

Product Quality and Service Quality Influencing Customer Satisfaction in Coffee Shop Businesses

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ABSTRACT

Due to increased competition caused by the recent rapid expansion of the coffee shop industry, business owners are being pushed to prioritize improving customer satisfaction. In this regard, this study aims to investigate how customer satisfaction at Mayana Kopi, Central Jakarta, is influenced by product and service quality.

This study uses a survey method and a quantitative methodology. Based on the Slovin algorithm, 99 respondents were chosen as samples from the population of 13,840 consumers who were registered between 2022 and 2025. With the use of SPSS software, multiple linear regression was used for data analysis, which included validity and reliability testing in addition to traditional assumption testing. Both the t-test and the F-test were used to examine hypotheses.

The findings show that customer happiness is significantly positively impacted by product quality. In a similar vein, service quality exhibits a favorable and noteworthy impact. A significant coefficient of determination indicates that both factors significantly contribute to the explanation of customer satisfaction when considered concurrently.

These findings suggest that maintaining consistent product standards alongside improving service delivery is essential for enhancing customer satisfaction and sustaining competitiveness in the coffee shop industry.

INTRODUCTION

In recent years, the coffee shop industry in Indonesia has undergone rapid transformation and growth. Coffee shops are no longer perceived solely as places to purchase beverages; instead, they have evolved into social spaces where individuals engage in various activities such as working, meeting, and interacting. This trend is particularly evident in major urban areas like Jakarta, where the number of coffee shop establishments continues to expand significantly.

Customer happiness has become a crucial aspect affecting the viability of businesses in the face of this growing competition. Satisfied customers are more inclined to suggest the business to others and come back. Therefore, for companies looking to stay competitive, knowing what influences customer happiness has become crucial.

Product quality is one of the key elements influencing consumer happiness. Positive consumer experiences are more likely to result from high-quality products, which are distinguished by their consistent flavor, attractive appearance, and usage of premium ingredients. These factors are crucial in forming the opinions of customers and affecting their general degree of satisfaction.

Service quality is just as crucial as product quality. It shows how well a business can provide services that either match or surpass client expectations. The whole customer experience is greatly improved by elements like staff friendliness, timely service, and effective management of client demands.

Mayana Kopi, located in Central Jakarta, operates in a highly competitive coffee shop market. Several challenges have been identified, including inconsistencies in product quality and variations in service performance, which may affect customer satisfaction levels.

In light of this, the current study attempts to examine how customer satisfaction at Mayana Kopi Central Jakarta is impacted by the quality of the products and services provided.

LITERATURE REVIEW

Product Quality

The capacity of a product to meet consumer demands and carry out its specified functions is referred to as product quality. From a marketing standpoint, it includes all of a product's features and qualities that allow it to meet consumer expectations.

Product quality is widely recognized as a multidimensional concept. It includes aspects such as performance, features, reliability, durability, aesthetics, and perceived quality. These dimensions provide a comprehensive framework for evaluating how well a product meets quality standards.

In the coffee shop context, product quality can be reflected through taste consistency, freshness of ingredients, beverage presentation, and product variety. These attributes contribute to delivering a satisfying consumption experience and influence customer perceptions.

From the consumer perspective, product quality is often assessed based on perceived quality rather than objective measurement. This perception is formed

through customer experience and plays a significant role in determining satisfaction.

Prior research has demonstrated that customer satisfaction is positively and significantly impacted by product quality. Customer satisfaction tends to rise when product performance meets or beyond expectations.

H1: Product quality has a positive effect on customer satisfaction.

Service Quality

The capacity of a business to deliver services that either match or beyond client expectations is referred to as service quality. It is frequently assessed by contrasting perceived service performance with expected service.

Five essential aspects of service quality are identified by the SERVQUAL model: tangibles, assurance, responsiveness, empathy, and dependability. These dimensions, which include physical facilities, service consistency, responsiveness, staff competency, and individualized attention, reflect significant facets of service delivery.

Employee friendliness, speed of service, accuracy in order fulfillment, and responsiveness to client requests are all indicators of service quality in the coffee shop sector. These elements have a significant impact on how customers interact with businesses.

High service quality has a good impact on customer satisfaction and fosters long-term customer relationships, according to empirical research. Customer satisfaction and loyalty are more likely to rise when service performance lives up to expectations.

H2: Service quality positively affects customer satisfaction.

Customer Satisfaction

An emotional reaction that results from contrasting perceived product or service performance with prior expectations is known as customer satisfaction. It shows how well client expectations are met.

