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How product and service quality drive customer satisfaction? Insights from a local coffee shop

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ABSTRACT

This study aims to identify the influence of product and service quality on customer satisfaction at Ghathaf Coffee Premium, Teupin Punti, North Aceh. The research method used is quantitative with a survey approach. Data was collected through questionnaires distributed to 75 regular customers with experience with products and services, and the data. The regression analysis results indicate that product quality positively and significantly affects customer satisfaction. Service quality also has a positive and significant effect on customer satisfaction. Furthermore, product and service quality collectively positively and significantly affect customer satisfaction. The implication of this study highlights the importance of Ghathaf Coffee Premium continuously improving its product and service quality to maintain and enhance customer satisfaction while strengthening its market position.

1. Introduction

The increasing development of business in the global market has led to fiercer competition among business actors. Supported by increasingly sophisticated advances in information and communication technology, business actors are moving to take advantage of potential business opportunities. Currently, the food and beverage industry is a growing sector, marking a shift in consumer behavior in choosing where to eat. Product quality and service quality in this context are important elements that influence customer perceptions of a cafe. The success of a cafe in meeting customer expectations depends heavily on its ability to serve quality products and provide satisfactory service (Hidayat et al., 2024).

Businesses are competing with each other to market their products in order to meet consumer needs and desires. Currently, consumers prefer products that are inexpensive

but of good quality. Therefore, in a highly competitive environment, companies must be able to understand and know the desires and needs of their consumers and continue to innovate to create good product positioning and take advantage of the strengths of the products they offer. The growth of premium cafes reflects consumers' high expectations for culinary experiences. The role of product quality and service in the restaurant context is influenced by factors that shape brand image, retain customers, and create quality products and services, thereby meeting customer expectations of a café (Ardiana et al., 2024).

Price is also an important factor that consumers consider when making purchasing decisions in a business. Consumers want product prices that match the quality of the product in question (Mutia et al., 2022). Business operators must adjust their pricing to the environment and changes that occur. This will influence consumers before they decide to make a purchase because consumers will find out the price and choose products that match their purchasing power (Ulfa et al., 2025)

In addition to product quality and price, the success of a cafe is also supported by how business operators serve their customers. This is to achieve customer satisfaction. Customer service is the core of a restaurant's success. The extent to which a restaurant is able to provide an exceptional service experience can be a determining factor in whether customers will return or recommend the café to others. Therefore, in this thesis, the author will conduct an in-depth study of how service strategies can influence customer satisfaction in the context of the café industry.

First, the role of café staff in providing friendly, professional, and responsive service is the main focus. The author will explore how employee training, motivation, and work culture contribute to creating a positive customer experience. In addition, aspects such as response time, complaint handling, and staff communication skills will be evaluated to understand how these things affect customer perceptions of service.

Second, in today's technological era, the use of innovations such as online ordering systems, integration with food delivery applications, or efficient payment solutions is also a concern. The author will investigate how the implementation of technology can improve restaurant operational efficiency and the extent to which this impacts customer satisfaction.

The rapid development of science and technology has not only affected the economic sector, but also the cultural sector. Cultural changes are usually reflected in lifestyle changes. In this era of modernization, a practical and instant lifestyle has developed, affecting almost the entire human population in the world. An instant lifestyle is one that prioritizes practicality, speed, and time efficiency. For some people, speed, practicality, and efficiency have become primary needs in their daily activities. This certainly affects business competition, which is then responded to by the producer

culture in designing products that suit the instant lifestyle needs of society. One business that is influenced by people's lifestyles is the cafe business.

Subakti (2014) states, "Restaurants are one of the means of carrying out the food service industry or through a part of tourism accommodation that plays a role in meeting the needs of tourists or customers." A restaurant is a place that provides food service, meaning that a place is categorized as a restaurant when it has a food menu and provides service to visitors or consumers who come there. Restaurants not only function as places to eat, but also as places to gather and create precious moments. However, due to changes in people's lifestyles, it is necessary to change the concept of restaurants.

