

The Effect of Service Quality, Price, and Product Quality on Customer Satisfaction at Kana Eatery Coffe Kediri

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Abstract

Research aim : This case aims determine factors that affect customer satisfaction.

Design/Method/Approach : This case uses quantitative research methods. The research technique research is causality research questionnaires survey research methods, which are part of quantitative research. The population used all customers visit and products more than once at Kana Eatery Coffee Kediri. The sampling method applied in this case is non-probability sampling with an accidental sampling approach.

Research Finding : Researchers found problems related to service quality, price, and product quality.

Theoretical contribution/Originality : Coffee Shop is a place that is familiar to the community. Coffee shops are not only used for eating/drinking, but can also be used as a place to relax and gather with family and friends.

Practitioner/Policy implication : The results of this study indicate that service quality partially has no effect on customer satisfaction. Price partially affects customer satisfaction. Product quality partially has no effect on customer satisfaction. Service quality, price, and product quality simultaneously affect customer satisfaction.

Research limitation : In the data collection process, the information submitted by respondents through questionnaires often does not fully reflect their original opinions. This can occur due to differences in thinking, perception, and understanding between respondents, as well as other factors such as the level of honesty when filling out the questionnaire.

Keywords : Service quality, Price, Product quality, Customer satisfaction.

1. Introduction

Nowadays, many business ventures have sprung up, including the very promising cafe business. The cafe business in Indonesia is currently increasing in both big and small cities. Not a few entrepreneurs who start a coffee business with various concepts and ideas in order to have an appeal to customers in all circles. So far, coffee has become part of the modern lifestyle. Many people visit cafes not only to taste the cafe's specialty coffee, but also to spend time and relax with friends and family. Business competition in the cafe industry in Kediri is getting tighter. Competition in service quality, price, and product very tight in cafe

business. This encourages entrepreneurs to provide good quality products at low prices for customers. Entrepreneurs make and creative products customer expectations and market demand. This will increase customer satisfaction and encourage future customers. The most important key for a company to win competition in the business world is to provide value and satisfaction to customers by delivering quality products and services at competitive prices [1]. If a company can find out what its customers want and provide services that meet customer expectations, customer satisfaction levels can be increased [2]. Customer satisfaction is the extent to which customers are satisfied with health services after comparing performance with what was anticipated [3]. Building relationships with customers will help companies understand what customers need and expect [4]. Based on the observations made by researchers, there is a phenomenon that must be resolved. The quality of service at Kana Eatery Coffee Kediri is not good, the waiter is not polite and the cashier who writes the wrong order makes the customer uncomfortable. The price at Kana Eatery Coffee Kediri is also not, the price is quite expensive but the products offered are not suitable or not of high quality, making customers consider their satisfaction. Product quality at Kana Eatery Coffee Kediri is also not good. Kana Eatery Coffee Kediri often overrides good quality, for example drinks that are less sweet or bland, food that is already cold. This makes customers less satisfied when visiting.

Service quality is one way customers assess the level of service they have received. Service quality is a way to fulfill customer desires and needs according to their expectations in order to create customer satisfaction [5]. Quality in service is determined by the level of importance of the service dimensions [6]. Defining service quality is basically centered on efforts to fulfill customer needs and desires and the accuracy of delivery to match customer expectations [7]. Good service is certainly expected by customers to provide satisfaction. Service quality indicators include: Tangible, reliability, responsiveness, assurance, and empathy. In general, quality refers to the embodiment, form, or reality resulting from the expected concept. Performance must, fair without errors, a friendly attitude, and a high level of accuracy. Therefore. This form includes certain features and properly meet customer needs. Previous research conducted by [8] shows the results that service quality affects customer satisfaction. Meanwhile, according to research conducted by [9] shows the results that service quality has no effect on customer satisfaction.