The expectancy-disconfirmation hypothesis, which holds that satisfaction happens when observed performance meets or surpasses expectations and dissatisfaction occurs when expectations are not satisfied, is frequently used to describe consumer satisfaction from a theoretical standpoint.

Customer satisfaction plays a crucial role in influencing consumer behavior. Satisfied customers tend to engage in repeat purchases, develop loyalty, and share positive word-of-mouth. On the other hand, dissatisfaction may lead to negative perceptions and switching behavior.

To maintain high levels of customer satisfaction, companies must consistently deliver high product quality and service quality. Both variables are considered key determinants in shaping customer experiences and perceptions.

Both product quality and service quality are regarded as significant elements influencing customer satisfaction based on the theoretical underpinnings and results of prior research. While service quality improves client experiences via efficient service delivery, product quality helps shape consumer perceptions through the product's performance and consistency.

As a result, this study suggests that customer happiness is significantly impacted by both product and service quality. Figure 1 displays the conceptual foundation for this study.

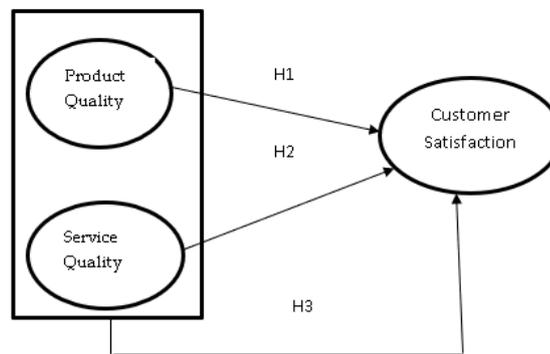


Figure 1. Conceptual Framework

The following are the study's hypotheses, which are based on the suggested research framework:

H1: Product quality has a significant positive effect on customer satisfaction.

H2: Service quality has a significant positive effect on customer satisfaction.

H3: Product quality and service quality simultaneously have a significant positive effect on customer satisfaction.

METHODOLOGY

This study used a survey technique and a quantitative research design to examine the relationship between customer satisfaction and service and product quality. Because it allows for the assessment of correlations between variables through statistical analysis, a quantitative approach was chosen.

The research was conducted at a coffee shop located in Central Jakarta, Indonesia. The population consisted of all customers who visited the coffee shop during the period of January to July 2019, totaling 13,840 individuals. To determine the sample size, a margin of error of 10% was applied, resulting in 99 respondents being selected for the study.

A non-probability sampling technique, specifically convenience (accidental) sampling, was used. Respondents were chosen based on their availability and willingness to participate at the time of data collection. This approach is commonly used when researchers face limitations in accessing the entire population.

A standardized questionnaire with a Likert scale was used for data collection in order to gauge respondents' opinions on customer satisfaction, service quality, and product quality. This approach makes it possible to quantify and statistically examine subjective opinions.

The Statistical Package for the Social Sciences (SPSS) was used to process the gathered data. In addition to traditional assumption testing, the investigation incorporated validity and reliability tests to guarantee the measuring tool's consistency. The associations between the variables were then investigated using multiple linear regression analysis. Furthermore, t-tests for partial effects and F-tests for simultaneous effects were used in hypothesis testing.

To ascertain how much variance in customer satisfaction could be explained by the independent variables, the coefficient of determination (R²) was also computed.

RESEARCH RESULT

The results of hypothesis testing intended to assess the impact of service and product quality on customer satisfaction are shown in this section. Multiple linear regression analysis was carried out with the use of SPSS software.

The regression model applied in this study is formulated as follows:

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

Where:

Y = Customer Satisfaction

X₁ = Product Quality

X₂ = Service Quality

a = Constant

b₁, b₂ = Regression Coefficients

The Result:

$$Y = 5.321 + 0.412X_1 + 0.356X_2 \dots\dots\dots (2)$$

Hypothesis Testing

1. First Hypothesis (H1)

According to the first hypothesis, consumer satisfaction is significantly impacted by product quality.

Table 1. t-Test Result (Product Quality → Customer Satisfaction)

Variable	t-value	t-table	Sig	Result
Product Quality (X1)	4.215	1.984	0,000	Accepted

The findings show that consumer satisfaction is statistically significantly impacted by product quality. The computed t-value surpassing the crucial threshold and a significance level below 0.05 serve as proof of this. These results imply that higher levels of customer satisfaction are closely correlated with increases in product quality.

