

A MODEL OF PRODUCT QUALITY, PERCEIVED PRICE, PLACE AND SATISFACTION TOWARDS COFFEE SHOP IN INDONESIA: A LITERATURE REVIEW

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Abstract. Consumer Satisfaction has become an interesting object of study for researchers in the field of marketing. This study aims to determine the formulation of factors that can influence the development and growth of coffee shops in Indonesia. The study also investigated the direct effects on coffee shop consumer satisfaction in Indonesia. The results of the study found that product positively affects customer satisfaction, and price factor significantly determined the effect on customer satisfaction, then the place will have a positive effect on customer satisfaction. With respect to its practical implications, the research offers a new literature review and model of customer satisfaction to assist the owner or manager of a coffee shop to understand what is required of customers to enhance customer satisfaction and to help managers to develop and improve product quality, competitive price and best provide place for food and beverage business

Keywords: Product, Price, Place, Customer Satisfaction, Coffee shop.

INTRODUCTION

Ion

Coffee drinks are one of the most popular drinks in the world even in Indonesia and are favored by many people. Nowadays, the trend of drinking coffee is not only carried out at home but also carried out in many coffee shops (Devia et al., 2018). Consumer behavior in drinking coffee in Indonesia prefers to drink coffee in coffee shops by doing other activities than they drink instant coffee. The number of promise soul coffee shops is increasingly emerging in various regions of Indonesia and has become one of the famous coffee brands that have many fans (Ali et al., 2020). Many coffee shops are competing to offer the taste of Indonesian coffee. As the coffee industry increases makes coffee a lifestyle for most people today (Ikhsani, 2020). For the long-term stability of coffee shops, they will continue to provide high-standard and quality products, as well as continue to make attractive innovative products and competitive prices to attract new customers and loyal customers to drink and enjoy coffee (Novitasari, 2021). The place factor plays an important role in creating consumer satisfaction (Widyahastuti & Susilowati, 2021).

Many coffee shops maintain the taste and quality of coffee in hundreds of outlets spread across 50 major cities in Indonesia. Starting from raw materials by ensuring halal raw materials, then verified by BPOM (Food and Drug Control Agency). In addition, by paying attention to each process how a cup of coffee is made (Ikhsani, 2020). There are many studies that have looked at the impact of customer satisfaction on repeat purchases. They almost convey the same message because satisfied customers are more likely to share their experiences with others in the order of maybe five or six people. Just like that, dissatisfied customers are more likely to tell ten more people about their unfortunate experience (Zairi, 2000).

MATERIALS AND METHOD

The scope of this study is related to consumer satisfaction in coffee shops that influence the product, price, and place. The method used in this study is the survey method. The data taken are primary data and secondary data, primary data collection is carried out with interview techniques in the form of questionnaires as a tool in data collection. Meanwhile, secondary data was obtained from the business owner of the coffee shop, and published in a journal. Sampling is carried out directly on consumers who visit the coffee shop. Each consumer is given a question about the frequency of visits to find out if they are regular customers or not, and have a feeling of satisfaction or dissatisfaction.

Literature Background

Product

Products are the result of production activities that are tangible goods. Product quality greatly affects consumer satisfaction because it is something offered to the market to meet the needs and desires of consumers (Hidayat et al., 2020). Product quality is an important thing that every company must strive for if they want their products to compete in the market (Chou & Chen, 2018).

Product refers to a good or service that a company offers to customers. Ideally, a product should fulfill an existing consumer demand or a product may be so compelling that consumers believe they need to have it and it creates a new demand (Wewer et al., 2020). Products are everything that seller can offer to be noticed, requested, sought after, purchased, used, or consumed by the market as a source of the needs and desires of the market in question.