Apart from, price also an. Price is the sum of all the values that customers exchange for the benefits of having or using a good or service [10]. The pricing of a product is greatly influenced by the level of quality it has, which is usually reflected in the results or output produced [11]. Price indicators include: Price affordability, price compatibility with product quality, and price competitiveness. Pricing must be based on several provisions so that customers do not feel disappointed. The first is a price that is easily achieved by all groups in accordance with the target market segment determined, affects the level that will be submitted to consumers, and whether or lower that of competitors. According to previous research conducted by [12] shows the results that price has an effect on customer satisfaction. Meanwhile, according to research conducted [13] shows the result that price has no effect on customer satisfaction.

In addition, also product quality. Product quality is one of the factors considered by consumers in the purchasing process. Therefore, the products offered must have high quality and be able to meet the needs and desires of consumers [14]. This aims to be able to keep the products produced to meet the standards that have been made so that customers will always feel confident in these products. Product quality reflects the product's ability to provide benefits, reliability and durability in accordance with the purpose for which it was made. Indicators of product quality include: Performance, reliability, features, fit, and durability. According to previous research conducted by [15] shows the results that product quality affects customer satisfaction. Meanwhile, according to research conducted by [16] shows the results that product quality has no effect on customer satisfaction.

There is a logical relationship between service quality, price, and product quality to customer satisfaction. Good service quality reflects the reliability, empathy, and responsiveness expected by customers in their interactions with the business, so that it can increase positive perceptions and satisfaction. Prices that are in accordance with the value of the product are also important factors because customers will feel satisfied if what they pay is comparable to what they receive. In addition, good product quality, in terms of durability, performance, and conformity to expectations, will increase customer trust and foster satisfaction in using the product.

This relationship is supported by the theory of customer satisfaction which states that satisfaction arises when customer expectations are met or even exceeded by their perceptions of the actual performance of the service or product. Therefore, simultaneously or partially, the three independent variables are believed to have contributed to the formation of customer satisfaction. Based on previous theories and findings that still show varying results, this study aims to re-examine the influence between these variables empirically in the context of Kana Eatery Coffee Kediri.

According to previous research, that contribute to. However, based previous research, there are still inconsistencies supporting. With inconsistency, is needed that can explain these differences. So, this research was conducted to clarify these differences has been found with these variables at Kana Eatery Coffee Kediri quality at Kana Eatery Coffee Kediri affect customer satisfaction levels. As well as providing suggestions that can be implemented by Kana Eatery Coffee Kediri based on research findings to increase overall customer satisfaction.

1.1. Statement of Problem

According this study aims to formulate several main problems to be analyzed. First, this study will partial effect of service quality on customer satisfaction at Kana Eatery Coffee Kediri. Second, this study will also evaluate the partial effect of price on customer satisfaction in same place. In addition, the partial effect of product quality on customer satisfaction will also be examined. Finally, this study will

review the simultaneous effect of service quality, price, and product quality on customer satisfaction at Kana Eatery Coffee Kediri.

1.2. Research Objectives

According formulation described earlier, is analyze several things related to customers at Kana Eatery Coffee Kediri. First, analyze the effect of service quality on customers. Second, the case will also examine the effect of price on customers. Furthermore, this case aims to evaluate the effect of product quality on customers. Finally, this case will examine the combined effect of service quality, price, and product quality on customer satisfaction Kana Eatery Coffee Kediri.

2. Method

A quantitative approach was technique the causality technique. The quantitative method was chosen because it is able to measure the relationship between variables objectively through numerical data that can be analyzed statistically. This approach is suitable for assessing the influence of service quality, price, and product on customer satisfaction, and allows for systematic hypothesis testing and generalization of results. This research took place at Kana Eatery Coffee Kediri which is located at Katang, Sukorejo, Kec. Ngasem, Kab. Kediri. Using the variable Customer Satisfaction (Y) as the dependent variable and the variable service quality (X1), price (X2), and product quality (X3) as independent variables. The population used in this case were all customers at least twice at Kana Eatery Coffee Kediri. The sampling method used is non-probability sampling with an accidental sampling approach, namely sampling based on anyone who happens to meet the researcher and meets the criteria as a respondent.

