The Influence of Service Quality and Price on Customer Satisfaction at Kopi Nako Bandung , West Java Province, Indonesia

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ABSTRACT: This research aims to determine the influence of Service Quality and Price on Customer Satisfaction at Kopi Nako Bandung, both partially and simultaneously. Empirical study methods were used in this research, with a population taken from consumers of Kopi Nako Bandung. Data were processed using multiple linear regression analysis. The results of the correlation coefficient calculation show that Service Quality has a strong relationship with Customer Satisfaction. The results of the coefficient of determination and hypothesis testing show that Service Quality has a significant effect on the Customer Satisfaction variable. Price has a strong relationship with Customer Satisfaction. The results show that Price has a significant effect on the Customer Satisfaction variable. Meanwhile, simultaneously, it can be said that Service Quality and Price have a very strong relationship with Customer Satisfaction. Based on simultaneous hypothesis testing, there is a significant simultaneous influence between Service Quality and Price on Customer Satisfaction.

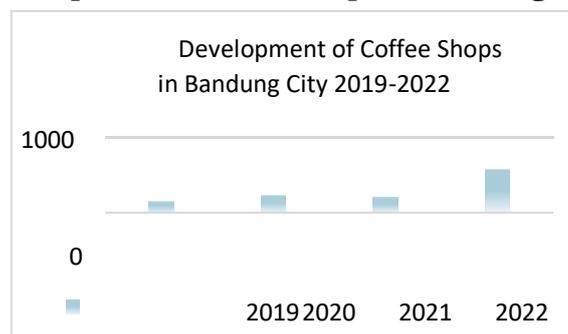**Keywords:** Service Quality, Price, Customer Satisfaction.

INTRODUCTION

In recent years, Bandung's coffee industry has seen significant growth, marked by a surge in coffee shops, indicating intensified competition. To maintain relevance and edge over competitors, coffee entrepreneurs must focus on innovating their coffee offerings, delivering top-notch service, crafting appealing interior designs, and curating distinctive customer experiences.

Figure 1. Development of Coffee Shops in Bandung City 2019-2022

One of the coffee shops that stole the spotlight is Kopi Nako Bandung, because it is famous for
its unique interior design.

Figure 2. Kopi Nako Bandung Design

Source: suwatu.com

But unfortunately, Kopi Nako Bandung has not managed to achieve the highest rating from
consumers, Kopi Nako Bandung has a rating that is still below average when compared to 22
Favorite Cafes in Bandung that are Delicious and Comfortable based on Ringkasan Pergi Kuliner.

Table 1. Twenty-two Favorite Cafes in Bandung that are Delicious and Cozy

Name of Coffee Shop	Rating
Jenderal Kopi Nusantara Butas	4.44
Kopi Toko Djawa	3.97
One Eighty Coffee and Music	4.14
Myboo.Kit Cafe and Playground	4.31
Saka Bistro & Bar	4.15
Bahagia Kopi	4.21
Cafe D'Pakar	3.93
Filosofi Kopi - Creative Restart Hotel	4.23
Jati Kopi	3.94
Sydwic	3.93
Bellamie Boulangerie	4.20
Kopitagram	4.10
Maze Café	3.97

Ambrogio Patisserie	4.18
DIDAGO Cafe	3.9
Kopi Mandja	4.0
Kopi Nako	3.89
Kilogram	4.25
Marka Coffee Kitchen	4.06
Sedjuk Bakmi & Kopi	4.01
Kumari	4.26
Sejiwa Coffee	4.11

Source: pergikuliner.com

After being traced, it turned out that the low rating of Kopi Nako Bandung was caused by many complaints from consumers on Google Reviews and the Gojek application. Some consumers complained about the poor quality of service and the high price of Kopi Nako Bandung, which caused them to give a rating of less than 5 (Lechthaler & Leinert, 2019; Paul et al., 2021; Sen et al., 2023a). These complaints include long waiting times for orders, unfriendly service, prices that are too expensive, and various other complaints (Kumeka et al., 2022; Sen et al., 2023b). Consumer complaints, especially those expressed through online reviews, are a serious problem for coffee shop businesses as they can damage their reputation and success. To improve Customer Satisfaction, factors such as Service quality and Price are very important (Thaha et al., 2020). However, previous studies have produced different findings regarding the effect of Service Quality and Price on Customer Satisfaction (Kumar et al., 2022a, 2022b; Mariansyah & Syarif, 2020; Sá et al., 2016a).

By considering the problems regarding consumer complaints and the existence of research gaps from previous studies, researchers are interested in taking a research topic on the effect of Service Quality and Price on Customer Satisfaction at Kopi Nako Bandung (Sá et al., 2016b; Song et al., 2017; Trukeschitz et al., 2021). This research is expected to provide new insights and solutions to increase Customer Satisfaction in the coffee shop business in Bandung (Babar et al., 2022; Kurniawati et al., 2018; Lee & Yew, 2022; Talapatra et al., 2022).

