

Effect of Quality Products and Service Quality On Customer Satisfaction in Café City Palembang

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Abstract: Customer satisfaction is the level of one's feelings after someone compares the performance or results that are felt compared to what is expected. This study aims to analyze how much influence the product quality and service quality on customer satisfaction on Café in Palembang and the dominant influential variables. The number of samples used in this study were 100 respondents. The technique used in sampling this research is random sampling. The analysis technique that will be used in this study is multiple linear regression and hypothesis testing to obtain a comprehensive picture of the relationship between one variable with another variable. The results of the analysis in this study indicate that the variables of product quality and service quality have a positive and significant effect on customer satisfaction and there are 1 independent variable that has a positive and significant effect and dominant influence namely service quality on customer satisfaction at the Café in Palembang

Keywords: Product Quality, Service Quality, Customer Satisfaction

INTRODUCTION

In today's modern era, drinking coffee in a coffee shop (café) has become a lifestyle (community) in Indonesia. Not just drinking coffee, but at the café is also the goal of some groups to carry out certain activities, such as gathering, socializing, exchanging ideas, meeting clients, group learning for students, expanding networks and even becoming a place to conduct prospecting business between executives company.

Today's café is a profitable business, where many coffee lovers make coffee a mandatory necessity to fulfill as a lifestyle requirement, so that many cafes are made as one of the promising alternative business opportunities for business people. Business people move quickly in preparing strategies so they can please and build enthusiasm for customers. Creation of a comfortable atmosphere, attractive interior design, such as the design of chairs, tables, paint and provide an attractive and comfortable accent, a calm atmosphere, as well as Wi-Fi facilities (free hot spots), as well as live music that can be a special attraction for customers (Aditya, 2015: 107).

Café not only provides coffee, but also provides various kinds of unique food and beverage tastes and various facilities in it. Along with the times, coffee shops have many concepts, including as a place to enjoy a meal or dinner, there is also an automotive café that is a coffee shop that is provided for a community of automotive enthusiasts, to cyber cafes or coffee shops that provide online or internet networking facilities for consumers (Aditya, 2015: 108).

The many cafes that have sprung up have resulted in business owners thinking more creatively to create a different concept than the existing café, this is certainly to attract the attention of consumers. Some cafes in Palembang include: Serendipity Café, Rendezvous Cafe and Drink Café Bang Amin, Bingen Cafe, York Café, Colony Café, Mayor Board Game Café, Ombre Café, Kahoy Coffee Shop, Luthier Coffee, Plan B Café, Café Big Daddy, Equatore Rooftop Café, Gunz Café, EEGsperience Café, Pink House Café, Serendipity Café, Flowertage Café, Chicken Story Café, Cafe South Station, Equatore Rooftop Café, and other cafés

The cafes generally offer a variety of coffees, such as semendo coffee, milk coffee, cappuccino, and durian coffee. To accompany coffee, also provide a variety of affordable snacks, such as grilled squid, shrimp satay, sate satay, liver satay, chicken skin satay, shellfish satay, toast, grilled sausage and other snacks, and prepare facilities such as Wi-Fi Fi (free hot spot), TV for watching ball together and various games.

In this study, researchers will examine 4 cafés as samples, namely Café Bang Amin, Colony Café, Kahoy Coffee Shop, and Café Big Daddy. The following are the types of drinks and foods that are in demand in the cafes in Palembang which were sampled in this study, namely as follows:

Table 1. Types of Drinks and Foods that are in demand at Café-cafes in Palembang City that became Samples in this Research

Café Name	Drinks and Foods	Average Daily Order	
		ordinary day	Sundays and holidays
<i>Café Bang Amin</i>	Drinks:		
	- coffee milk	160 Glasses	250 Glasses
	- Milk Tea	70 Glasses	150 Glasses
	- Pull Tea	90 Glasses	175 Glasses
	Foods:		
	- Indomie	200 bowls	350 bowls
<i>Koloni Café</i>	- Sausage	100 Sticks	175 Sticks
	- Fried Rice	150 plates	250 Plates
	Drinks:		
<i>Kahoy Coffee Shop</i>	- Ice Kalita	100 Glasses	200 Glasses
	- Ice Coffee Milk	150 Glasses	275 Glasses
	Drinks:		
<i>Café Big Daddy</i>	- Ice Coffee Susuka	150 Glasses	250 Glasses
	- Ice Chocolate	125 Glasses	200 Glasses
	Drinks:		
<i>Café Big Daddy</i>	- Coffee Vietnam Drripp Milk	300 Glasses	475 Glasses
	- Ice Cappuccino	175 Glasses	325 Glasses
	Food:		
	- Banana Cheese	150 Servings	250 Servings

Source: Café Bang Amin, Koloni Café, Kahoy Coffee Shop, dan Café Big Daddy

Based on Table 1, it can be seen that at each café, there are types of drinks or food favored by customers, and the number of orders varies between one café and the other café. Like Café Bang Amin, the most dominant drinks are coffee milk and milk. This is the basis for researchers to conduct research related to product quality and service quality and its impact on customer satisfaction.

