

THE EFFECT OF PRODUCT QUALITY AND PRODUCT PRICE TOWARDS CUSTOMER SATISFACTION AT BLACKCUP COFFEE AND ROASTER MANADO

PENGARUH KUALITAS PRODUK DAN HARGA TERHADAP KEPUASAN PELANGGAN DI BLACKCUP COFFEE AND ROASTER MANADO

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Abstract: The purpose of this study is to determine the effect of product quality and product price towards customer satisfaction at Blackcup coffee and roaster Manado. The population on this study consist of people who hanging out at Blackcup coffee and roaster Manado, which the value is unknown. The sample for this study is 100 respondents. The sampling technique used is a purposive sampling method and the data collection method is in the form of a questionnaire that is run through Google Form. Furthermore, testing and data analysis was carried out using SPSS 28 software.

Keywords: *product quality, product price, customer satisfaction*

Abstrak: Tujuan dari penelitian ini adalah untuk mengetahui pengaruh kualitas produk dan harga produk terhadap kepuasan pelanggan pada kopi Blackcup dan roaster Manado. Populasi dalam penelitian ini adalah masyarakat yang nongkrong di Blackcup coffee dan roaster Manado yang tidak diketahui nilainya. Sampel untuk penelitian ini adalah 100 responden. Teknik pengambilan sampel yang digunakan adalah metode purposive sampling dan metode pengumpulan data berupa kuesioner yang dijalankan melalui Google Form. Selanjutnya dilakukan pengujian dan analisis data menggunakan software SPSS 28.

Kata kunci: *kualitas produk, harga, kepuasan pelanggan*

INTRODUCTION

Research Background

The world's fourth-largest producer of coffee is Indonesia. The chart from Badan Pusat Statistik shows that from 2017 to 2021, Indonesia's total coffee production rose annually. Coffee has only been enjoyed by those who genuinely enjoy coffee, such as black coffee brewed in a cup, since ancient times. However, as time passes, the development of coffee in Indonesia has become increasingly popular among all groups, with various modern variations. Coffee is becoming even more popular as innovations emerge. As a result, entrepreneurs are starting to innovate by opening a coffee shop with a modern concept. People who want to chat and interact with coffee connecting media can do so at the coffee shop.

In the current era, many cafes are established in Manado. Almost every street corner in Manado has a café, both simple and significant. Adults. Today's Manado people's hobby is gathering, doing assignments, or spending their free time at the cafe on holidays or weekdays. This further supports the increase in the café business in Manado.

Many businesses around the world have been decimated by the Covid-19 pandemic, which has caused them to lose money or perhaps go out of business. Blackcup Coffee and Roaster, despite the commotion that many

businesses have shut down because of Covid-19, is still operating. It would be helpful if other companies adopted Blackcup Coffee and Roaster's company maintenance techniques so that they could serve as an example for other companies facing similar situations.

Product quality is the overall characteristics of a product or service on its ability to satisfy implied needs. Consumers expect the products purchased to have good quality and be under expectations to satisfy them. Products have an essential meaning for companies because, without products, companies will not be able to do anything from their business. Buyers will buy products if they feel suitable. Therefore, products must be adjusted to the wishes or needs of buyers so that product marketing is booming; in other words, product manufacture is better oriented to market desires or consumer tastes.

The price factor is also an essential factor that consumers consider when purchasing decisions in a business. Consumers want the Price of the product by the quality of the product in question. Pricing by business actors must be adapted to the environment and changes. This will affect consumers before deciding to buy because consumers will find out the Price and choose products that are by their ability to buy. Price is the amount of money charged for a product or service or the value consumers exchange for the benefits of having or using the product or service.