Data collection instruments use validity tests and reliability tests. The research data sources come from primary data obtained through distributing questionnaires to customers and secondary data obtained from sources such as books, articles, scientific journals, databases, previous research reports, and other existing sources. Data collection techniques consist of questionnaires distributed to customers, literature studies to collect materials related to the research, and observations made by directly observing the field conditions being studied. This study uses data analysis with a descriptive statistical approach, classical assumption test, multiple linear regression analysis, adjusted R² c of determination and hypothesis testing using SPSS 2020.

3. Results and Discussion

A. Descriptive Analysis

1) Respondent Gender

Following is Kana Eatery Coffee Kediri customer respondents based on gender shown in the table as follows:

Table 1. Gender of Respondents

No	Gender	Frequency	Percentage(%)
1	Male	11	27,5%
2	Female	29	72,5%
	Total	40	100%

Source: Data processed, (2024)

According, male respondents are 20% and female respondents are 80%.

2) Respondent Data Based on Age

Following is respondents who are customers of Kana Eatery Coffee Kediri based on age shown :

Table 2. Age Level of Respondents

No	Age	Frequency	Percentage (%)
1	18 – 24 years	29	72,5%
2	25 – 34 years	3	7,5%
3	35 years and above	8	20%
	Total	40	100%

Source: Data processed, (2024)

According number of respondents aged 18-24 years is 72,5%. Respondents aged 25 - 34 years were 7,5%. Respondents aged 35 years and over were 20% of the total respondents.

2) Respondent Data based on Occupation

The following is data on respondents who are customers of Kana Eatery Coffee Kediri based on work shown in the table as follows:

Table 3. Respondents Employment Level

No	Work	Frequency	Percentage(%)
1	Karyawan Swasta	11	27,5%
2	Freelance	2	5%
3	Pelajar/Mahasiswa	27	67,5%
	Total	40	100%

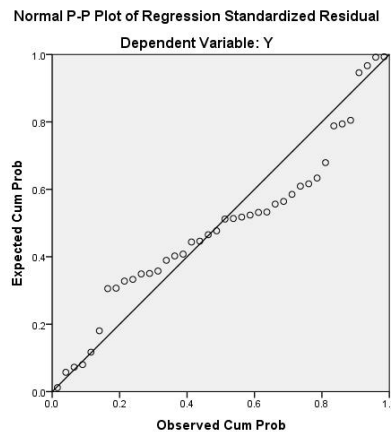
Source, data 2024

According, seen number of private employee respondents is 27,5%. Freelance respondents as much as 5%. Student respondents were 67,5% of the total respondents.

B. Classical Assumption Test

1) Normality Test

Figure 1. Probability Plot



Source : Output SPSS 2020

According picture, we observe normally distributed. This can be seen because in area of the diagonal line and follows the direction of the line, which indicates that the basis for decision making has been met, so the regression model fulfills the assumption of normality

2) Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.893	1.120
	X2	.853	1.172
	X3	.929	1.077

a. Dependent Variabel: Y

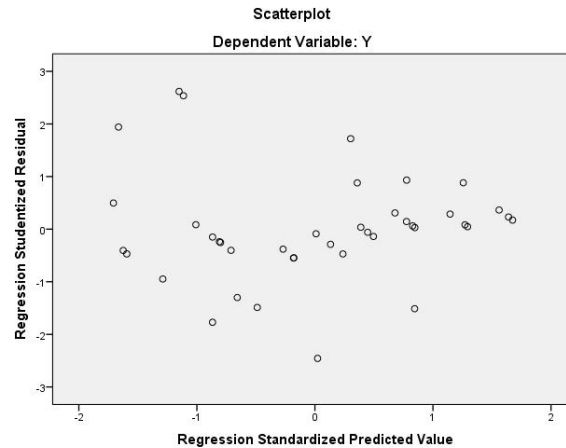
Source: Output SPSS 2020

Source: Output SPSS 2020

Variables of service quality, price, product quality have a tolerance of 0.893; 0.853; 0.929 which is greater than 0.10 and a VIF value of 1.120; 1.172; 1.077 which is smaller than 10. Thus, there is no multicollinearity.

