

THE INFLUENCE OF COFFEE PRODUCT QUALITY, FOOD PRODUCT QUALITY AND PRICE ON CONSUMER LOYALTY IN MEDIATION OF CUSTOMER SATISFACTION AT COFFEESHOP KONNICHIWA PANTAI INDAH KAPUK

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ABSTRACT

Coffee is one of the most popular beverages in the world. It has become a common thing for people in big cities. This has an impact on the existing coffee business. The quality of coffee products affects consumer loyalty. This study aims to study the relationship between price, quality of food products, and consumer satisfaction. The data analysis method used in this study is Partial Least Squares (PLS) using Smart PLS 3.0 software. The structural equation modeling is used to predict construct structural indicators. The results of these calculations show that the structural model has a good goodness of fit value.

Keywords: *coffee, product quality, price, consumer loyalty*

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INTRODUCTION

Enjoying coffee has become a common thing for people in big cities. With the increasing response to coffee consumption from the public, this has an impact on the existing coffee business (Bianco, 2020; Czarniecka-Skubina et al., 2021; Rhiney et al., 2021; Samoggia et al., 2020). More and more coffee shops or outlets specialize in selling coffee and helping consumers to meet increasingly diverse needs (Curran & Chesnut, 2022; Dolbec et al., 2022; Pavlovic et al., 2021). Coffee business actors are increasingly required to always make changes or new innovations to the quality of the products offered so that consumers' buying decisions are satisfied with the coffee shop (Maciejewski et al., 2020; Proença et al., 2022; Suryawardana & Nurdeagraha, 2020). The interior design and atmosphere of the coffee shop helps consumers to feel comfortable.

In Jakarta, more and more have opened a coffee shop business, but this coffee shop business in Jakarta has its own uniqueness. One of the unique coffee shops in Jakarta is Kopi Konnichiwa. Coffee shop originating from Indonesia but using the theme and concept of the atmosphere of Japan. Starting from the place, interior design to the drink menu offered to consumers. In addition to offering coffee drinks, coffee shops offer food served to consumers. Quality is not only in coffee products, but quality in food. Customers who come to a coffee shop certainly want to buy quality food while enjoying high quality coffee.

In today's modern era, all sectors of the business industry are faced with a competitive atmosphere of competition. In facing this competitive and tight competition, every industrial

sector must be able to compete in order to survive and win the competition. This competitive competition makes companies vying to maintain the continuity of their business. Because of this competition, the orientation of the world of marketing also experienced a change from previously profit oriented to become satisfied oriented. Companies are starting to pay attention to consumer satisfaction and make marketing plans and strategies to satisfy consumers. This is done because the company is aware that customer satisfaction is something that must be prioritized by the company for the sustainability of its business.

Consumer satisfaction can be obtained through various factors, starting from price because price is also used by consumers to measure the level of quality of a product or service provided (Alzoubi et al., 2020; Chaerudin & Syafarudin, 2021; Istanti et al., 2020). Poor product or service quality, high prices can result in dissatisfaction with consumers (Ahmed et al., 2023; Shokouhyar et al., 2020; Slack et al., 2020). This shows that price is one of the factors that can cause dissatisfaction from consumers. The price offered must be adjusted to the consumer's economy and also in accordance with the facilities that will be provided to consumers. Because consumers tend to be satisfied if they pay the price according to what they will get and in accordance with consumer expectations.

Consumer loyalty is the commitment of consumers to regularly subscribing or repurchasing products or services, despite external factors and competitor marketing efforts potentially altering their behavior (Agha et al., 2021; Chen et al., 2021; Dandis & Al Haj Eid, 2022).. Consumer loyalty that can last a long time and continuously increase this can increase the profits earned by the company (Arslan, 2020; Lin & Bowman, 2022; Rane et al., 2023). This consumer loyalty can also provide a positive image for the company for customer satisfaction after using a product or service from the company.

METHOD

This type of research used is quantitative research. The data analysis method that will be used in this study is to use a structural equation modeling. Path analysis used in this study is Partial Least Squares (PLS), using Smart PLS 3.0 software. Partial Least Square Analysis (PLS) aims to obtain latent variable relationships and aims to predict construct structural indicators. The models used are a measurement model (outer model), a structural model (inner model) and hypothesis testing.

RESULTS AND DISCUSSION

Convergent validity

The research instrument must have a value greater than 0.70(Jaya & Sumertajaya, 2008)to be said to be valid.

Table 1. Outer Loading

	Coffee Product Quality	Quality of Food Products	Price	Consumer Satisfaction	Consumer Loyalty
ARMS	0.868				
ACD	0869				

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BDY	0.848
FLV	0.828
Pnmpl	0.875
PRS	0.834
BNTK	0.872
TPRT	0.852
RSA	0.836
DS	0.898
KH	0.827
KHKP	0.839
KHMP	0.857
km	0.862
KHG	0.855
MKB	0.740
RFRL	0.751
RP	0.789
RTN	0.763

Source: Research processing data, 2022

Apart from being based on the outer loading value, validity is also seen from the results of the AVE value obtained, where if the AVE value is above 0.5 then it can be said to be valid.