Based on the description above, the authors are interested in conducting research on "The Effect of Product Quality and Service Quality on Customer Satisfaction at the Café in Palembang City".

Formulation of The Problems

Based on the background of the problems described above, problems can be identified in this study, in the form of questions as follows:

- 1) How does the Product Quality influence Customer Satisfaction at the Café in Palembang?
- 2) What is the influence of Service Quality on Customer Satisfaction at Café in Palembang?
- 3) Which variable among the variables of Product Quality and Service Quality has the dominant influence on Customer Satisfaction at the Café in Palembang?

LITERATURE REVIEW

A. Customer Satisfaction

According to Kotler (2013: 242), customer satisfaction is the level of one's feelings after someone compares the performance or results that are felt compared to what is expected.

B. Product Quality

According to Kotler (2013: 201), product quality is the ability of a product to perform its functions, these capabilities include durability, reliability, accuracy produced, ease of operation and repair, and other attributes that are valuable to the product as a whole.

C. Service Quality

According to Kotler (2013: 241), service quality can be interpreted as an effort to fulfill the needs and desires of customers and the accuracy of their delivery in balancing customer expectations.

RESEARCH METHODS

This study intends to measure the relationship between research variables or causality. Causal research is useful for measuring the relationships between research variables or useful for analyzing and seeing the effect of independent variables (X) on the dependent variable (Y). The design of this study is as follows:

1. Variable X (Free Variable), namely Product Quality and Service Quality
2. Variable Y (Bound Variable), namely Customer Satisfaction

The type of sample used is random sampling. The sample used in this study were 100 respondents.

RESULTS AND DISCUSSION

A. Research Results

1. Analysis Results

Table 2. Validity Test Results

Indicator	Product Moment Pearson's	Sig.		α	Information
X1.1	0,365	0,000	<	0,05	Valid
X1.2	0,445	0,000	<	0,05	Valid
X1.3	0,571	0,000	<	0,05	Valid
X1.4	0,569	0,000	<	0,05	Valid
X1.5	0,619	0,000	<	0,05	Valid
X1.6	0,692	0,000	<	0,05	Valid
X1.7	0,643	0,000	<	0,05	Valid
X1.8	0,271	0,000	<	0,05	Valid
X1.9	0,609	0,000	<	0,05	Valid
X1.10	0,675	0,000	<	0,05	Valid
X2.1	0,527	0,000	<	0,05	Valid
X2.2	0,517	0,000	<	0,05	Valid
X2.3	0,608	0,000	<	0,05	Valid
X2.4	0,584	0,000	<	0,05	Valid
X2.5	0,579	0,000	<	0,05	Valid
X2.6	0,504	0,000	<	0,05	Valid
X2.7	0,223	0,000	<	0,05	Valid
X2.8	0,504	0,000	<	0,05	Valid
X2.9	0,575	0,000	<	0,05	Valid
X2.10	0,587	0,000	<	0,05	Valid
Y.1	0,526	0,000	<	0,05	Valid
Y.2	0,465	0,000	<	0,05	Valid
Y.3	0,258	0,000	<	0,05	Valid
Y.4	0,471	0,000	<	0,05	Valid
Y.5	0,421	0,000	<	0,05	Valid
Y.6	0,491	0,000	<	0,05	Valid
Y.7	0,492	0,000	<	0,05	Valid
Y.8	0,623	0,000	<	0,05	Valid
Y.9	0,693	0,000	<	0,05	Valid
Y.10	0,335	0,000	<	0,05	Valid

Data Source: Processed from the Questionnaire

Based on Table 2, it is known that each indicator (item) in each variable is Product Quality and Service Quality (Independent Variable) while Customer Satisfaction (Dependent Variable) has a Product Moment Pearson's value with a significance value of $0,000 < 0,05$, so the indicator (item) used in this research variable can be stated as appropriate or relevant and can be used as an item in data collection.