One concept currently being implemented in Indonesia is the semi-café restaurant concept. An example is Ghathaf Coffee Premium. This concept not only offers delicious dishes but also creates a relaxed atmosphere that allows visitors to enjoy their meal while enjoying a relaxed atmosphere like in a café. By combining elements from both concepts, it has become a popular destination for those who want a relaxed yet elegant dining experience.

Ghathaf Coffee Premium has adopted the semi-café restaurant concept to meet the needs of customers who are looking for a more flexible and friendly place to eat. This concept offers a more informal dining experience, with a varied menu and a warm atmosphere. With its unique combination of restaurant and café concepts, semi-café restaurants offer an attractive option for people who want to enjoy quality cuisine while still feeling relaxed and comfortable, thereby satisfying customer needs.

Customer satisfaction is a critical aspect that is the main focus in the service industry, including in the restaurant world (Mutia et al., 2017). How a customer feels and evaluates their dining experience has a direct impact on the image and success of a restaurant. Therefore, a deep understanding of the factors that influence customer satisfaction is essential for cafe owners and managers.

However, identifying problems in the context of the Ghathaf Coffee Premium restaurant in Teupin Punti, North Aceh, reveals several aspects that need attention. First, the variety of flavors or product presentation at may fluctuate, indicating challenges in maintaining product quality consistency at the restaurant. Second, long waiting times can detract from the customer experience, creating potential dissatisfaction related to delays in service. Third, there is a gap between the types of products offered and customer preferences, creating potential mismatches that may affect the satisfaction levels of consumers seeking variety or innovation in the menu. In overcoming these challenges, it is important to understand that the success of a café is not only determined by product quality, but also by the ability to provide efficient service that meets customer expectations. Therefore, this study will investigate the influence of product

and service quality on customer satisfaction at Ghathaf Coffee Premium in Teupin Punti, North Aceh.

These factors include not only food quality, but also service, atmosphere, speed of service, and employee engagement. Providing high-quality dishes is only the first step, as the customer experience is also influenced by interactions with staff, the availability of a varied menu, the cleanliness of the environment, and the ease of ordering. Additionally, in this digital age, online reviews and customer feedback play a key role in shaping public perception of a restaurant. In this context, the semi-café restaurant concept not only provides variety in food choices but also creates a space for social gatherings, informal meetings, or even as a place to work while enjoying a meal. By understanding changes in people's lifestyles, this concept marks a transformation in the culinary industry, creating space for innovation and adaptation to remain relevant amid ever-changing dynamics.

2. Literature review

2.1. Product quality

Products are the focal point of marketing activities because they are the result of a company's efforts that can be offered to the market for consumption. Products are also a tool for a company to achieve its goals. A product must have advantages over other products in terms of quality, design, shape, size, packaging, service, warranty, and taste in order to attract consumers to try and buy the product.

According to Stantaon in Firmansyah (2019), a product can be defined as "a set of physical attributes that are tangibly related in an identifiable form. Meanwhile, in a broader sense, a product is a collection of tangible and intangible attributes, which include color, packaging, price, precision of the distributor, and service from the manufacturer and distributor that may be accepted by buyers as something that can satisfy their desires.

Tjiptono (2015) defines a product as the producer's subjective understanding of something that can be offered as an effort to achieve organizational goals by fulfilling consumer needs and desires, in accordance with the organization's competencies and capacities as well as market purchasing power. Sabran in Riyono, (2016) defines a product as "anything that can be offered to the market to satisfy a desire or need. Marketed products include physical goods, services, experiences, events, people, places, properties, organizations, information, and ideas." Alma (2015) defines a product as "a set of attributes, both tangible and intangible, including color, price, the reputation of the manufacturer, the reputation of the store that sells it (retailer), and the service

provided by the manufacturer and retailer, which are accepted by the buyer to satisfy their desires."