METHOD

The method used in this research is quantitative research method. According to (Satriadi, et al., 2023) quantitative research is a type of research that produces findings that can be obtained using statistical procedures or other measurement methods.

This research was conducted at Kopi Nako Bandung JL Pahlawan No.76, Neglasari, Kec. Cibeunying Kaler, Bandung City. Data collection for instrument testing and research data was carried out from October to November 2023. The population in this study were all consumers who had made purchases at Kopi Nako Bandung. The total population cannot be estimated, therefore the researcher decided to determine the sample size using the Cochran formula as described by (Sugiyono, 2019). Based on calculations, the number of samples used was 97 respondents.

One of the non-probability sampling techniques chosen by the researcher is the accidental sampling technique, in accordance with the views expressed by (Sugiyono, 2018), namely the accidental sampling technique is a sampling technique based on chance, that is, anyone who happens to meet the researcher can be used as a sample, if it is deemed that the person who happened to be met matches the criteria set by the researcher.

The data sources in this study come from two types of data, namely primary data and secondary data. Primary data is obtained through empirical research using a structured questionnaire given to consumers of Kopi Nako Bandung who have visited the place. Meanwhile, secondary data is obtained from reports, previous research journals, articles relevant to the topic of this research, and information sources from the internet. The use of secondary data aims to strengthen and complement the data related to this research.

RESULT AND DISCUSSION

Research Result

Respondents' Responses Regarding the Service Quality Variable at Kopi Nako Bandung

Service Quality (Variable X1) is in the good category with an average score of 4.01 because it is in the 3.40 – 4.19 category. Based on the results of respondents' answers, 36.02% of respondents said they strongly agreed, 46.10% of respondents said they agreed, 16.29% of respondents said they did not agree and 1.59% of respondents said they did not agree. Statement "Kopi Nako Bandung Cashier provides accurate purchase receipts." Occupied the better category with an average score of 4.30. But there is still attention that needs to be paid to the statement "Kopi Nako Bandung Employees respond to consumer complaints immediately." Because it has the lowest average value.

Respondents' Responses Regarding the Price Variable at Kopi Nako Bandung

Price (X2) is in the good category with an average value of 3.85 because it is in the 3.4 - 4.19 category. Based on the results of respondents' answers, 28.95% of respondents said they strongly agreed, 47.39% of respondents said they agreed, 20.90% of respondents said they did not agree, 2.73% of respondents said they did not agree, and 0.03% of respondents said they strongly disagreed. Statement "The price set by Kopi Nako Bandung is in accordance with the quality of

the taste of the food and drinks you will get." occupied the better category with an average score of 4.01. However, there is still something to note regarding the statement "The price given by Kopi Nako Bandung is cheaper compared to other coffee shops." because it has the lowest average value.

Respondents' Responses Regarding the Customer Satisfaction Variable at Kopi Nako Bandung

Customer Satisfaction (Variable Y) is in the good category with an average value of 3.96 because it is in the 3.40 - 4.19 category. Based on the results of respondents' answers, 33.17% of respondents said they strongly agreed, 47.87% of respondents said they agreed, 17.07% of respondents said they did not agree, and 1.89% of respondents said they did not agree. Statement "Consumers feel comfortable when they are at Kopi Nako Bandung, because the environment is clean." occupied the better category with an average score of 4.32. However, there is still something that needs attention regarding the statement "The menu creation process is faster than other coffee shops." because it has the lowest average value. Therefore, there needs to be improvement.

Multiple Linear Regression Analysis

The constant value of 6.629 states that if Service Quality (Variable X1) and Price (Variable X2) are not included in the research, then Customer Satisfaction (Variable Y) in Kopi Nako Bandung will still increase by 6,629%.

Service Quality (X1) has a positive value of 0.270. This means that increasing Service Quality (X1) by 1 unit will increase Customer Satisfaction (Y) by 0.270 units. Price (X2) has a positive value of 0.371. This means that increasing the Price variable (X2) by 1 unit will increase Customer Satisfaction by 0.371 units.

Test Coefficient of Determination (R2)

The coefficient of determination is 0.742 or 74.2%, meaning that the variables Service Quality (X1) and Price (X2) have an influence on Customer Satisfaction (Variable Y) of 74.2% and the remaining 25.8% are influenced by other factors. For example: Product Quality, Store Atmosphere, and Promotion.

Simultaneous Hypothesis Test (F Test)

Fcount (135,028) > Ftable (3,942) then H0 is rejected and Ha is accepted, which means that simultaneously there is a significant influence together (simultaneous) from Service Quality (Variable X1), and Price (Variable X2) on Customer Satisfaction (Variable Y).

Partial Hypothesis Test (T test)

The statistical t-test for Service Quality (X1) produces 11.742 > Ttable (1.985) and a significance value of 0.000 (the sig value is divided in half because it is a one-way test) which means it is smaller than 0.05 so it can be concluded that Customer Satisfaction (Y) is significantly influenced by Service Quality (X1). So, the first hypothesis is accepted because the significance value is 0.000 < 0.05.