2. Second Hypothesis (H2)

The second hypothesis assumes that service quality significantly affects customer satisfaction.

Table 2. t-Test Result (Service Quality → Customer Satisfaction)

Variable	t-value	t-table	Sig	Result
Service Quality (X2)	3.876	1.984	0.001	Accepted

Customer satisfaction was also found to be significantly impacted by service quality. According to the statistical findings, the significance value is less

than 0.05 and the computed t-value is higher than the crucial threshold. This suggests that higher-quality services increase client satisfaction.

3. Third Hypothesis (H3)

The third hypothesis suggests that product quality and service quality jointly influence customer satisfaction.

Table 3. F-Test Result

F-value	F-value	F-table	Sig	Result
38.642	3.09	38.642	0.000	Accepted

Additionally, the simultaneous test utilizing the F-test shows that customer satisfaction is significantly impacted by both service and product quality. The significance threshold is less than 0.05 and the computed F-value is more than the crucial value, indicating that both factors work together to influence customer happiness.

Coefficient of Determination (R²)

The degree to which changes in the dependent variable are explained by the independent variables is evaluated using the coefficient of determination (R²). This number in regression analysis shows the extent to which the variables in the model account for the variance in the dependent variable.

Table 4. Coefficient of Determination

R	R Square
0.749	0.561

Product and service quality account for 56.1% of the variance in customer satisfaction, according to the coefficient of determination (R²), with additional factors not included in this study influencing the remaining 43.9%.

DISCUSSION

The results of this study demonstrate that customer satisfaction is significantly influenced by both service and product quality. These findings imply that in order to provide a better overall customer experience, firms must continually manage both elements.

Customer satisfaction was shown to be significantly and favorably impacted by product quality. This suggests that consumers often use their perception of the quality of the goods they get to gauge how satisfied they are. This perspective is influenced by a number of elements in the setting of coffee shops, such as flavor consistency, ingredient freshness, visual presentation, and general product dependability.

Customer happiness is also greatly influenced by service quality. When customers receive courteous, prompt, and effective service, they are more likely to be satisfied. This result is consistent with the expectation-performance theory, which holds that consumers are satisfied when the quality of the service they receive matches or surpasses their expectations. Customers are more likely to form favorable opinions and enjoy their entire experience when they receive excellent service.

These findings are also supported by previous studies, which emphasize that product quality and service quality are key elements in shaping customer satisfaction. In the food and beverage industry, customers often evaluate a business primarily based on product-related attributes such as taste, appearance, and consistency, while service quality enhances the overall experience.

Therefore, maintaining consistent product quality while continuously improving service performance is essential for coffee shop businesses. By focusing on these two aspects simultaneously, businesses can increase customer satisfaction and strengthen their competitive position in the market.

The Effect of Product Quality on Customer Satisfaction

The results show that customer happiness is significantly influenced by product quality. This implies that consumers' perceptions of the quality of the goods they get often determine their degree of pleasure. Several important factors, such as flavor consistency, ingredient freshness, product presentation, and general dependability, influence this view in the setting of coffee shops.

When the quality of products meets or even exceeds customer expectations, satisfaction levels tend to increase. This supports the idea in marketing theory that product quality is a fundamental driver of customer satisfaction, as it directly affects perceived value and performance. Customers who perceive a product as valuable and consistent are more likely to feel satisfied with their overall experience.

Previous research also confirms that product quality significantly contributes to customer satisfaction and influences how customers perceive a business. In the food and beverage sector, customers often evaluate a business primarily based on product attributes such as taste, appearance, and consistency.

The Effect of Service Quality on Customer Satisfaction

Customer satisfaction was shown to be significantly impacted by both product and service quality. This suggests that consumers' assessments encompass both the goods and the customer service they get.

Service quality reflects how effectively a business meets customer expectations during service interactions. In coffee shops, this includes factors such as employee friendliness, responsiveness, service speed, and the ability to handle customer needs efficiently.

Customers who receive prompt and courteous service are more likely to develop positive impressions of the business. This aligns with the expectation-performance perspective, where satisfaction is achieved when the service delivered matches or exceeds what customers anticipate. As a result, better service quality contributes to a more enjoyable and satisfying customer experience.

Supporting research also highlights how important service quality is for boosting customer happiness and fostering loyalty. Companies that regularly provide excellent customer service have a higher chance of building enduring connections with their clients.