Consumer satisfaction will benefit companies, especially businesses in the culinary field. By maintaining and providing satisfaction to consumers, they tend to repurchase the goods and services they have consumed. Satisfaction will also encourage positive word of mouth communication. The ability of businesses to satisfy their customers is one of the factors that can attract customers. Providing excellent customer service, high-quality products, and other criteria are all necessary for business actors to satisfy their clients. Customer happiness itself is impacted by several things, though, Blackcup Coffee and Roaster works hard to keep up a high standard of product quality while also setting prices that are commensurate with the caliber of the goods they offer, in the hopes that this will benefit them in the long run.

Research Objective

The aim of this research is:

1. To find out how product quality affects customer satisfaction, Blackcup Coffee and Roaster
2. To find out how price affects customer satisfaction, Blackcup Coffee and Roaster
3. To determine product quality and price simultaneously affect customer satisfaction at Blackcup Coffee and Roaster

THEORETICAL FRAMEWORK

Marketing

According to Yulia and Setianingsih (2020;74), Marketing is one of the company's main activities to maintain its survival, developing to earn a profit. Marketing activities are designed to give meaning to serving and satisfying consumer needs carried out to achieve company goals.

Customer Satisfaction

Customer satisfaction generally refers to someone's pleasure or disappointment because of comparing a product's perceived performance (or result) to their expectations. Customers will be satisfied if their performance meets expectations. The customer will be delighted if performance exceeds expectations, and vice versa (Kotler and Keller 2018:138).

Product Quality

According to Kotler and Armstrong (2012), product quality is a product's ability to demonstrate function, which includes overall durability, reliability, accuracy, ease of operation, and repair product, as well as other product attributes.

Price

Price is the amount of value that consumers exchange for the benefits of having or using a product or service whose value is determined by the buyer and seller through bargaining or is set by the seller for the same Price to the buyer (Umar 2012:32).

Previous Research

Wantara and Tambri (2019) investigated the effect of price and product quality variables on satisfaction and loyalty. The research was conducted in the Bangkalan area. The sampling method used the purposive sampling method with a sample of 200 respondents. The analytical method used in this study is SEM analysis. Based on the results of the analysis has been done, it can be concluded that the price is a significant and positive impact on customer satisfaction, the product quality is significant and positive impact on customer satisfaction, and the price is significant and positive impact on customer loyalty, that the customer satisfaction significant and positive impact on customer loyalty, but the product quality is not significant and positive impact on loyalty.

Razak, Nirwanto, and Triatmanto (2016) analyzed on product quality, price on the satisfaction of Pepsodent Dental Toothpaste customers who are over 17 years old and domiciled in Bekasi. This research use sampling technique by using simple random sampling of the mall visitor population in Bekasi, and the sample of this research is 110 respondents have already met the requirements of SEM analysis. The results show that product quality and price have a positive and significant impact on customer value. The product quality and price are able affected customer satisfaction significantly and positively. Customer value also delivers a significant and positive effects towards customer satisfaction.

Subaebasni, Risnawaty, and Wicaksono (2018) determined the effect of brand image, service quality and price both partially and simultaneously to the customer satisfaction and the impact of customer satisfaction on customer loyalty. Using quantitative research methods, with a sample of 171 respondents. Data were analyzed using structural equation modeling. The results of the analysis showed that the partial towards customer satisfaction, the brand image variable has a positive and significant impact with a coefficient of 0.773. Variable quality of service has a positive and significant impact with a coefficient of 0.720, the price variable price has a positive and significant impact with a coefficient of 0.683. In partial variable customer satisfaction with loyalty has a positive and significant impact with a coefficient of 0.602. The results of the analysis showed that simultaneous independent variables to customer satisfaction positively and significantly with a coefficient of 0.720. The results of the analysis showed that the partial loyalty, brand image variable has a positive and significant impact with a coefficient of 0.672. Variable quality of service has a positive and significant impact with a coefficient of 0.739, the price variable price has a positive and significant impact with a coefficient of 0.739. The results of the analysis showed that simultaneous independent variables loyalty, positive and significant impact with a coefficient of 0.734.

