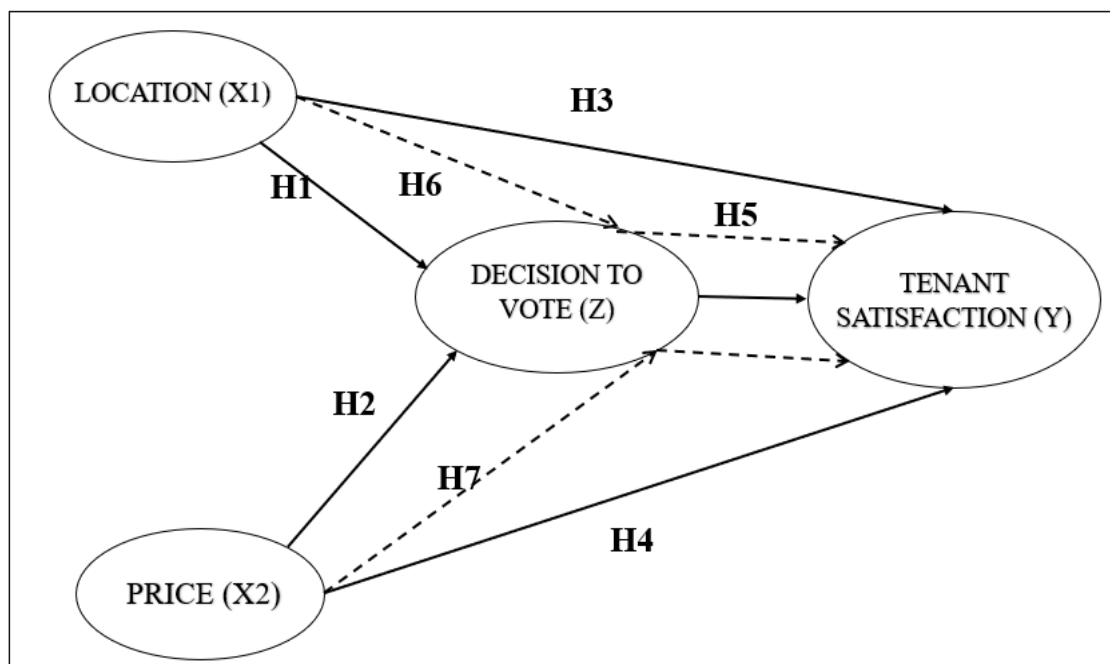
Mediating Role of Choosing Decision

The choosing decision functions as an intervening mechanism linking external factors to satisfaction outcomes. A strategic location and reasonable price strengthen tenants' confidence in their selection, which subsequently enhances satisfaction. (DEDEN JAELANI, 2024) and (Ramles et al., 2024) demonstrate that choosing decisions mediate the relationship between environmental factors and satisfaction. This indicates that location and price may influence satisfaction indirectly through the choosing decision. Therefore, mediation analysis is essential to understand the full impact of these variables.

H6: Choosing decision mediates the effect of location on tenant satisfaction.

H7: Choosing decision mediates the effect of price on tenant satisfaction.

Hypothesis of the research



Source : Figure by authors

Figure 1. Hypothesis of the research

RESEARCH METHODS

This study employs a quantitative research design to examine the causal relationships among location, price, choosing decision, and tenant satisfaction (Ghanad, 2023; Sardana et al., 2023). A quantitative approach is appropriate because it enables objective measurement of variables and statistical testing of hypotheses derived from theoretical frameworks (Creswell, 2018). In the context of educational service management, this approach allows for systematic evaluation of how boarding house attributes as supporting educational services influence tenants' decision-making processes and satisfaction outcomes. The study conceptualizes location and price as independent variables, choosing decision as a mediating variable, and tenant satisfaction as the dependent variable. By using a structured and theory-driven model, this research aims to provide empirical evidence on the mediating role of choosing decision in shaping satisfaction, which is essential for understanding decision-based service evaluation in educational and industrial environments.