The statistical t test for Price (X2) produces 14,086 > Ttable (1,985) and a significance value of 0.000 (the sig value is divided in half because it is a one-way test) which means it is smaller than 0.05 so it can be concluded that Customer Satisfaction (Y) is significantly influenced by Price (X2). So, the second hypothesis is accepted because its significance is 0.000 < 0.05.

Description of Service Quality and Price Variables on Customer Satisfaction Variables at Kopi Nako Bandung

Based on respondents' responses, Service Quality at Kopi Nako Bandung was considered good because the employees looked neat, the cashier gave receipts accurately, the waiter helped in choosing the menu, food and drink hygiene was maintained, and the service was equalized regardless of social status.

Price at Kopi Nako Bandung is considered good because the price of food and drinks is affordable, according to their quality, makes consumers feel satisfied, according to the taste of the food and drinks they will get, and is able to compete with other coffee shops, according to respondents' responses.

Referring to respondents' responses, Customer Satisfaction at Kopi Nako Bandung is relatively high, reflected in their satisfaction because the service is timely and meets expectations, the environment is clean and comfortable, the service is satisfactory, and the price is in line with consumers' financial capabilities.

The Effect of Service Quality on Customer Satisfaction at Kopi Nako Bandung

The results showed that Service Quality (X1) has a strong relationship with Customer Satisfaction (Y), with a correlation coefficient (R) of 0.769. Service Quality (X1) also has a 59.2% influence on Customer Satisfaction (Y), as shown by the coefficient of determination. The hypothesis test showed that Customer Satisfaction was significantly influenced by Service Quality, with a significance value of 0.000. This is consistent with previous research showing that Service Quality has a positive and significant effect on Customer Satisfaction.

The Effect of Price on Customer Satisfaction at Kopi Nako Bandung

The results showed that Price (Variable X2) had a strong relationship with Costumer (Variable Y), with a correlation coefficient (R) of 0.822. Price (Variable X2) also has a 67.6% influence on Customer Satisfaction (Variable Y), as shown by the coefficient of determination. The hypothesis test shows that Customer Satisfaction is significantly influenced by price, with a significance value of 0.000. This is consistent with previous research showing that Price has a positive and significant effect on Customer Satisfaction.

The Effect of Service Quality and Price on Customer Satisfaction

Based on multiple regression analysis, an equation was obtained which showed that Service Quality (X1) and Price (X2) had a positive effect on Customer Satisfaction (Y). A constant coefficient of 6.629 indicates a 6.629% increase in Customer Satisfaction if both variables are not included in the study. Service Quality has an influence of 0.270 and Price has an influence of 0.371 on consumer satisfaction. The results of simultaneous hypothesis tests show a significant influence jointly from Service Quality and Price on Customer Satisfaction. This is consistent with previous research

showing that Service Quality and Price have a positive and significant effect on Customer Satisfaction.

CONCLUSION

The study examines the impact of Service Quality and Price on Customer Satisfaction at Kopi Nako Bandung. The findings indicate:

1. Service Quality significantly affects Customer Satisfaction, with higher quality leading to increased satisfaction. Consumers' perception of the services offered contributes to their overall impression and satisfaction with the company.

2. Price also significantly influences Customer Satisfaction, with more affordable prices correlating with higher satisfaction levels among consumers.

3. Based on these results, it is concluded that both Service Quality and Price play crucial roles in shaping Customer Satisfaction. Therefore, management at Kopi Nako Bandung could enhance Service Quality and adjust pricing strategies to further improve Customer Satisfaction.

Based on the research findings and discussions, the authors following suggestions:

1. For the Company

a. Implement employee training to enhance interaction and response to consumer complaints. Establish a consumer complaint reporting system, including digital platforms, to monitor and respond efficiently. Recognize and reward proactive employees in improving Customer Satisfaction. Conduct regular meetings to address customer complaints and develop handling strategies. Foster a corporate culture emphasizing Service Quality and improve internal communication. Monitor social media closely to promptly address customer concerns, aiming for quick and effective resolution.

b. Utilize promotional offers and limited discounts to attract new customers. Develop bundling packages that offer additional value, such as including snacks, to justify prices. Utilize social media to communicate the value proposition of Kopi Nako Bandung, encouraging customers to choose it despite higher prices compared to competitors.

c. Focus on delivering positive consumer experiences by maintaining high Service Quality standards. Respond promptly to consumer complaints and ensure that the value provided justifies the price, fostering customer loyalty towards Kopi Nako Bandung.

2. For Academics

a. Although Service Quality and Price can affect Customer Satisfaction, research can still be developed by examining the influence of other variables that have not been studied that can

affect Customer Satisfaction. For example: Product Quality, Store Atmosphere, Promotion, and others.

b. As additional comparison information material for and other researchers researching in the same field of business and the general public to increase their knowledge.

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