Price

Price can be associated with the amount of money consumers spend on a product or service. In general, price is the value given up by consumers in exchange for the benefits of using a product or service (Zong & Moon, 2020). Price becomes the only marketing mix that generates income. The price depends on the policy of the company taking into account various things (Guissoni et al.,

2018). The company must always monitor the prices set by competitors so that the prices determined by the company are not too high or too low (Razak et al., 2016). As consumers make purchasing decisions and evaluate subsequent services, the price factor becomes an extrinsic condition that has significant value available to customers (Zietsman et al., 2019). Prices have a significant effect on purchasing decisions and customer satisfaction (Saepuloh & Hisani, 2020).

Place

The place is an important element where companies must decide where they are located and how many of them are there, making it easier for customers to reach them comfortably (Kanoga, 2016). In another opinion, Satisfaction is driven by trust and attitude factors that play a mediating role that connecting disclosed information and perceived knowledge with organic food purchase intentions (Teng & Wang, 2018).

According to (Lubalu, 2018) place is a driver of costs and revenues, so place often has the power to make a company's business strategy. the strategic place aims to maximize the

benefits of the place for the company. Place, also known as distribution, is the mechanism by which goods and services are transferred from service providers and producers to consumers. Then it was mentioned by Moser (2016) who researched food that consumers are willing to choose environmentally friendly products and places as elements with high importance on green attributes, and behavior in deciding to buy food.

Customer Satisfaction

Consumer satisfaction created from reality is better than expectations for products and services perceived by consumers (Kotler & Keller, 2016a). In the retail industry, creating consumer satisfaction is the most important thing (Khan et al., 2021). In certain cases, the satisfaction felt by consumers is sometimes obtained through a shopping experience that is provided and well-designed by producers in selling goods or services (Goi et al., 2021).

RESULT AND DISCUSSION

This research was conducted to provide the concept of the relationship between consumer satisfaction and factors that can influence in the context of the coffee shop business. Consumer satisfaction is not built instantly by producers to their consumers, these relationships are built massively and simultaneously so that satisfaction can be felt by consumers based on their experience of the product, price, and space provided. The factors affecting consumer satisfaction of coffee shops will be discussed, thus the hypotheses of this study can be developed.

The Effect of Product on Customer Satisfaction

Kotler & Keller (2016b) define that product quality is the ability of a product to display its functionality, this includes the usability time of the product, reliability, ease, use and repair, and other values. Product quality can be viewed from two points of view, namely the internal point of view and the external point of view. Lesmana & Ratnasari (2019) found in their research that consumer satisfaction usually occurs when consumers feel happy and suitable with the product used. Customer satisfaction is a consumer's feeling that compares what he receives and what he expects. Product quality has an important meaning for the company because without product quality, the company will not be able to do anything from its business (Hanaysha, 2016). Basically, in buying a product, a customer not only buys a product, but the customer also buys benefits or advantages that can be obtained from the expensed product (Liang et al., 2021).

Consumer satisfaction is the expectation, suitability, and also suitability of the product to the hearts of consumers (Hamzah & Shamsudin, 2020). Consumers no longer buy products based solely on considerations of physical form, but also include all aspects of service attached to the product, starting from the purchase stage to the post-purchase stage (Stylidis et al., 2020). Many factors can affect consumer satisfaction including product quality (Fahmi et al., 2021). Product quality has a close relationship with consumer satisfaction. Product quality gives an impetus to consumers to establish a strong bond with the company.

From some of the opinions above, it can be synthesized that consumer satisfaction is built by product quality factors, so this study proposes a hypothesis as follow:

H1: Product has a positive and significant effect on consumer satisfaction.

The price shows the brand quality of a product, where consumers have the assumption that expensive prices usually have good quality. Price is a key positioning factor and must be decided in relation to the target market, the mix of product and service options, and also competition (Mohammed et al., 2017). Another opinion proposed by Amron (2018) Satisfaction is felt by consumers not only because of the quality of the product but the competitive price factor has a positive effect.