Table 2. Average Variance Extracted (AVE) Value

Variable	Average Variance Extracted (AVE)
Price	0.732
Consumer Satisfaction	0.674
Coffee Product Quality	0.728
Quality of Food Products	0.729
Consumer Loyalty	0.590

Source: Research Processed Data, 2022

Based on table 1 and table 2 above the validity test carried out resulted in an outer loading value above 0.70 and also an AVE value above 0.5 so that it can be said that all indicators in this research instrument are valid.

Table 3, Cross loading validity

	Coffee Product Quality	Quality of Food Products	Price	Consumer Satisfaction	Consumer Loyalty
ARMS	0.868	0.397	0.749	0.233	0.379
ACD	0.869	0.336	0.703	0.197	0.361
BDY	0.848	0.371	0.660	0.356	0.484

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FLV	0.828	0.279	0.705	0.241	0.348
PNMPL	0.367	0.875	0.341	0.458	0.592
PRS	0.378	0.834	0.324	0.498	0.599
BNTK	0.356	0.872	0.342	0.458	0.620
TPRT	0.332	0.852	0.341	0.692	0.697
RSA	0.319	0.836	0.391	0.542	0.588
KH	0.756	0.404	0.827	0.270	0.380
DS	0.700	0.336	0.898	0.230	0.349
KHKP	0.652	0.288	0.839	0.212	0.329
KHMF	0.686	0.357	0.857	0.124	0.292
KHG	0.314	0.538	0.221	0.855	0.797
km	0.212	0.602	0.178	0.862	0.711
MKB	0.243	0.385	0.239	0.740	0.515
RFRL	0.446	0.554	0.428	0.521	0.751
RP	0.319	0.539	0.221	0.852	0.789
RTN	0.335	0.603	0.304	0.487	0.763

The research indicators have a cross loading value above the value of 0.70 so that the existing indicators meet the requirements of discriminant validity.

Reliability Test

Table 4. Composite Reliability Value

Variable	Composite Reliability
Price	0.916
Consumer Satisfaction	0.861
Coffee Product Quality	0.915
Quality of Food Products	0.931
Consumer Loyalty	0.812

Source: Research Processed Data, 2022

The results of the calculation of the composite reliability values produced all have a value above 0.70 so that they can be declared reliable.

Inner Model Evaluation

Evaluation of the SEM-PLS inner model is carried out by looking at the R-Square value obtained.

Table 5. R-Square Value

Variable	R Square
Consumer Satisfaction	0.409
Consumer Loyalty	0.792

Source: Research Processed Data, 2022

In the data above path 1 is 0.409 which means that the quality of coffee products (X1), the quality of food products (X2) and prices (X3) on consumer satisfaction (Y) is 40.9% while the remaining 59.1% is influenced by variables other. Thus it can be included in the weak criteria (Wiratna Sujarweni, 2014).

While the results obtained for line 2 are 0.792 which means that the quality of coffee products (X1), the quality of food products (X2) and the price (X3) is 79.2% which is included in the very strong criteria. While the remaining 20.8% is influenced by other variables not examined in this study.

The goodness of fit assessment is known from the Q2 value. The calculation of the Q2 value (Hair et al, 2011) is as follows:

$$\begin{aligned}
 Q2 &= 1 - (1 - R12) (1 - R22) \dots (1 - Rp2) \\
 Q2 &= 1 - (1 - 0.409) (1 - 0.792) \\
 &= 1 - (0.591 \times 0.208) \\
 &= 1 - 0.122928 \\
 &= 0.877072
 \end{aligned}$$

In the calculation results above, the Q2 value is 0.877072. This means that the magnitude of the diversity of this research data is 87.70%. Based on the results of these calculations, the structural model in this study has a good goodness of fit value. Next is to look at the inner model by looking at the path diagram which shows how much influence the independent variables have on the dependent variable in the picture below:

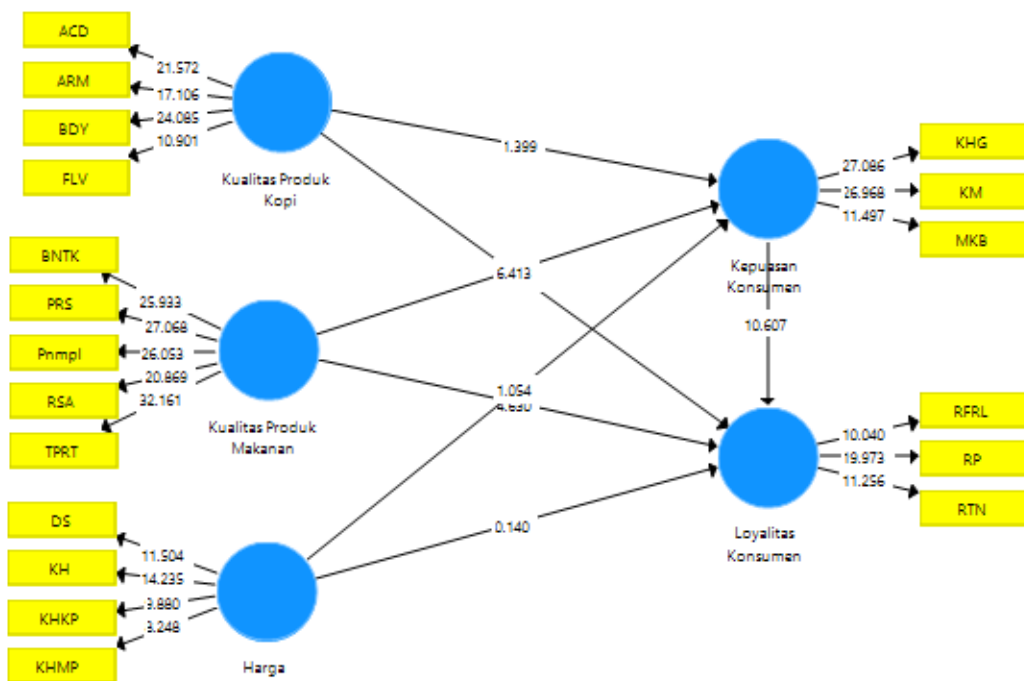


Figure 1. Path Analysis
Source: Research Processed Data, 2022

Hypothesis Test

Table 6. Research Hypothesis Testing

Research Hypothesis	Connection	t-statistic	p-values	Information
H1	The quality of coffee products affects consumer satisfaction	1,399	0.162	Rejected
H2	The quality of coffee products affects consumer loyalty	2,338	0.020	Accepted
H3	The quality of food products affects consumer satisfaction	6,413	0.000	Accepted
H4	Product quality affects consumer loyalty	4,630	0.000	Accepted
H5	Prices affect consumer satisfaction	1,054	0.292	Rejected
H6	Prices affect consumer satisfaction	0.140	0.888	Rejected
H7	Prices affect consumer loyalty	10607	0.000	Accepted

Source: Research Processed Data, 2022

Based on the data in the table above, there is a Tcount value greater than the Ttable value (1.984) proving that the four research hypotheses (H2, H3, H4, H7) are accepted, and three hypotheses (H1, H5, H6) are rejected.

The quality of coffee products affects consumer satisfaction

For coffee aficionados, quality apart from influencing consumer satisfaction may not be used as a benchmark, because if we talk about customer satisfaction, there are several influencing factors. Quality will also decrease if consumers feel that the coffee preparation is not in accordance with the process used by the café. It can also be influenced by the processing into coffee, or it can also be from the process of measuring the coffee or other factors. So even if the coffee is of high quality, if the manufacturing process is not up to standard, the results will not be good.

The quality of coffee products affects consumer loyalty

Coffee fans will naturally be loyal to the coffee products they like, just like a smoker, if they already like a certain brand, they will remain loyal to that brand. Likewise, if coffee fans feel comfortable, they will remain loyal to a certain type of coffee.

The quality of food products affects consumer satisfaction

In this case, employees, especially chefs, can maintain the quality of food and also process it properly and correctly. Of course, it is not easy to be able to process and serve food. Besides that, a chef must also be able to lead his staff.

Product quality affects consumer loyalty

Product quality is of course not only from raw materials, of course it is also influenced by the skills of the employees in making a quality product, this indicates that the management of this café is very qualified

Prices affect consumer satisfaction

Price does not always affect customer satisfaction, today's food vendors must really understand customer satisfaction, truly satisfied customers will of course look and observe how the percentage of the product is served, is it too long, or is the service from the employees too? qualified as well as the services provided in total, and this is of course not related to price.

Prices affect consumer satisfaction

In this case, it is possible that the services provided are not in accordance with or beyond the expectations of customers, such as staff and employees who are not friendly, product presentation must wait within a reasonable time limit, or the method of processing and presenting the product is not good, in this case, the price can be ascertained. has no effect on subscriptions

Prices affect consumer loyalty

Of course, in this case, prices that match customer expectations will make consumers loyal to certain products, especially when coupled with affordable quality and prices, and the product is always there.

CONCLUSION

Coffee fans generally have preferences for certain brands or types of coffee, and of course this will affect their behavior when visiting a café or restaurant, and if we observe from point 4.1 to point 4.7, then why are some hypotheses accepted and rejected? , of course there are several indicators that influence. In general, humans eat or the current term "coffee": of course they are looking for a place that is safe, comfortable and easy to access, as well as in terms of price, service and friendliness of the employees. Besides that, humans as social beings need to socialize with other humans, if all of these things are fulfilled then there is a possibility that all hypotheses will be accepted.

It is good before opening a business, the location of the target market is really needed, as well as the products we will sell, and as much as possible the business will be run sustainably. HR also greatly influences the business that will be run, and raw materials are also easy to obtain and always there, this will affect sales, loyalty and customer satisfaction.

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