Conceptual Framework

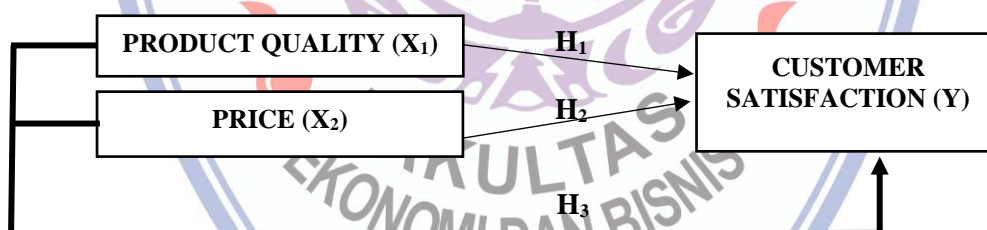


Figure 1. Conceptual Framework

Source: Literature Review (2022)

Research Hypothesis

H₁: Product quality has a partial effect on customer satisfaction.

H₂: Price has a partial effect on customer satisfaction

H₃: Product quality and Price have a simultaneous effect on customer satisfaction

RESEARCH METHOD

Research Approach

The research method utilized by the researcher was quantitative research methods. Quantitative research methods, according to Sugiyono (2015), are research that analyzes specific populations or samples using random sampling and is founded on the scientific perspective.

Population and Sample

Bhattacharjee (2012) write that, population is the group you want to generalize to. The population in this study is the customers of Blackcup Coffee and Roaster Manado who visited the café and buy the products. According to Sekaran and Bougie (2010), sample is a subset of the population. The sample size of this research is 96.4 and rounded up to 100 respondents.

Data Collection Method

To collect the data this research was used primary data by using questionnaires as the instrument of the research. The questionnaire is a data collection technique that is done by giving a set of written statements that will be answered by the respondents.

Operational Definition of Research Variables

Table 1. Operational Definition and Indicator of Research Variable

No	Variable	Operation Definition	Indicators
1	Product Quality (X_1)	Product quality refers to how well a product satisfies customer needs, serves its purpose, and meets industry standards.	1. Durability 2. Product Hygiene 3. Good Taste
2	Price (X_2)	The amount that consumers will be willing to pay for a product. Marketers must link the price to the product's real and perceived value, while also considering supply costs, seasonal discounts, competitors' prices, and retail markup.	1. Affordable price with product quality 2. Price Match with Product Quality 3. Price competitiveness
3	Customer Satisfaction (Y)	A measure of how well a company's products, services, and overall customer experience meet customer expectations. It reflects your business' health by showing how well your products or services resonate with buyers.	1. Satisfied with product quality 2. Satisfied with the price offered 3. Satisfied with the quality product and the price offered

Source: Literature Data, (2022)

Data Analysis Method

Validity and Reliability Test

The validity test is used to measure whether the questionnaires are valid or not. Besides being valid, the instrument must also be reliable. A questionnaire is said to be reliable if the respondents answer the questions consistently from time to time

Multiple Linear Regression

Multiple linear regression analysis is used to estimate how the state (fluctuation) of the dependent variable is, if two or more dependent variables as a predictor factor increase their value decreases. The equation form of multiple linear regression is as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

Descriptions:

Y	= Customer Satisfaction
a	= Constant
β_1, β_2	= Regression coefficient X_1, X_2
X_1	= Product Quality
X_2	= Price
e	= Error

Hypothesis Testing

According to Ghazali (2013), F-test shows that all independent variables in the model are intended to have the simultaneous effect on the dependent variable. The t-Test is used to determine whether each of individual independent variable is significant. A separate t-test conducted for each of the independent variable in the model.

RESULT AND DISCUSSION

Result

Validity Test and Reliability Test

Validity testing was carried out using the IBM SPSS Version 28 program to process the data collected. Validity testing was performed on 100 respondents in this study. The Pearson Correlation value of Product Quality (X1) and Price (X2) along with Customer Satisfaction (Y) are greater than 0,3 or the significance value is below 0,05. So that the research instrument of this research is considered valid. the value of Cronbach’s Alpha with 3 variables used in this research as 0,866. Theoretically, the minimum value or acceptance limit of Cronbach’s Alpha is 0,6 Since $0,866 > 0,6$. The research instrument is considered reliable.