Githiri (2018) shows evidence of a strong relationship between perceived prices and consumer satisfaction. While Juliana et al (2020) in their research confirm that prices simultaneously have a positive effect on consumer satisfaction. Prices that are in accordance with the ability of consumers can be an option to purchase and provide a satisfaction effect (Abdullah et al., 2018) From some of the research above, it may conclude that the affordable price will have a positive effect on consumer satisfaction. Thus, the hypothesis will propose, is as follows;

H2: Price has a significant and positive influence on consumer satisfaction.

The Effect of Place on Customer Satisfaction

Location is a strategic place where consumers can reach business locations (places to eat, shopping centers, and others) easily, and safely and have a large parking lot (Firdaus et al., 2021). One of the elements of the marketing mix is Place is recognized as one of the keys to success in an effective marketing strategy. A strategic place that is easily accessible to customers in buying and selling is a representation of the principle that marketing must manage existing resources optimally (Dash et al., 2021).

Location and facilities are also a very important role for companies to attract consumers. Location is one of the fundamental parts for consumers in termination of purchases and satisfaction, if the company's location is easy to reach, and easily accessible by transportation, the company has its own added value (Rutjuhan & Ismunandar, 2020). Supported by findings Teku (2020) states that all elements of the marketing mix (product, price, promotion and place) have a significant correlation with the satisfaction felt by consumers. Based on the opinions above, the hypotheses will consider as follow;

H3: Place has a positive effect on customer satisfaction.

Hypotheses

Hypotheses in this study are derived from the development of the relationship between the variables of consumer satisfaction above. Then the hypotheses proposed are as follows:

1. H1: Product has a positive and significant effect on consumer satisfaction.
2. H2: Price has a significant and positive influence on consumer satisfaction.
3. H3: Place has a positive effect on customer satisfaction.

Conceptual Framework

The conceptual framework of this research is based on the result of previous studies. Previous research provides the view that there are dominant factors that have an effect on satisfaction in coffee shop consumers. The product quality factor has a positive influence on satisfaction and is followed by price and location factors that also have a significant effect on consumer behavior to seek satisfaction in shopping and enjoying the services provided by the coffee shop. Then the researcher can conclude and build the framework model as follows.

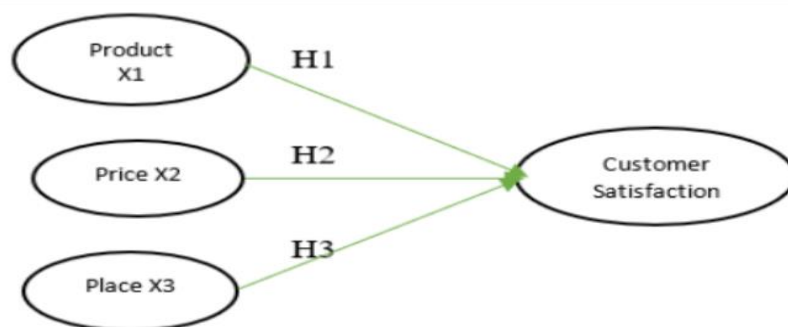


Figure 1 : Model Framework

This study focuses on customer satisfaction in a coffee shop. Acknowledging the influence of product, price, and place on customer satisfaction. The study also investigates the direct effects on customer satisfaction of coffee shops in Indonesia. By integrating these constructs – marketing mix elements (product, price, place) and customer satisfaction – the present study aims to provide a better understanding of the predictors of factors that may have an effect on customer satisfaction in a coffee shop. With respect to its practical implications, the study offers a new literature review and model of customer satisfaction to assist the owner of the manager of a coffee shop to understand what is required of customers to enhance customer satisfaction and to help the manager to develop and improve product, price, and place for the sustainably.

Practical application, indeed mentioned customer satisfaction measurements should be used as a driver for the coffee shop strategy to win in the dynamic competition. The limitation of this paper lies in the lack of suggestions of methods to apply these criteria in methodologies for measuring customer satisfaction which can be a concern for further research on measuring customer need.

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