The research was conducted in the Rungkut area of Surabaya, Indonesia. This location was selected due to its strategic role as both an industrial and educational hub, hosting the Surabaya Industrial Estate Rungkut (SIER) and several higher education institutions. These conditions have encouraged the rapid growth of boarding houses that accommodate heterogeneous tenants, particularly students and industrial workers. From an educational service management perspective, Rungkut represents a relevant context to examine boarding houses as supporting services that influence learning environments, accessibility, and tenant well-being. The diversity of tenant characteristics in this area provides a suitable setting for analyzing how location and price are evaluated during the choosing decision process and how these evaluations subsequently affect tenant satisfaction.

Data were collected using a survey method with a structured questionnaire distributed online through Google Forms. The population of this study consists of boarding house tenants residing in the Rungkut area. A non-probability sampling technique with purposive sampling was employed, where respondents were selected based on predefined criteria, including current residency in a boarding house and experience in making independent housing decisions. Data collection was conducted over 13 days, from 15 to 27 November 2025. A total of 127 responses were obtained, of which 100 questionnaires were deemed valid after data screening and used for further analysis. All measurement items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The indicators for location, price,

choosing decision, and tenant satisfaction were adapted from relevant previous studies to ensure contextual relevance.

The collected data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was chosen due to its suitability for predictive analysis, complex mediation models, and relatively small sample sizes (Hair et al., 2019). The analysis procedure consisted of two main stages. First, the measurement model was evaluated to assess construct validity and reliability, including convergent validity, discriminant validity, composite reliability, and Cronbach’s alpha. Second, the structural model was assessed to examine the relationships among variables, including path coefficients, coefficient of determination (R^2), and the significance of direct and indirect effects. This approach enables comprehensive testing of the mediating role of choosing decision in influencing tenant satisfaction.

To ensure data credibility and robustness, several validity and reliability checks were conducted. Convergent validity was evaluated using outer loading values and average variance extracted (AVE), while discriminant validity was assessed using the Fornell–Larcker criterion and cross-loading analysis. Reliability was examined through Cronbach’s alpha and composite reliability values, with thresholds following established recommendations (Hair et al., 2019). Additionally, data screening was performed to eliminate incomplete or inconsistent responses before analysis. These procedures ensure that the measurement instruments accurately capture the constructs under investigation and that the findings provide reliable evidence for understanding choosing decision mechanisms and tenant satisfaction within the boarding house context.

RESULTS AND DISCUSSION

Results

Respondent Profile

The analysis was based on 100 valid responses from boarding house tenants in Rungkut, Surabaya. The majority of respondents were female (59%), while male respondents accounted for 41%. In terms of age, most respondents were between 21 and 30 years old (65%), followed by those under 20 years old (29%). Regarding occupational status, the majority of respondents were students (68%), while 31% were workers and 1% was a housewife. In terms of length of stay, most respondents had resided in their boarding houses for more than one year (42%), indicating a relatively stable occupancy pattern. This suggests that respondents had sufficient experience to evaluate their satisfaction and decision-making processes related to boarding house selection. Furthermore, the dominance of students as respondents reflects the characteristics of the Rungkut

area, which is surrounded by educational institutions and industrial zones. Respondents with longer lengths of stay are more likely to have formed stable perceptions regarding location, price fairness, and service quality. This condition strengthens the reliability of their evaluations, as satisfaction is assessed based on actual living experiences rather than initial impressions. Additionally, the variation in respondents' backgrounds enhances the representativeness of the sample in capturing diverse perspectives on boarding house selection and satisfaction. Overall, the respondent profile supports the robustness of the data used for subsequent structural model analysis.

Validity Testing

Convergent Validity

The convergent validity test in this study aims to assess whether each indicator is strongly correlated with other indicators within the same construct. Convergent validity was evaluated using outer loading values and the Average Variance Extracted (AVE), where indicators are considered valid if their outer loadings exceed 0.70 and AVE values are greater than 0.50. In addition, construct reliability was assessed through Cronbach's alpha and composite reliability, both of which are required to be above 0.70 to ensure internal consistency.

The results show that all indicators measuring location, price, choosing decision, and tenant satisfaction meet the validity and reliability criteria. Composite reliability values range from 0.846 to 0.890, indicating strong consistency among indicators, while the AVE values for choosing decision and tenant satisfaction exceed 0.50, confirming adequate explanatory power. Overall, these findings demonstrate that the measurement model is valid, reliable, and suitable for further structural analysis.