Table 3. Research Variable Instrument Reliability Test Results

Variable	Cronbach's Alpha	Cutt Off	N of Item	Information
Social Media (X1)	0,733	> 0,60	4	Reliable
Word of Mouth (X2)	0,714	> 0,60	4	Reliable
customer satisfaction (Y)	0,700	> 0,60	4	Reliable

Data Source: Processed from the Questionnaire

Based on the results of the instrument variable reliability test in Table 3 above, then the results of the Independent reliability test Product Quality Variables (X1), and Service Quality (X2) indicate that the data obtained is reliable because Cronbach's Alpha value is 0.733, 0.714 while the reliability test results Dependent Variable Customer Satisfaction (Y) shows that the data obtained is reliable because the value of Cronbach's Alpha is 0.700.

Table 4. Normality Test Results

Test of Normality	Kolmogrov-Smirnov			
	Sig.	Cutt Off	Information	
Product Quality (X1)	0,112	>	0,05	Normal
Service Quality (X2)	0,124	>	0,05	Normal
Customer Satisfaction (Y)	0,137	>	0,05	Normal

Data Source: Processed from the Questionnaire

Based on Table 4, it can be seen that the probability value or significance for each variable is greater than 0.05, so that it can be stated that the data in this study are normally distributed.

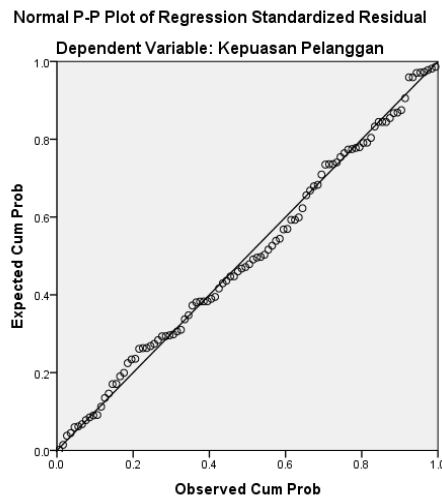


Figure 1. Normality Test Results

Based on Figure 1, shows that the data is normally distributed, because data spreads around the diagonal line and follows the direction of the diagonal line so that it can be stated that the regression model meets the assumptions of normality.

Table 5. Multicollinearity Test Results

Test of Multicollinearity	VIF	Cutt Off	Information
Service Quality (X1)	1.293	< 10	Multicollinearity does not occur

Product Quality (X2) 1.293 < 10 Multicollinearity does not occur

Data Source: Processed from the Questionnaire

Based on the results from Table 5, it shows that there is no multicollinearity between independent variables because it shows a VIF value of less than 10.

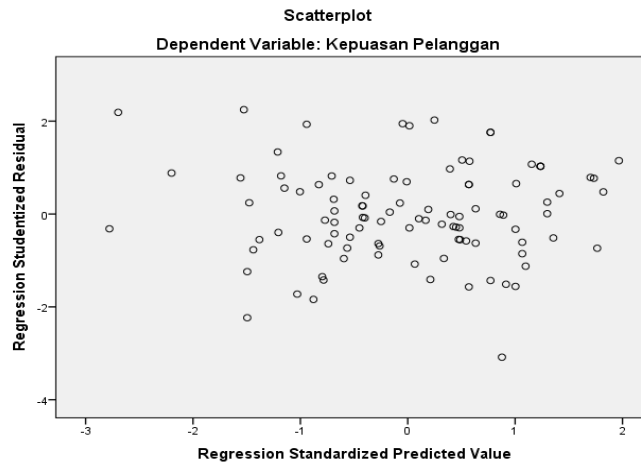


Figure 2. Heteroscedasticity Test Results

Based on Figure 2 above, it shows that there is no heteroscedasticity, because the spread of data forms a certain line or there is no clear pattern, and the points spread above and below the zero on the Y axis.

Table 6. ANOVA: Influence of Independent Variables (X) Together on Dependent Variables (Y)

ANNOVA^b						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	453.942	2	226.971	13.429	.000 ^a
	Residual	1639.448	97	16.902		
	Total	2093.390	99			
Unbound Variables: Product Quality and Service Quality						
Bound Variables: Customer Satisfaction						

Data Source: Processed from the Questionnaire

Based on the results in Table 6 above, it can be seen the results of testing simultaneously (F test) in the ANNOVA table obtained Fcount value of 13,429 greater than the F table value at the level of confidence 94%. To get results from F table can be calculated using the formula F table = F (k: n - k), then F table = 4: 100 - 4 = 96, then it can be seen from the result table 3.09% (F_count 13.429> T table 3.09) and a significant probability value level F = 0,000 smaller than Alpha 0.05 (Sig. F = 0,000 <α 0,005). So it can be seen from the table above, it can be concluded that the Product Quality variable (X1), and Service Quality (X2) together have a significant effect on Customer Satisfaction (Y).

