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# The Effect of Product Quality and Service Quality on Customer Satisfaction at Story Coffee

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#### **Abstract**

The aim of this research is to examine the impact of product quality and service quality on customer satisfaction at Story Coffee, a coffee shop located in Mesuji, Lampung. The method used is quantitative, where questionnaire data is distributed to 100 respondents. Using multiple linear regression is a method for reviewing data using SPSS software. The results of this research show that product quality and service quality have a positive and significant impact on customer satisfaction. And influenced by other factors that were not studied. Product quality factors include taste, freshness and appearance of the product, while service quality includes speed of service, friendliness of staff and cafe atmosphere. The conclusion of this research shows the importance of maintaining product and service quality standards to increase customer satisfaction which has an impact on loyalty and business sustainability.

Keywords: Customer Satisfaction, Service Quality, Product Quality



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### **INTRODUCTION**

Coffee is one of the commodities that has a high economic value compared to other plantation crops. In addition to contributing as a source of foreign exchange for the country, coffee is also a livelihood for approximately 2,000,000 farmers in Indonesia. (Rahardjo, 2012) in (Iman, 2020). Various types of coffee grow well in Indonesia, from Sabang to Merauke, with unique taste characteristics in each region. In the domestic market, coffee is produced by various business scales, from well-known brands to small and medium enterprises. With high demand, coffee has become a favorite drink that reflects the richness of the archipelago's flavors. The increasing demand for coffee opens up great opportunities in the development of the coffee business. In addition to traditional coffee shops, many modern coffee shops are now emerging that offer more innovative concepts. Coffee shops, which generally serve coffee with snacks or other drinks, provide a more comfortable experience for customers.

The tight competition in this industry is caused by the diversity of coffee shops that have emerged, coffee business actors are now required to be able to understand and meet the various preferences of consumers who have different tastes in enjoying coffee. Consumers will choose a coffee shop that can serve coffee according to their preferences, so this difference in taste creates a challenge for each business actor. The better a coffee shop is at perfecting consumer tastes, the greater its chances of becoming the main choice. It's not just about taste, consumers also consider the quality of the coffee offered, because good quality will produce a more delicious taste. and satisfying. With easy access to coffee shops in various places, coffee lovers can now enjoy a cup of quality coffee without difficulty. This aspect must be considered by every coffee shop in creating high-quality coffee products so that consumers continue to feel satisfied and loyal to the products provided.

Product quality refers to the understanding that the goods offered by the seller have more value than competitors' products. This quality is a crucial factor in the sales process. Several coffee shops went bankrupt because the prices set were not comparable to the quality



of the coffee served. For customers, product quality is the main factor in considering the decision to buy, because this quality forms the consumer's view of the product offered. Good quality has a significant influence on consumer choice, but unfortunately, this factor is often ignored by coffee shops. As a result, consumers may hesitate to buy the product and feel dissatisfied after making a purchase or enjoying the service provided. Story Coffee Mesuji is known as one of the cafes that serves various types of coffee and side dishes with distinctive flavors. However, there are problems with the quality of the products in the cafe, such as some customers consider the price of the premium products offered to be less comparable to the portion or quality of taste, especially for the side dish menu. Service is an important aspect that Story Coffee pays close attention to in order to create a pleasant experience, but sometimes the staff seems less alert when the cafe is busy, so customers feel less cared for. Customer satisfaction at Story Coffee varies greatly and depends on their expectations of the product and service, some customers feel that the price offered is not comparable to the quality of the product, especially on the food menu. In addition, complaints about long waiting times and lack of attention from staff are causes of dissatisfaction. This study aims to understand how the impact of product quality and service quality simultaneously on Story Coffee customer satisfaction. The hope for this study is to provide useful information for the implementation of Marketing Management strategies.

## **RESEARCH METHODS**

Quantitative descriptive analysis and multiple linear regression are the analysis methods applied in this study and the population is the visitors of Makecents coffee shop. The respondent criteria in this study are Story coffee customers . The minimum number of samples determined is 96 respondents in this study the number of respondents is rounded up to 100. This study uses a questionnaire distributed to Story Coffee customers as respondents. Multiple linear regression analysis is to test the impact of several independent variables on one dependent variable. The data processing procedure is through validity and reliability tests. Before conducting multiple linear regression, a test of the analysis requirements is carried out, the classical assumption test to ensure that the multiple linear regression model meets the required criteria.

# RESEARCH RESULTS AND DISCUSSION Frequency Distribution

Kualitas Produk (X1) Kualitas pelayanan (X2) Kepuasan pelanggan (Y) Interval Frekuensi Kriteri Frekuensi Kriteria Frekuensi % Kriteria % a 10-17 STS STS STS 18-25 TS 1% TS 1 TS 3% 26-33 8 8% Ν 3 Ν 5 5% Ν 34-41 33 33% 41 41% 35 35% S S S 59 42-50 59% SS 56 56% SS 59 59% SS

100

**Table 1. Frequency Distribution** 

Source: Data Processing, 2024

Total

100

100%

A total of 59 respondents stated that they strongly agree with the quality of product X  $_{\rm 1}$ . For the quality of service X  $_{\rm 2}$ , there were 56 respondents who gave a very agree assessment. Meanwhile, in terms of customer satisfaction Y, the majority of 59 respondents also stated that they strongly agree.

100%

100

100%



## **Regression Analysis Linier Multiple**

The approach is applied to calculate the impact of product quality and service quality (X) on customer satisfaction (Y). The analysis process is carried out using SPSS software .

