

THE INFLUENCE OF PRODUCT QUALITY, PRICE AND SERVICE QUALITY ON CUSTOMER SATISFACTION AT DINGIN PULUNG CAFE IN PULUNG DISTRICT PONOROGO REGENCY

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Abstract: The culinary industry in Ponorogo is rapidly advancing, as is the case with Dingin Pulung Cafe which is facing customer dissatisfaction related to product quality, price, and service leading to fluctuating sales. This study focuses specifically on measuring the effects of product quality, price, and service quality on customer satisfaction at Dingin Pulung Cafe. A quantitative approach was adopted for this research, collecting data through surveys from 180 respondents selected purposively with specific criteria. Customers who visited Dingin Pulung Cafe at least once or twice within the previous month were eligible to take part in the study. SPSS version 26 was employed for data processing and analysis to obtain trustworthy outcomes. This research utilized Google Form for data collection, allowing the use of a Likert scale - a tool which is quite useful for capturing respondents' perspectives on the products, prices, and services rendered. The analysis method is based on multiple linear regression which enables the assessment and simultaneous measurement of all the examined variables. The analysis results confirmed the hypothesis that product quality, price, and service quality collectively influence customer satisfaction. Furthermore, all three factors together significantly contribute to customer satisfaction with a determination coefficient of 70.8%.

Keywords: *Product Quality, Price, Service Quality, Customer Satisfaction*

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1. Introduction

The culinary sector is one of the rapidly expanding industries during this era due to increased demand in the market for food and beverages. The cafe industry is one of such advantageous branches of culinary businesses. Nowadays, cafes have turned into places for social gatherings attended by people of all ages, including students and adults for purposes of leisure, studying, meetings, or reunions. As projected by (Kominfo, 2024), the food sector will gain the highest popularity in Ponorogo during 2024. There were 2,651 new business licenses issued in this sector which accounted for 33.7% of all the permits issued in the year. This shows the continuous growth and untapped potential of the culinary industry in Ponorogo Regency.

A representative culinary business from Ponorogo in the cafe sector is Dingin Pulung Cafe which was founded in February 2020 and located in Pulung, Ponorogo Regency, East Java. This cafe serves a wide range of modern beverages alongside snacks and ice cream. Although the product assortment seems appealing, sales figures reveal that customer traffic is

inconsistent leading to varying revenue streams. For instance, the cafe earned its peak revenue between September 2021 and February 2022 with a total value of IDR 224,402,000, but during the following period from September 2023 to February 2024, the revenue dropped sharply to IDR 165,018,000.

The owner of Dingin Pulung Cafe reported that their customers have, to some extent, provided feedback concerning their experience with the cafe, but the feedback did not specify the issues. The purpose of this study therefore is to determine what customer satisfaction entails and devise measures to improve it. Thereon, in order to analyze the problem, a baseline survey was conducted with 35 visitors of the café.

As noted by (Bahri, 2018), a research instrument is a data gathering method that requires respondents to provide responses to a series of questionnaires. Based on empirical studies, the survey was constructed around six variables, which served as the basis for the study. Based on the findings of the preliminary survey, product quality is the most satisfying factor in Dingin Pulung cafe alongside price and service with (34.3%) 20% each respectively.

These factors enhance customer experience, thus need particular attention. As defining customer satisfaction (Armstrong et al., 2014) says: “the totality of a customer’s contentment or discontent in relation to how a product received meets or does not meet set expectations”. Stated differently, customer satisfaction is achieved when the products and services offered are in accordance with those expected by consumers. Customer satisfaction is mostly driven by product quality. (Kotler et al., 2016) defines product quality as the ability of the product to deliver results, or performance which is at least equal to, or better than what the customer expects. Similarly, (Armstrong & Kotler, 2003) states that the quality of a product is mostly based on reliability, design, as well as the benefits of the product. Dingin Pulung Cafe consumers, based on the initial survey, have expressed concerns about limited menu options, substandard drink container seals, and inconsistent availability of certain toppings and flavors. Hence, enhancements in menu innovation as well as availability of the product is critical in sustaining the satisfaction of the customers.

Price is another determinant of customer satisfaction along with product quality. (Riyanti, 2015) argues that price plays the most important role in shaping customers’ purchasing behavior and how they view the product. In most cases, if the price is fair in comparison to the quality and value the product provides, customers remain satisfied. In contrast, if a large gap exists in comparison to competing options, customers are likely to leave. According to the survey, a proportion of customers noted that Dingin Pulung Cafe’s prices are somewhat higher than expected, while some pointed out that certain prices make access to change problematic. This indicates that pricing strategy needs reevaluation to stay relevant.

As per (Nasib et al., 2021), the estimation of service quality by a customer has five components: tangibles, reliability, responsiveness, assurance, and empathy, and critically drives customer satisfaction. (Afnina & Hastuti, 2018) corroborate this by pointing out satisfied customers will, in a greater proportion, recommend a business to other potential customers. The survey results revealed Kafe Dingin Pulung customers were dissatisfied with some aspects of service like staff friendliness, order-taking, and insensitivity to customer needs. This suggests that some measures of service must be improved if customers are to be more comfortable and loyal.