Classical Assumption Test

Normality Test

According to Ghozali (2013), the normality test's purpose is to determine whether the residual confounding variable in the regression model has a normal distribution.

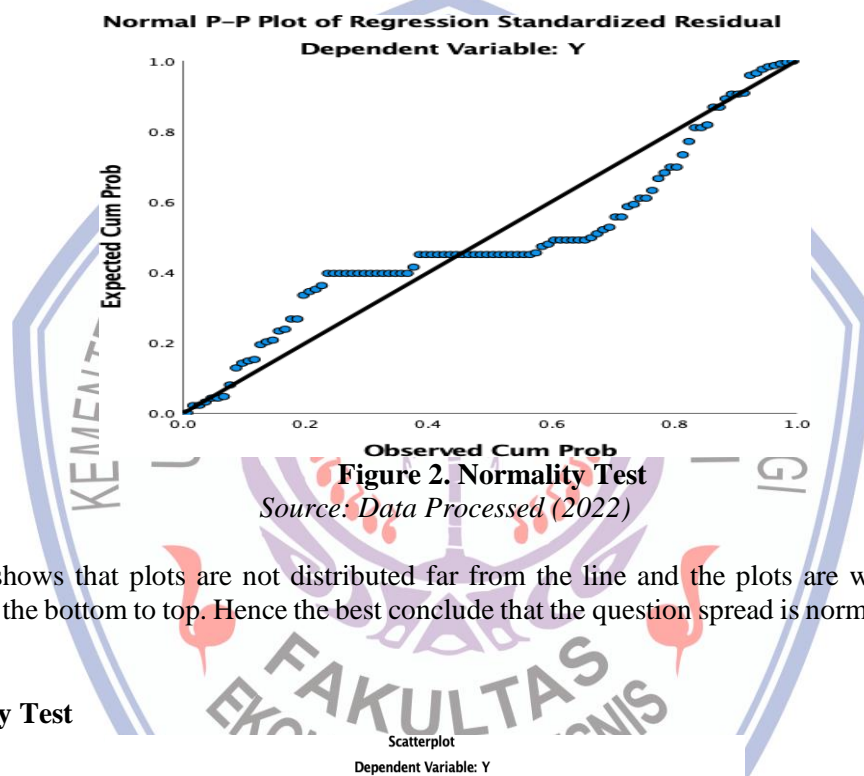


Figure 2. Normality Test
 Source: Data Processed (2022)

Figure 2 shows that plots are not distributed far from the line and the plots are well aligned with the diagonal line from the bottom to top. Hence the best conclude that the question spread is normal, and the normality test completed.

Heteroscedasticity Test

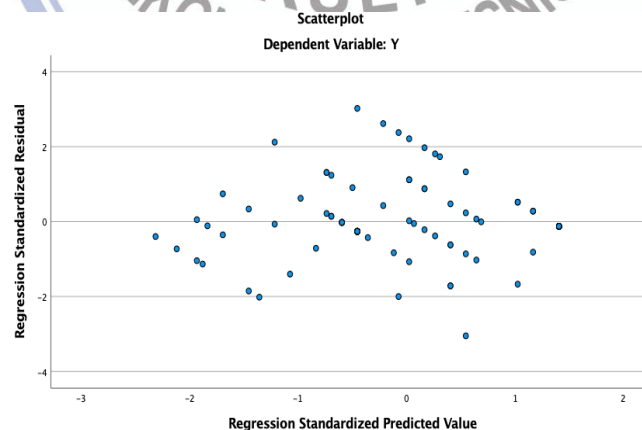


Figure 3. Heteroscedasticity Test
 Source: Data Processed (2022)

Based on the Figure above it shows that the pattern of the dots is spread above and below 0 on the Y axis. The result show that there is no heteroscedasticity in this regression.