**Table 2. Multiple Linear Regression Test Results** 

	Unstandardized Coefficients		Standardized Coefficients			
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.223	2.032		1.094	.277
	Kualitas_produk	.327	.110	.329	2.970	.004
	Kualitas_pelayanan	.628	.118	.590	5.320	.000

Source: Analysis Results, 2024

Based on the results contained in Table 2, the model can be formulated as follows:  $Y = 2.223 + 0.327X_1 + 0.628X_2$  This equation indicates that product quality and service quality have a significant positive effect on customer satisfaction. Increasing both variables will increase the level of customer satisfaction.

#### t-test

**Table 3. t-Test Results** 

		Unstandardized Coefficients		Standardized Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.223	2.032		1.094	.277
	Kualitas produk	.327	.110	.329	2.970	.004
	Kualitas_pelayanan	.628	.118	.590	5.320	.000

Source: Analysis Results, 2024

Based on the results of Table 3. That:

- 1. t value of product quality (X  $_1$ ) = 2.970 (t  $_{count}$  > t  $_{table}$  = 1.660) significance value .004.
- 2. t-value for service quality (X 2) = 5.320 (t count > t table = 1.660) significance value,000.

The results show that product quality (X1  $_{\rm J}$  and service quality (X2  $_{\rm J}$  have a partial influence on customer satisfaction (Y). Between the two, service quality (X2  $_{\rm J}$  has a higher t  $_{\rm value}$ , which is 5.320, which indicates the dominance of its influence on customer satisfaction.

#### F test

Table 4. f Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2750.582	2	1375.291	210.223	.000b
	Residual	634.578	97	6.542		
	Total	3385.160	99			

Source: Analysis Results, 2024

Analysis of Table 4 shows the  $_{calculated}$  F value = 210.223 > F  $_{table}$  = 3.0718 with a significance of 0.000. This confirms that there is a real influence between product quality and service quality on consumer satisfaction.

## **Determination Analysis (R<sup>2</sup>)**

The correlation coefficient (r) of 0.795 shows a positive and strong continuity between product quality and service quality towards customer satisfaction (Y).

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Table 5. Results of Determination Coefficient

mount outlines;							
				Std. Error of the			
Model	R	R Square	Adjusted R Square	Estimate			
1	.901ª	.813	.809	2.55774			

Source: Analysis Results, 2024

The  $R^2$  value from Table 5 is 0.813, which means that 81.3% of the variation in customer satisfaction (Y) can be explained by product quality and service quality (X) and 18.7% is influenced by other factors outside the scope of the study. There are results from the hypothesis, namely:

- 1.  $t_{calculated}$  value for product quality (X 1) is 2.970 (  $calculated t > t_{table} = 1.660$ ) with a significance of 0.004.
- 2.  $t_{calculated}$  value for service quality (X2 ) is 5.320 (  $calculated t > t_{table} = 1.660$ ) with a significance of 0.000.
- 3. F <sub>calculated</sub> value is 210.223 (F <sub>count</sub> > F <sub>table</sub> = 3.0718) with a significance of 0.000. This proves that product quality and service quality contribute significantly to customer satisfaction. The determination value of .813 shows that 81.3% of customer satisfaction is influenced by these two factors, while the other 18.7% is from other factors outside the scope of the study.

## Discussion

Product quality includes elements such as taste, aroma, presentation, and consistency of the products offered. Products that meet customer expectations tend to increase their satisfaction. At Story coffee, this aspect includes the selection of quality raw materials such as selected coffee beans, presentation according to standards, and menu innovations that follow current trends. Service quality includes staff interaction with customers, speed of service, and a comfortable cafe atmosphere. Key factors in service include the friendliness and professionalism of staff, the ability to respond quickly to customer needs, and creating an attractive cafe environment. Customer satisfaction is created when the experience they feel matches or even exceeds their expectations. This satisfaction is influenced by a combination of product and service quality, where satisfied customers tend to return and provide recommendations to other customers.

## **CONCLUSION**

- 1. Product quality has a significant influence on Story Coffee customer satisfaction , as evidenced by the t  $_{count}$  of the product quality factor (X1  $_{)}$  of 2.235 (t  $_{count}$  > t  $_{table}$  = 1.660 ) with a significance of .023.
- 2. Service quality also has a significant influence on customer satisfaction, with t  $_{count}$  (X  $_2$  ) = 3.749 (t  $_{count}$  > t  $_{table}$  = 1.660 ) and a significance of .001.
- 3. The coefficient of determination (R<sup>2</sup>) of .813 shows that 81.3% of customer satisfaction (Y) is influenced by product quality and service quality (X). The rest, 18.7%, is from other variables that are not discussed in this study.

Based on the research conclusions, there are several strategic suggestions as follows:

1. Product Quality Improvement, Taste Consistency: Story coffee needs to ensure that every drink served has a consistent taste, according to customer expectations. This can be done through barista training and the use of strict operational standards. Menu Innovation: Introduce new variants regularly to attract loyal customers and reach new customers.



- 2. Optimizing Service Quality with Staff Training: Provide regular training to employees on customer service, including how to properly handle complaints and create a friendly atmosphere. Speed of Service: Evaluate workflows to ensure speed of service is maintained, especially during peak hours. Comfortable Environment: Ensure the cafe's atmosphere supports the customer experience, such as cleanliness, comfortable music, and ergonomic seating.
- 3. Satisfaction-Based Marketing Strategy, Customer Feedback: Use customer satisfaction surveys or reviews as a tool to identify strengths and weaknesses. Loyalty Promotion: Offer loyalty programs for repeat customers, such as discounts after a certain amount of purchase.

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