Discriminant Validity

Discriminant validity in this study is assessed to ensure that each construct is empirically distinct from the others. The evaluation is conducted using the cross-loadings criterion, where an indicator is considered to have adequate discriminant validity if its loading on the assigned construct is higher than its loadings on other constructs and exceeds the minimum threshold of 0.70.

The cross-loading results show that all indicators meet these criteria. Indicators of the location variable load more strongly on the location construct than on price, choosing decision, or tenant satisfaction. Similarly, price indicators demonstrate higher loadings on the price construct compared to other variables, confirming that price perceptions are conceptually distinct. The choosing

decision indicators also exhibit stronger loadings on their respective construct than on location, price, or tenant satisfaction.

Likewise, all tenant satisfaction indicators display the highest loading values on the tenant satisfaction construct, reflecting tenants' evaluations of comfort, value, and overall experience. Overall, these results confirm that all latent variables are clearly differentiated, indicating strong discriminant validity and confirming the suitability of the measurement model for further structural and hypothesis testing.

Reliability Test

Reliability and convergent validity tests were conducted to ensure that each construct in this study was measured consistently and accurately. The constructs examined include location, price, choosing decision, and tenant satisfaction. Reliability was assessed using Cronbach's alpha and composite reliability (rho_a and rho_c), while convergent validity was evaluated using the Average Variance Extracted (AVE) value. A construct is considered reliable when Cronbach's alpha and composite reliability values exceed 0.70, and convergent validity is achieved when the AVE value is greater than 0.50.

Table 1. Results of Reliability Test

Variable	Cronbach's Alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Location	0.767	0.766	0.851
Price	0.837	0.843	0.891
Choosing Decision	0.817	0.825	0.871
Tenant Satisfaction	0.905	0.908	0.924

Source: Primary Data Processed, 2025

The results presented in Table 1 indicate that the values of Cronbach's alpha (CA) and composite reliability (CR) have met the established reliability criteria, as all CA values exceed 0.70 and all CR values are also above 0.70. Therefore, the variables of location, price, choosing decision, and tenant satisfaction can be considered reliable. Based on the Cronbach's alpha results, the tenant satisfaction variable achieved the highest value of 0.905, while the location variable recorded the lowest value of 0.767. Meanwhile, in the composite reliability test, the tenant satisfaction variable showed the highest reliability

value of 0.924, whereas the location variable had the lowest composite reliability value of 0.851. Thus, it can be concluded that all variables in this study demonstrate good reliability and are suitable for further analysis.

Structural Model

In this stage, the structural model is evaluated using several key parameters, including hypothesis testing, the coefficient of determination (R-squared), and predictive relevance (Q²). The evaluation aims to examine the relationships between location, price, choosing decision, and tenant satisfaction, as well as to assess the explanatory power of the proposed research model.

Hypothesis Testing

Hypothesis testing was conducted using path coefficients and bootstrapping analysis in SmartPLS, with a significance threshold of p-value < 0.05 (Hair et al., 2014). The results indicate that location and price have positive and significant effects on choosing decision, suggesting that strategic location and reasonable pricing increase tenants' likelihood of selecting a boarding house. Furthermore, price has a direct positive effect on tenant satisfaction, while location does not directly influence tenant satisfaction. However, choosing decision significantly affects tenant satisfaction. Mediation analysis confirms that choosing decision mediates the effects of location and price on tenant satisfaction, indicating that satisfaction is primarily shaped through tenants' selection decisions.

Table 2. Results of Hypothesis Test

Hypothesis	Original Sample (O)	P Values	Conclusion
Location on Choosing Decision	0.555	0.000*	H1 supported
Price on Choosing Decision	0.316	0.000*	H2 supported
Location on Tenant Satisfaction	0.055	0.301	H3 not supported
Price on Tenant Satisfaction	0.343	0.002*	H4 supported
Choosing Decision on Tenant Satisfaction	0.559	0.000*	H5 supported
Location on Choosing Decision on Tenant Satisfaction	0.310	0.000*	H6 supported

Price on Choosing Decision on Tenant Satisfaction	0.177	0.003*	H7 supported
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Conclusion: *=Significant at p-value < 0.05

Source: Primary Data Processed, 2025

Coefficient of Determination (R-Square)

The R-Square value is used to evaluate the explanatory power and adequacy of the structural model by measuring how well the endogenous variables are explained by their predictors. According to Hamid and Anwar (2019) and Savitri et al. (2021), an R-Square value of 0.75 indicates a strong model, 0.50 indicates a moderate model, and 0.25 indicates a weak model. The results of the R-Square evaluation are presented in Table 3.