2.2. Service quality

According to Invancevich, et al. in (Karlina, Rosanto, & Saputra, 2019), "Service is an intangible product that involves human efforts using equipment." Meanwhile, according to Philip Kottler in (Rangkuti, 2017), service can be defined as a beneficial activity or something provided by one or more parties to another party to satisfy needs and desires that are essentially tangible and will not result in any leadership for the recipient.

Furthermore, according to H.N. Casson in (Rangkuti, 2017), service is an action that is expressed or carried out to please, seek guidance, or provide benefits to buyers with the aim of creating goodwill or a good reputation, as well as increasing sales and income. According to A.S. Moenir in (Rangkuti, 2017), service is the process of fulfilling needs through the activities of others that are directly received. In other words, service can be said to be an action carried out by others so that each party obtains the expected benefits and satisfaction.

2.3. Customer Satisfaction

Satisfaction is a feeling of pleasure or disappointment that arises after comparing the performance or results of a product with the expected performance or results. If the performance is below expectations, the customer is dissatisfied. If the performance meets expectations, the customer is satisfied. Customer satisfaction is the most important factor in various business activities. Customer satisfaction is the customer's response to the evaluation of the perceived discrepancy between prior expectations and the perceived performance of the product. According to Lovelock and Wirtz (2011), "Satisfaction is an attitude decided based on experience. Satisfaction is an assessment of the characteristics or features of a product or service, or the product itself, which provides a level of consumer pleasure related to the fulfillment of consumer consumption needs.

Furthermore, according to Kotler & Keller (2016), "Satisfaction is a feeling of pleasure or disappointment that arises after comparing one's perception or impression of the performance or results of a product with one's expectations." Meanwhile, according to Sunyoto (2015), "Consumer satisfaction is one of the reasons why consumers decide to shop at a particular place. If consumers are satisfied with a product, they tend to continue buying and using it and tell others about their pleasant experience with the product." Nugroho in Setyo (2017) also explains that customer satisfaction is one of the important elements in improving marketing performance in a company. Customer satisfaction felt by customers can increase the intensity of purchasing by these

customers. The creation of an optimal level of customer satisfaction encourages the creation of loyalty in the minds of satisfied customers (Heryuana et al., 2025).

3. Research methodology

3.1. Research approach

As This research uses a quantitative method because the data to be processed is ratio data and the focus of this research is to determine the magnitude of the influence between the variables studied. In collecting data sources, the researcher collected data sources in the form of primary data. The data collection technique used in this study was a questionnaire.

In this study, the researcher used Non-Probability Sampling with the Convenience Sampling technique (Sugiyono, 2017). Convenience Sampling is a collection of information from members of the population who agree to provide the information. Thus, anyone who agrees to provide the information needed by the researcher, either directly or indirectly, can be used as a sample in this study if the respondent meets the specified criteria. The sampling technique used in this study was simple random sampling, in which all elements of the population were considered and each element of the population was considered and each element had an equal chance of being selected as a sample. Sampling in research refers to the process of selecting a number of elements or members of a population to be the subjects of the research.

Sampling in this study was conducted by distributing questionnaires using *Google Forms* to customers who had visited Ghathaf Coffee Premium and had made at least one purchase. Assuming that the population was of that size, sampling was carried out using the Slovin formula as follows:

$$n = \frac{N}{1 + Ne2^2}$$

where:

n= Sample size.

e = planned difference or error, for example 0.1.

N = Population size. Based on this formula, the sample obtained is as follows:

$$n = \frac{300}{1 + 300(0,1)^{2}} = 75$$

From these formula, the minimum sample size obtained is 75 respondents, so if 75 samples are taken, the requirement is met.

3.2. Data analysis

Since this study involves more than one independent variable, a multiple linear regression analysis was employed. The data were analyzed using a quantitative

approach to examine the relationship between the independent and dependent variables. The regression equation used in this analysis is formulated as:

$$Y = a + b_1 X_1 + b_2 X_2 + e \qquad\qquad (1)$$

where Y represents *Customer Satisfaction*, a denotes the constant term, X_1 refers to *Product Quality*, X_2 represents *Service Quality*, and e indicates the standard error. This model is used to measure the extent to which product quality and service quality influence customer satisfaction.