3) Heteroscedasticity Test

Figure 2. Heteroscedasticity Test



Source: Output SPSS

What can be seen in scatter plots graph is that the points are scattered randomly, both above and below the number 0 on the Y axis. This indicates that there is no heteroscedasticity in this regression model.

3) Multiple Liniear Regression Test

Table 5. Multiple Liniear Regression Test

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	1.241	3.024	
	X1	.007	.049	.012
	X2	.797	.094	.797
	X3	.088	.051	.154

a. Dependent Variabel: Y

Source: Output SPSS

$$Y = 1,241 + 0,007 X_1 + 0,797 X_2 + 0,088 X_3 + e$$

The regression equation above has the following meaning:

- a. Constant = 1,241.
If the variables of service quality (X1), price (X2), and product quality (X3) = 0, customer satisfaction (Y) will be 1.241 units.
- b. Coeffocient X1 = 0,007
Every 1 unit increase in service quality (X1), assuming price (X2) and product quality (X3) are constant, will increase customer satisfaction (Y) by 0.007 units.
- c. Coefficient X2 = 0,797

Every 1 unit increase in price (X2) assuming service quality (X1), and product quality (X3) is constant, will increase customer satisfaction (Y) by 0.797 units.

d. Coefficient X3 = 0,088

Every 1 unit increase in product quality (X3) assuming service quality (X1), and price (X2) is fixed, will increase customer satisfaction (Y) by 0.088 units.

4) Coefficient Determination Test

Table 6. Coefficient Determination Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 ^a	.730	.707	1.391
a. Predictors: (Constant), X3, X1, X2				
b. Dependent Variabel: Y				

Source: Output SPSS

From the table above, the Adjusted R Square value is 0.707. Thus, employee performance explained by service quality, price, and product quality by 70.7% and 29.3% is explained by other variables not examined in this case.

5) T test (Partial)

Table 7. T Test (Partial)

Source: Output SPSS 2020

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.241	3.024		.410	.684
	X1	.007	.049	.012	.135	.894
	X2	.797	.094	.797	8.499	.000
	X3	.088	.051	.154	1.712	.095
a. Dependent Variabel: Y						

From the results of the above calculations, the significance value of the service quality variable is $0.894 > 0.05$ and the t value is 0.135 while the t table is 1.687, so H_0 is accepted and H_a is rejected. This means that service quality (X1) partially has a negative effect on customer satisfaction (Y).

The significance value of the price variable (X2) is $0.000 < 0.05$ and the t value is 8.499 while the t table is 1.687, so H_0 is rejected and H_a is accepted. This means that service quality has a significant effect on customer satisfaction (Y).

The significance value of the product quality variable (X3) is $0.95 > 0.05$ and the t value is 0.712 while the t table is 1.687, so H_0 is accepted and H_a is rejected. This

means that service quality (X3) partially has a negative effect on customer satisfaction (Y).

6) F Test (Simultan)

Table 8. F Test (Simultan)

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	187.934	3	62.645	32.372	.000 ^b
	Residual	69.666	36	1.935		
	Total	257.600	39			
a. Dependent Variabel: Y						
b. Predictors: (Constant), X3, X1, X2						

Source: Output SPSS

Calculation of the table above, a significant value of $0.000 < 0.05$ is obtained and F count of $32.372 > F$ table 2.84, then H_0 is rejected and H_a is accepted. This means that Service Quality, Price, and Product Quality simultaneously affect Customer Satisfaction.