Tabel 3. R-Square

Dependent Variable	R Square
Choosing Decision	0.782
Tenant Satisfaction	0.658

Source: Primary Data Processed, 2025

The results show that the R-Square value for tenant satisfaction is 0.782, indicating that location, price, and choosing decision explain 78.2% of the variance in tenant satisfaction. This value falls into the strong category, suggesting that the structural model has high explanatory power in explaining tenant satisfaction. Meanwhile, the R-Square value for choosing decision is 0.658, meaning that location and price account for 65.8% of the variance in choosing decision, which is also categorized as strong. Overall, these findings indicate that the proposed structural model is capable of explaining tenants' decision-making behavior and satisfaction effectively.

Furthermore, the high R-Square values indicate that the selected variables are relevant and appropriate in capturing the determinants of tenant satisfaction and choosing decision. The strong explanatory power suggests that external factors such as location and price play a crucial role in shaping tenants' evaluation processes. In addition, the substantial contribution of choosing decision to tenant satisfaction highlights the importance of decision confidence in post-occupancy satisfaction. These results confirm that the model is suitable for further hypothesis testing and interpretation of causal relationships.

Predictive Relevance Test

The Q² Predict test is a Q-Square evaluation conducted using the PLS Predict procedure in SmartPLS. A Q² value greater than zero indicates that the model has predictive relevance, while a Q² value below zero indicates a lack of

predictive relevance. According to Haryono (2016) and Savitri et al. (2021), Q^2 values above 0.02 indicate weak predictive relevance, values above 0.15 indicate moderate predictive relevance, and values above 0.35 indicate strong predictive relevance. The results of the Q^2 Predict evaluation are presented in the following table.

Tabel 4. PLS-Predict Analysis

Dependent Variable	Q^2 predict
Choosing Decision	0.638
Tenant Satisfaction	0.650

Source: Primary Data Processed, 2025

Based on the table, the Q^2 values obtained from the PLS Predict analysis for the endogenous variables are above 0.35. According to the criteria proposed Savitri (2021). these values indicate that the model demonstrates strong predictive relevance. This finding implies that the structural model is highly capable of predicting the endogenous variables using the observed data.

Discussion

The findings of this study indicate that location has a positive and significant effect on choosing decision. This result confirms that a strategic location plays a crucial role during the pre-decision stage when tenants evaluate boarding house alternatives. Accessibility to campuses, workplaces, public facilities, transportation, and a safe environment increases tenants' confidence that the boarding house can effectively support their daily academic and work activities. From a consumer behavior perspective, individuals tend to choose housing options that maximize functional convenience and accessibility. This finding is consistent with previous studies that identify location as a dominant factor in boarding house selection (Ilmi & Melizubaida Mahmud, 2024). Similarly, Al Hanif et al. (2023), Asri Utami et al. (2024), Dewi (2023), and Ompusunggu (2022) emphasize that accessibility and environmental safety significantly influence choosing decisions. These results reinforce the importance of location as a key determinant in shaping tenants' initial preferences.

In addition to location, price is also found to have a positive and significant effect on choosing decision. This finding suggests that tenants are more likely to select boarding houses when the price is perceived as reasonable, transparent, and proportional to the facilities and services offered. From the value-for-money perspective, tenants evaluate alternatives by balancing financial costs with perceived benefits, particularly in contexts that support education and

work activities. When pricing aligns with perceived quality, tenants feel more confident and rational in their decision-making. This result aligns with previous studies highlighting price suitability as a key determinant of housing choice (Lajaria et al., 2024). In the context of educational service management, fair pricing supports affordability and accessibility, enabling students and workers to make informed housing decisions.