Multicollinearity Test**Table 2. Multicollinearity**

Model	Coefficients ^a	
	Tolerance	VIF
(Constant)		
Product Quality (X ₁)	.695	1.439
Price (X ₂)	.695	1.439

a. Dependent Variable: Customer Satisfaction (Y)

Source: Data Processed (2022)

According to the table 2 shows that the value of tolerance and VIF. the tolerance of value of Product Quality is 0,695 and Price 0,695, it shows that both variables tolerance value is well above 0,1. While the Variance Inflation Factor (VIF) of Product Quality is 1.439 and Price 1.439, means the VIF value is lower than 10. From the result the tolerance value is above 0,1 and VIF value is lower than 10, so this research is concluded multicollinearity free.

Multiple Linear Regression Analysis**Table 3. Multiple Linear Regression**

Model	Unstandadized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	.737	.797		.926	.357
Product Quality (X ₁)	.370	.070	.326	5.301	<,001
Price (X ₂)	.589	.057	.639	10.403	<,001

a. Dependent Variable: PI (Y)

Source: Data Processed (2022)

From the result in the table above, can be shown through the regression equation as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

The result of the multiple linear regression equation above provides the understanding that:

1. The constant value of 0,737 shows the effect Product Quality (X₁), and Price (X₂) towards Customer Satisfaction (Y). It also means that in case all independent variables are equal to zero, the dependent variable value is predicted to 0,737
2. If the variable X₁ (product quality) has increased by one score, it will cause an increase in Variable Y (Customer Satisfaction) of 0.370 or 37.0%.
3. If the X₂ variable (price) increases by one score, it will cause an increase in the Y variable (Customer Satisfaction) of 0.589 or 58.9%

Table 4. The Coefficient of Determation (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863 ^a	.745	.740	.91342

a. Predictors: (Constant), Product Quality (X₁), Price (X₂)

b. Dependent Variable: Customer Satisfaction (Y)

Table 4. shows the coefficient correlation (R²) is 0,863; it means there is a strong relationship between independent variables with dependent variable. And the R square shows 0,745 or (74,5%). That means the independent variables in this research have an effect of 74,5% on Customer Satisfaction and the remaining 25,5% comes from external factor or variables that are not discussed or explained in this research.

Hypothesis Testing**t-Test****Table 5. t-Test**

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients	Std. Error	Standardized Coefficients		
		B		Beta		
1	(Constant)	.737	.797		.926	.357
	Product Quality (X ₁)	.370	.070	.326	5.301	<,0.01
	Price (X ₂)	.589	.057	.639	10.403	<,0.01

a. Dependent Variable: Customer Satisfaction

Source: Data Processed (2022)

The interpretation is as follows:

1. The result of the t-test for product quality variable are obtained the t_{count} value is 5.301. The value $t_{count} = 5.301$ is greater than the value of $t_{table} = 1.984$ with the significance of 0.000 which smaller than 0.05. So, the hypothesis which states that "Product Quality has a partial effect on Customer Satisfaction at Blackcup Coffee and Roaster" is accepted.
2. The statistical results of the t-test for price variable are obtained the t_{count} value is 10.403 with the significance of 0.000 which smaller than 0.05. The value $t_{count} = 10.403$ is greater than the value of $t_{table} = 1.984$. So, the hypothesis which states that "Price has a partial effect on Customer Satisfaction at Blackcup Coffee and Roaster" is accepted.

F-Test**Table 6. F-Test Result**

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	236.709	2	118.354	141.854	<,001 ^b
Residual	80.931	97	.839		
Total	317.640	99			

a. Dependent Variable: CS (Y)

b. Predictors: (Constant), P (X₂), PQ (X₁)

Source: Data Processed (2022)

Based on the F-test, by using the significance value of 0.05 ($\alpha=0.05$), so the calculated if $F_{count} = 141.854 > F_{table} = 3.090$ with the significance value of 0.001 that smaller than 0.05. Since the F_{count} is greater than F_{table} , H_0 is rejected and H_a is accepted. It means that the hypothesis which states "product quality and price simultaneously affect the dependent variable which is customer satisfaction at Blackcup Coffee and Roaster" are accepted.