To address the concerns identified, the purpose of this research is to evaluate the effects of product quality, price, and service quality as independent variables on customer satisfaction at Kafe Dingin Pulung. Customer satisfaction is an increasing variable and understanding it will

allow for enhanced strategies to be developed to better the café's position and enhance its sustainability in the highly competitive culinary market.

2. Research Method

This research uses quantitative techniques with a questionnaire design aimed to assess the effect of product quality, price and service quality on customer satisfaction at Dingin Pulung Cafe. The study subjects include all customers who have been to the cafe or bought something from the cafe. The data was collected using a questionnaire administered to participants chosen through purposive sampling (non-probability sampling). The respondents were defined as customers who have previously visited Dingin Pulung Cafe no less than two times, and aged between 17 and 60 years.

The research framework is built on four primary variables which are attributes of product quality, price, service quality and customer satisfaction. Measurement of product quality incorporates six indicators which include: a. product quality, b. product features, c. style and design, d. brand, e. packaging and f. labelling. For price evaluation four key indicators are included: a. affordability, b. the degree of competition in the market, c. congruence with the perceived quality of the product, and d. assurance with the perceived benefits derived from the product. Service quality is assessed through five indicators: reliability, responsiveness, assurance, empathy, and the tangible aspects that represent the service environment. Finally, customer satisfaction is measured through three distinct indicators: the degree to which expectations have been fulfilled, future purchase intentions, and intention to recommend the service or product.

In this research, 180 individuals were selected as study respondents. The survey results were based on responses to the questionnaires from which calculations are derived through a four-point Likert scale styled question aimed at evaluating the perception of each indicator by the respondents. Thereafter, data was analyzed using IBM SPSS Statistics 26 to explore the interrelations and impacts of the discussed variables with customer satisfaction in Dingin Pulung Cafe.

3. Results and Discussion

3.1 Results

Table 1. Validity Test Results

Variable	Indicator	R-Count	R-Table	Description
Product Quality (PQ)	PQ.1	.710	.146	Valid
	PQ.2	.786	.146	Valid
	PQ.3	.775	.146	Valid
	PQ.4	.774	.146	Valid
	PQ.5	.652	.146	Valid
	PQ.6	.547	.146	Valid
Price (P)	P.1	.820	.146	Valid
	P.2	.835	.146	Valid
	P.3	.874	.146	Valid
	P.4	.840	.146	Valid
Service Quality (SQ)	SQ.1	.885	.146	Valid
	SQ.2	.921	.146	Valid
	SQ.3	.942	.146	Valid
	SQ.4	.845	.146	Valid

	SQ.5	.633	.146	Valid
Customer Satisfaction (CS)	CS.1	.850	.146	Valid
	CS.2	.919	.146	Valid
	CS.3	.897	.146	Valid

Based on the previous analysis, all statement items within the product quality variable are observed to have correlation values surpassing that of the r-table. Thus, the analysis indicates that all statement items within this variable are appropriate and accurate for further scrutiny.

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Critical Point	Description
PQ	.795	.7	Reliable
P	.863	.7	Reliable
SQ	.901	.7	Reliable
CS	.858	.7	Reliable

Data from the previous table reveals that the variables product quality, price, service quality, and customer satisfaction have the following Cronbach's Alpha values: 0.795, 0.863, 0.901, and 0.858, respectively. Since all attributes have shown Cronbach's Alpha scores exceeding 0.7, it confirms that the instrument utilized for all the variables in this study is dependable.

Table 3. Multiple Linear Regression Analysis Results

Variable	Coefficient B
PQ	-1.938
P	.153
SQ	.160
CS	.185

From the table above, the regression equation for this study is obtained as follows:

$$\hat{Y} = 1.938 + 0.153PQ + 0.160P + 0.185SQ$$

- The constant value is 1.938; so, the customer satisfaction variable will have a score of 1.938 units if the values of the variables of product quality, pricing, and service quality have zero.
- Assuming the pricing and service quality variables stay constant, the coefficient value for the product quality variable is 0.153, suggesting that customer satisfaction will rise by 0.153, for every one-unit increase in product quality.
- Assuming the product quality and service quality variables stay constant, the coefficient value for the pricing variable is 0.160, implying that, for every unit increase in price, customer satisfaction will rise by 0.160.
- Assuming the product quality and pricing variables stay constant, the coefficient value for the service quality variable is 0.185, suggesting that customer satisfaction will rise by 0.185, for every unit increase in service quality.