However, the results show that location does not have a significant direct effect on tenant satisfaction. This finding indicates that while location is important during the decision-making stage, its influence diminishes after tenants experience daily living conditions. Post-occupancy satisfaction appears to be driven more strongly by internal factors such as facility quality, cleanliness, comfort, management services, and social interactions among residents. This result is consistent with prior studies suggesting that location primarily affects initial preference rather than long-term satisfaction (Afrianti, 2017; Satria, 2022). Other studies also emphasize that satisfaction is more closely related to internal service quality and management performance than external location attributes (Izzuddin & Muhsin, 2020; Lutviana Antin P, 2024). Therefore, strategic location alone is insufficient to maintain tenant satisfaction without effective internal management.

In contrast, price is found to have a positive and significant effect on tenant satisfaction. This indicates that tenants feel more satisfied when the price paid is perceived as fair and consistent with the quality of facilities, services, and living comfort received. According to price fairness theory, satisfaction increases when consumers believe that pricing reflects the value delivered. In the boarding house context, particularly as a supporting service for education, fair pricing reduces financial pressure and contributes to tenants' sense of stability and well-being. This finding is in line with previous research demonstrating that perceived price fairness enhances satisfaction in rental housing contexts (Christiano et al., 2020; Istiawati et al., 2024). Transparent and rational pricing strategies are therefore essential for sustaining tenant satisfaction.

Furthermore, the findings demonstrate that choosing decision has a positive and highly significant effect on tenant satisfaction. This suggests that tenants who make well-considered decisions based on accurate and sufficient information regarding location, price, and facilities are more likely to experience satisfaction after occupancy. This result supports expectancy disconfirmation theory, which explains that satisfaction occurs when actual experiences meet or exceed expectations formed during the decision-making stage. Previous studies also confirm that informed and deliberate decision-making positively influences

satisfaction and loyalty (Susanti, 2019; Ilhami & Mardhiyah, 2023; Asri Utami et al., 2024). These findings highlight the importance of decision quality in shaping post-occupancy evaluations.

Overall, the results confirm that choosing decision mediates the relationship between location and price and tenant satisfaction. This indicates that location and price primarily influence satisfaction indirectly through the cognitive evaluation process involved in choosing decisions. In line with the stimulus–organism–response (S–O–R) framework, location and price function as external stimuli, choosing decision represents the internal cognitive process, and tenant satisfaction emerges as the behavioral response. This mediation explains why location may not directly affect satisfaction after occupancy, as satisfaction largely depends on whether tenants’ expectations formed during the choosing decision are fulfilled. From an educational service management perspective, these findings emphasize the importance of improving decision-support information and transparency to enhance tenant satisfaction and service sustainability.

CONCLUSION

This study provides several important insights into how tenant satisfaction in boarding houses is formed through the decision-making process. The findings demonstrate that location and price play a crucial role at the pre-decision stage by significantly influencing tenants’ choosing decisions. A strategic and accessible location enhances tenants’ confidence in selecting a boarding house, while fair and proportional pricing strengthens perceptions of value and rational choice. However, after occupancy, tenant satisfaction is not directly shaped by location but is strongly influenced by price and, most importantly, by the quality of the choosing decision itself. This indicates that satisfaction emerges when tenants’ expectations formed during the decision-making stage are fulfilled through actual living experiences. From an educational service management perspective, these results highlight that boarding houses function as supporting educational services, where effective decision-support mechanisms, transparent information, and pricing fairness are essential for sustaining tenant satisfaction and well-being.

In terms of scholarly contribution, this study strengthens consumer behavior and educational service management literature by empirically positioning choosing decision as a mediating variable that links housing attributes to tenant satisfaction. By applying the stimulus–organism–response framework and expectancy disconfirmation theory, this research offers a more

comprehensive explanation of why location may not directly affect satisfaction after occupancy. Nevertheless, this study has several limitations. The research was confined to boarding houses in Rungkut, Surabaya, relied on non-probability sampling, and collected data within a relatively short period using online questionnaires, which may limit generalizability and introduce response bias. Future research is therefore encouraged to expand the study area, apply probability sampling techniques, extend the data collection period, and incorporate additional variables such as service quality, social interaction, and psychological factors to provide deeper and more generalizable insights into tenant satisfaction within educational and urban housing contexts.

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