C. Discussion

1) The Effect of Service Quality on Customer Satisfaction at Kana Eatery Coffee Kediri.

Based on the t-test results, a significance value of 0.894 is obtained, which is greater than 0.05. This indicates that the null hypothesis (H_0) is accepted, while the alternative hypothesis (H_a) is rejected. Although service quality includes dimensions such as tangibles, reliability, responsiveness, assurance, and empathy, and is generally perceived positively by customers, its implementation still requires improvement. Some findings in preliminary observations, such as unprofessional staff behavior and inaccuracy in order taking, suggest that these aspects still need to be improved in order to increase the impact of service quality on overall customer satisfaction. Partially, service quality was shown to have a significant influence on customer satisfaction, but did not show a positive relationship. This indicates that although customer perceptions of service quality are statistically influential, the implementation of service quality still needs to be improved in order to provide optimal customer satisfaction at Kana Eatery Coffee Kediri.

2) The Effect of Price on Customer Satisfaction at Kana Eatery Coffee Kediri

The t-test results show a significance value of 0.000, which is below the 0.05 threshold, indicating that price has a statistically significant influence on

customer satisfaction. This implies that customers perceive the prices at Kana Eatery Coffee Kediri as fair and acceptable. Key pricing factors such as affordability, alignment with product quality, and competitiveness appear to contribute meaningfully to customers' satisfaction levels. Even though there were initial concerns about pricing not aligning with perceived product quality, the data suggests that pricing remains a dominant factor in shaping positive customer experiences.

3) The Effect of Product Quality on Customer Satisfaction at Kana Eatery Coffee Kediri.

Based on the t test, the significance value is 0.095 which exceeds the standard threshold of 0.05, so the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. This result may be due to a lack of consistency in terms of product characteristics such as taste, temperature, and presentation. Aspects such as performance, reliability, features, suitability, and durability which are important indicators of product quality still need to be improved. So product quality partially has a significant influence but does not have a positive relationship with customer satisfaction at Kana Eatery Coffee Kediri. This shows that customer perceptions have a significant influence but still need to be improved to ensure customer satisfaction with product quality.

4) The Effect of Service Quality, Price, and Product Quality on Customer Satisfaction at Kana Eatery Coffee Kediri

The F-test reveals a significance value of 0.000 and an F-statistic of 32.372, exceeding the critical F-value of 2.84. These results indicate that service quality, price, and product quality collectively have a significant effect on customer satisfaction. While only the price variable shows significance in the partial tests, the combination of the three variables substantially contributes to explaining variations in customer satisfaction. This implies that an integrated improvement across all service, pricing, and product aspects would more effectively enhance customer satisfaction at Kana Eatery Coffee Kediri, rather than focusing on individual factors alone.

4. Conclusion

Based on the results of the analysis of the influence of service quality, price, and product quality on customer satisfaction at Kana Eatery Coffee Kediri, it is known that service quality partially has a significant influence, but does not show a positive relationship with customer satisfaction. This indicates that although customer perceptions of service quality have a statistical effect, the implementation aspect still needs to be improved to truly guarantee customer satisfaction.

Whereas, price is partially proven to have an effect on customer satisfaction, while product quality also shows a significant effect but, similar to service quality, has a significant but negative relationship with customer satisfaction. This finding shows that customer perceptions of product quality have an effect, but their implementation is not yet optimal in creating customer satisfaction.

Several factors in this study were considered not optimal by the researcher. Therefore, the management of Kana Eatery Coffee Kediri is advised to pay more attention to important factors such as service quality, price, and product quality in order to improve customer satisfaction as a whole.

Furthermore, it is recommended for subsequent researchers to conduct further studies by reviewing the variables of service quality and product quality, and considering the addition of other relevant variables in order to provide a more comprehensive picture of customer satisfaction.

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