Discussion**Product Quality on Customer Satisfaction**

This study proves that product quality partially has a positive and significant influence on customer satisfaction at Blackcup Coffee and Roaster. This study's results follow the results of research conducted by Wantara and Tambrin (2019). The results showed product quality's positive and significant effect on consumer satisfaction with Batik Madura. These findings show that consumers believe Blackcup Coffee and Roaster Manado's products are of high quality and satisfy them. Every buyer wants to purchase a high-quality item. Therefore, the business must concentrate on maintaining and developing the excellent quality of its products. When customers experience a product that is both high-quality and delicious, they will be satisfied.

Price on Customer Satisfaction

This study proves that price partially has a positive and significant influence on customer satisfaction at Blackcup Coffee and Roaster Manado. There is a similarity of this research and the previous research conducted by Razak, Nirwanto, and Triatmanto (2016). The results of his research show that there is a significant influence on consumer satisfaction with toothpaste products. Kartikasari and Albari (2019) showed a significant effect of price on consumer satisfaction with Mrs. Zuni's Fried Chicken in the City of Magelang. This result of this research can see the prices of each type of Blackcup Coffee and Roaster products, most consumers feel that the quality of the products set by Blackcup Coffee and Roaster is in accordance with the price paid by the customer.

Product Quality and Location on Customer Satisfaction

This study proves that product quality and price simultaneously have a significant positive influence on customer satisfaction at Blackcup Coffee and Roaster. Based on the result of F-test on table 6, the value of Fcount at 141.854 are greater than Ftable at 3.090 with a significant value of .001 which is lesser than 0.05. This shows that Product Quality and Price as independent variables does significantly influence Customer Satisfaction as dependent variable simultaneously. Therefore, the hypothesis about Product Quality and Price has a positive effect on the level of Customer Satisfaction at Blackcup Coffee and Roaster, then hypothesis regarding Product Quality and Price is accepted. This supports the theory put forward by Tjiptono (2008: 54), which says that the quality of a product and price have a close relationship with customer satisfaction to establish strong ties with the company; in the long term, bonds like this allow companies to understand customer expectations carefully.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of the research and discussion in the previous chapter, the conclusions are:

1. Product quality partially affects customer satisfaction with Blackcup Coffee and Roaster Manado. Consumers are satisfied with the quality of the product they receive because the expectations of consumers before and after receiving the product match and even exceed consumer expectations.
2. Price partially affects customer satisfaction with Blackcup Coffee and Roaster. These consumers feel pretty satisfied with the price and are accompanied by the products Blackcup Coffee and Roaster provided because consumers' expectations before and after consuming and paying are by consumer expectations.
3. Product quality and price together affect consumer satisfaction. Where are consumer responses and descriptions of their satisfaction with the products and prices found at Blackcup Coffee and Roaster where the consumer reorders the same drink because it tastes good and the consumer is interested in visiting again and recommending to his colleagues the quality of the products and the prices contained in Blackcup Coffee and Roaster Manado.

Recommendation

Based on the conclusions in this research, the following suggestions can be given are:

1. According to customers, the product quality already has a good quality that makes the customers feel satisfied. So, in the future, the company needs to maintain their product quality and improve it.
2. The Blackcup Coffee and Roaster business owner must pay more attention to the pricing that is carried out in accordance with the quality of the product obtained by consumers. Moreover, the price competitiveness provided by other companies on the same type of product.
3. It is hoped that further researchers will study more deeply the effect of product quality and price on consumer satisfaction of Blackcup Coffee and Roaster Manado by adding other variables apart from the variables that have been studied.

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