The Simultaneous Effect of Product Quality and Service Quality on Customer Satisfaction

The findings also demonstrate that customer satisfaction is significantly impacted by both product and service quality. This result emphasizes that the combined impact of both product performance and service experience determines satisfaction rather than a single element.

Customers typically evaluate their overall experience by considering both tangible aspects, such as the quality of the products, and intangible aspects, such as the way services are delivered. When both elements meet or exceed expectations, customer satisfaction is more likely to increase.

Additionally, prior research indicates that customer happiness and loyalty are greatly influenced by the combination of product and service quality. Companies that can provide superior products and services are more likely to generate favorable experiences and sustain enduring client connections.

Therefore, coffee shop businesses should focus on improving both product quality and service quality simultaneously. Ensuring consistency in product standards while enhancing service performance can significantly improve customer satisfaction and strengthen competitiveness in the market.

CONCLUSIONS

Several important conclusions may be made in light of the data and analysis provided in the preceding sections.

First, consumer satisfaction is positively and statistically significantly impacted by product quality. This implies that consumers' perceptions of the quality of the goods they get often determine how satisfied they are. In the context of a coffee business, elements like ingredient freshness, product presentation, and flavor consistency are critical in determining consumer happiness and impressions.

Second, it has been demonstrated that customer satisfaction is strongly impacted by service quality. This suggests that consumers assess the caliber of services they receive in addition to the goods they purchase. A more positive customer experience is a result of factors including staff friendliness, attentiveness, and service effectiveness.

Third, consumer happiness is greatly impacted by the combination of service and product quality. This result emphasizes how both concrete factors, like product quality, and intangible factors, like service interactions, influence consumer happiness. Therefore, improvements in both areas are necessary to achieve higher levels of satisfaction.

Overall, the results emphasize that maintaining consistent product quality while continuously improving service performance is essential for coffee shop businesses. Businesses may improve customer satisfaction and bolster their competitive position in the market by concentrating on these two areas concurrently.

RECOMMENDATIONS

Based on the findings obtained in this study, several practical suggestions can be highlighted.

To begin with, coffee shop businesses are advised to maintain consistency in product quality by carefully selecting high-grade ingredients, ensuring stable taste across products, and improving the visual appeal of their offerings. These efforts are important in shaping positive customer perceptions and enhancing overall satisfaction.

Furthermore, it is essential for management to continuously improve service quality. This can be achieved through regular employee development programs that emphasize customer service skills, effective communication, and the ability to respond promptly to customer needs. Enhancing service performance will contribute to a more enjoyable and memorable customer experience.

In addition, future studies are encouraged to incorporate other variables that may influence customer satisfaction, such as perceived pricing, store ambiance, brand image, and promotional strategies. Including these factors may provide a more comprehensive understanding of customer behavior,, particularly in the coffee shop industry.

Finally, it is recommended that future research involve a larger number of respondents and be conducted across different locations. Expanding the scope in this way may improve the reliability of the findings and allow for broader generalization of the results.

ADVANCED RESEARCH

A number of limitations should be acknowledged, despite the fact that this study provides insightful information on how customer happiness is impacted by both product and service quality. Limitations are crucial for defining a study's parameters and scope as well as for directing future research (scribbr.com).

First, this study adopted a quantitative approach through a questionnaire-based survey, which primarily depends on respondents' perceptions and self-reported information. Such survey methods may not fully capture deeper motivations, attitudes, or experiences, as responses are restricted to predetermined answer choices. Consequently, the findings may not entirely reflect the underlying reasons behind customer behavior and perceptions.

Second, the sample size in this study was limited to 99 respondents, which may not adequately represent the broader population of coffee shop customers. In quantitative research, a relatively small or less representative sample can reduce the extent to which findings can be generalized to different contexts or settings.

Third, only two independent variables product quality and service quality were examined in this study. However, a broader variety of elements, like as location, promotional activity, brand image, store environment, and pricing perception, all have an impact on consumer satisfaction. The study's comprehensiveness and explanatory power may be limited if these factors are excluded.

Future research should broaden the scope of analysis by include other variables that can affect customer satisfaction in the coffee shop sector in light of the limitations noted in this study. In order to obtain deeper and more thorough insights into client experiences and perspectives, future research is also urged to use a mixed-method approach, combining quantitative surveys with qualitative techniques like focus groups and in-depth interviews.

Expanding the sample size and conducting research across different geographical locations are also suggested to improve the robustness of findings and enhance the generalizability of the results.

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