4. Results

4.1. Multiple linear regression analysis

Multiple linear regression analysis is a statistical method used to understand the relationship between one dependent variable and two or more independent variables. This method is useful for predicting the value of a dependent variable based on the values of independent variables and for measuring the strength of the relationship between these variables. Multiple linear regression testing aims to explain the extent to which independent variables affect dependent variables. Data processing in this study was performed using multiple linear regression analysis with the help of SPSS software. An explanation of the analysis of each variable is provided in the Table 1.

Table 1. Multiple linear regression analysis results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.381	2.500		2.552	0.013
Product Quality	0.462	0.090	0.490	5.159	0.000
Service Quality	0.223	0.072	0.293	3.087	0.003
F test	19.947				0.000
R	0.759				
R Square	0.573				
Adjusted R Square	0.439				

Note: Dependent Variable: Customer Satisfaction

Source: Calculation by authors

Based on the results presented in Table 1, the multiple linear regression analysis can be interpreted as follows. The constant value of 6.381 indicates that when both independent variables (X_1 and X_2) are assumed to be zero, the dependent variable (Y) remains at 6.381. The regression coefficient for X_1 is positive, with a value of 0.462, suggesting that a one-point increase in X_1 will result in a corresponding increase in Y by

0.462. Similarly, the regression coefficient for X_2 is also positive, with a value of 0.223, indicating that a one-point increase in X_2 will lead to an increase in Y by 0.223. These results demonstrate that both X_1 and X_2 have a positive influence on Y, meaning that improvements in the independent variables contribute to higher values of the dependent variable.

The coefficient of determination, often denoted by R2. R2 is a measure used in regression analysis to assess how well the regression model explains the variability in the dependent variable. Based on Table 1, the R square value is 0.573, meaning that customer satisfaction at Ghathaf Coffee Premium is influenced by product quality and service by 0.573 or 57.3%, while the remaining 42.7% is influenced by other variables.

4.2. Hypothesis test results

Based on the results presented in Table 1, the following conclusions can be drawn. The test results indicate that Product Quality (X_1) has a positive and significant effect on Customer Satisfaction (Y) at Ghathaf Coffee Premium. This finding implies that higher product quality contributes to greater customer satisfaction. Therefore, hypothesis 1 (H_1) is accepted. Likewise, the test results for Service Quality (X_2) show a positive and significant influence on Customer Satisfaction (Y), meaning that better service quality enhances the level of customer satisfaction. Hence, hypothesis 2 (H_2) is also accepted.

Overall, these findings demonstrate that both product quality and service quality positively affect customer satisfaction at Ghathaf Coffee Premium. This supports the argument that maintaining high-quality products and superior service is essential for achieving higher customer satisfaction, consistent with previous research emphasizing the strong relationship betwee n these variables.

Furthermore, based on the F-test results in Table 1, the combined effect of Product Quality and Service Quality on Customer Satisfaction was found to be significant. The calculated F-value exceeded the F-table value at the 5% significance level, and the obtained significance value (p-value) was well below 0.05. These results confirm that product quality and service quality jointly have a significant and positive impact on customer satisfaction at Ghathaf Coffee Premium.

5. Conclusion

The results of this study indicate that product quality has a positive and significant effect on customer satisfaction, meaning that better product quality contributes to a higher level of satisfaction among customers. Similarly, service quality also has a positive and significant influence on customer satisfaction, suggesting that superior service delivery enhances customers' overall experience. Furthermore, when considered simultaneously,

product quality and service quality jointly have a significant impact on customer satisfaction at Ghathaf Coffee Premium Teupin Punti, North Aceh. These findings emphasize that maintaining high standards in both product and service quality is essential for improving customer satisfaction and fostering customer loyalty.

Conflict of interest

The authors declare that there are no conflicts of interest regarding this publication.

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