Table 4. Partial Test Results of the Regression Model

Model	B	Std. Error	t	Sig.
(Constant)	1.938	.665	2.914	.004
PQ	.153	.030	5.046	.000

P	.160	.053	3.034	.003
SQ	.185	.035	5.349	.000

A variable is considered to have a significant effect if the p-value < 0.05. Based on the table above, the explanation is as follows:

1. Impact of Product Quality (PQ) on Customer Satisfaction (CS)
The analysis indicates that the significance value for the PQ variable is 0.000, which is less than 0.05, and the t-value (5.046) exceeds the t-table value (1.974). Consequently, H₀ is rejected, and H_a is accepted. This suggests that, in isolation, product quality has a significant effect on customer satisfaction.
2. Impact of Price (P) on Customer Satisfaction (CS)
The analysis reveals that the significance value for the price variable (P) is 0.003, which is below 0.05, and the t-value (3.034) is greater than the t-table value (1.974). As a result, H₀ is rejected, and H_a is accepted. This indicates that price has a significant effect on customer satisfaction, partially.
3. Impact of Service Quality (SQ) on Customer Satisfaction (CS)
The results of the analysis show that the significance value for the SQ variable is 0.000, less than 0.05, and the t-value (5.349) is higher than the t-table value (1.974). Therefore, H₀ is rejected, and H_a is accepted. This implies that, on its own, service quality has a significant impact on customer satisfaction.

Table 5. Simultaneous Test Results of the Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	186.907	3	62.302	58.986	0.000
Residual	185.893	176	1.056		
Total	372.800	179			

In the table provided above, the joint impact of PQ, P, and SQ on CS reveals a significance level of 0.000. The F value calculated is 58.986 which is greater than the F table value of 2.656. In this case, the significance level is 0.000 which is less than .05. Therefore, we accept alternative hypothesis H₁ and reject null hypothesis H₀. We can confidently state that product quality, price, and service quality together impact customer satisfaction meaningfully.

Table 6. Results of the Coefficient of Determination in the Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.708	0.501	0.493	1.028

The R Square value of 0.708 based on the table above indicates that variables related to product quality, pricing, and service quality can adequately explain 70.8% of the variance in customer satisfaction. The remaining 29.2% is shaped by other elements outside the study model, meanwhile.

3.2 Discussion

The Influence of Product Quality on Customer Satisfaction

Based on the study, it appears that in Dingin Pulung Cafe, a customer's satisfaction is hugely influenced by the product quality. It was found that product quality significantly helped

in creating customer satisfaction with the cafe's offers having a significance value of 0.000 (less than 0.05) and t-test of 5.046 which exceeds the t-table's 1.974. This implies that customers' experiences at the cafe enhances with the products offered and their satisfaction increases with the improvement of cafe services.

Numerous scholars have focused on the gap in literature offering countless hypotheses on the correlation of product quality with customer satisfaction. (Wiranata & Suwitho, 2020) conducted a study that showed product quality to greatly impact customer satisfaction. Further research by (Ramadhan et al., 2023) showed that high quality products positively increase customer loyalty and meet the customers' expectations. The above discussed literature gives evidence that businesses who shift their focus to improving their product quality deepen the trust customers have toward sustaining business growth.

The Influence of Price on Customer Satisfaction

Apart from product quality, pricing has a notable impact on the customer satisfaction at Dingin Pulung Cafe. The analysis shows a significance value of 0.003 (<0.05) for the price variable wherein the t-value is 3.034, which is greater than the t-table value of 1.974. Therefore, H_0 is rejected and H_a is accepted. This indicates that the pricing strategy at Dingin Pulung Cafe prominently affects customer satisfaction.

The studies conducted confirm the correlation between pricing and customer satisfaction. (Soekotjo & Astuti, 2020) noted that pricing which is congruent to the customers' perceived value is bound to influence customer satisfaction. In addition, (Nugraha et al., 2023) observed that customer satisfaction is high when the charges align with the anticipated standards of quality and service. This means that businesses have to adopt competitive pricing policies that boost customer satisfaction and loyalty by properly communicating the value of the product.

The Influence of Service Quality on Customer Satisfaction

Alongside product price and its quality, service quality also contributes to customer satisfaction at Dingin Pulung Cafe. The study shows that the service quality attribute has a p value of 0.000 (less than 0.05) and a t value of 5.349 which exceeds the t table amount of 1.974. Thus, H_0 is rejected and H_a is accepted.

There are many studies that service quality positively correlates with customer satisfaction. In research conducted by (Prasetyo, 2022), it is argued that both service and product quality enhance customer satisfaction. Moreover, (Utomo & Maskur, 2022) claimed that good service helps build new customer and client relationships which improve retention and brand loyalty. From this, it can be understood that increasing service quality helps in keeping customers and improves market reputation.

4. Conclusion

Data analysis and discussion revealed that customer satisfaction at Dingin Pulung Cafe is favorably correlated with three variables: product quality, pricing, and service quality. Furthermore, simultaneous study shows that product quality, pricing, and service quality influence consumer satisfaction in a positive way. This result emphasizes the need of looking at these three elements taken together to increase and preserve customer satisfaction at Dingin Pulung Cafe.

Increasing the sample size is proposed for next research to improve the dependability of the study and include several gastronomic companies from all over to improve external validity. To build a more whole picture of customer satisfaction, researchers should also take into

account many other factors such as consumer expectations, location, ambiance, and emotional involvement. Using combined approaches—that is, both quantitative and qualitative—may also provide closer understanding of consumer views and actions.

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