Table 7. Regression Coefficient

Model	Coefficients			t	Sig.	
	Unstandardized Coefficients	Std. Error	Standardized Coefficients			
1	B		Beta			
	(Constant)	20.314	3.701		5,488	0,000
	Product Quality	0,188	0,081	0,238	2.324	0,022
Service Quality	0,310	0,105	0,303	2.964	0,004	
Bound Variables: Customer Satisfaction						

Based on the results of the t-test analysis calculation in Table 7 above, it can be described as follows:

- 1) Product Quality Variable (X1), has a beta value of 0.188 with a significant value of 0.022 which is smaller than 0.05. This means that the Product Quality variable has a positive and significant effect on Customer Satisfaction of 0.188 units.
- 2) Service Quality Variable (X2), has a beta of 0.310 with a significance value of 0.004 which is smaller than 0.05. This means that the Service Quality variable has a positive and significant influence on Customer Satisfaction of 0.310 units

B. Discussion of Research Results

1. Effect of Product Quality on Customer Satisfaction

Product Quality has a positive and significant effect on Customer Satisfaction. From the results of the study obtained the coefficient for the Product Quality variable of 0.188 with a significant value of 0.022 where this value is significant at the 0.05 significance level because it is smaller than 0.05. Thus, that Product Quality has a positive and significant effect on Customer Satisfaction.

Good product quality will lead to customer satisfaction with the products sold. To foster customer satisfaction, Café owners in Palembang must sell and provide products that are of good quality. Good quality products will create a sense of satisfaction for customers in enjoying dishes from the Café.

The results of this study are in line with the research of Asghar et. al. (2011), Aziam et. al. (2017) and Surip et. al. (2017), which argues that product quality has a significant effect on customer satisfaction. But it is different from the results of research conducted by Erry et. al. (2017), who get the result that product quality does not have a significant effect on customer satisfaction.

2. Effect of Service Quality on Customer Satisfaction

Service Quality has a positive and significant effect on Customer Satisfaction. From the results of the study obtained coefficients for Service Quality variables of 0.310 with a significant value of 0.002 where this value is significant at the 0.05 significance level because it is smaller than 0.05. Thus, that Service Quality has a positive and significant effect on Customer Satisfaction.

The better quality of service provided will be the higher customer satisfaction. This shows that the quality services offered will directly attract customers to use the services offered by the Café. In this context, management capability is needed to improve service quality from various aspects related to the development of facilities provided. In other words, the leader cannot expect much on the effectiveness of the results of the implementation of the duties / jobs of the employee if the employee does not understand clearly what and how he / she carries out his / her duties / work.

Thus it can be concluded that the better the understanding of service quality, the purpose of customer satisfaction will be more effective. This is because the concept of understanding the quality is adjusted to the willingness of the customer, with an understanding of the customer and knowing what is being faced by the customer, the customer will be happy with the service provided.

The results of this study are in line with the research of Asghar et. al. (2011), Ehsan et. al. (2012), Adil (2013), Ngo and Nguyen (2016), Latif (2017), Rasmansyah (2017), and Aziam et. al. (2017) and Surip et. al. (2017), argues that service quality has a significant effect on customer satisfaction. But it is different from the research conducted by Ghalib (2014), Sri Rahayu (2015), and Erry et. al. (2017), who get the result that service quality does not have a significant effect on customer satisfaction.

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

This research examines whether product quality and service quality can influence customer satisfaction. The test results using multiple linear regression analysis with two independent variables namely Product Quality and Service Quality and one dependent variable Customer Satisfaction indicates that:

1. Product Quality Variables have a positive and significant effect on Customer Satisfaction at the Café in Palembang
2. Service Quality Variables have a positive and significant effect on Customer Satisfaction at the Café in Palembang
3. Independent variables that have a positive and significant influence are variables of Product Quality and Service Quality on Customer Satisfaction. But there is one variable that has the dominant effect, namely the Service Quality variable that has a positive and significant effect on Café Customer Satisfaction in Palembang

B. Recommendations

Based on the results of the research, discussion, and conclusions above, some suggestions can be proposed to get better results as follows:

1. For Café Bang Amin, Colony Café, Kahoy Coffee Shop, and Café Big Daddy: Variable quality of service, employees must be given special training to serve customers such as: placing cups, order speed, hospitality, ability to make coffee, and calculating the amount order accurately. Product quality must also be considered, therefore the café must pay attention to product combinations, variants of drinks that use milk must be optimized, must have the characteristics of food and food, according to customer expectations, be attractive, and the products produced are different from other cafes.
2. For Further Researchers: For further researchers who are interested in researching this research, they should examine prices, product quality, brand images and so on and can expand samples to strengthen and produce good research.

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