

# **The Effect of Price, Product Quality, and Quality of Service on Customer Satisfaction of a Noodle Restaurant in Bandung City**

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## **Abstract**

The background of the research is the growth of business in Indonesia in the culinary field which is growing rapidly. One of the popular culinary businesses in Bandung is Mie Gacoan. This type of research is quantitative causal research. The number of samples used is 100 respondents using probability sampling technique to customers who are domiciled in the city of Bandung and have purchased Mie Gacoan products more than twice. Data analysis used descriptive analysis and multiple linear analysis, classical assumption test, instrument test (validity and reliability), hypothesis testing using t test and coefficient of determination. The results of the partial study of each price and service quality variable have a positive and significant effect on customer satisfaction, on the other hand product quality has a positive but not significant effect on customer satisfaction. The Adjusted R Square figure is 0.403, the dependent variable is explained by the independent variables namely price, product quality and service quality as much as 40.3% on the other hand the remaining 59.7% is explained by other variables not included in this study.

## **Keywords**

Price, Product Quality, Service Quality, and Customer Satisfaction.

## **1. Introduction**

The current business growth in Indonesia, especially in the culinary field, is growing rapidly and competing fiercely. This can be seen from the large number of culinary businesses that have emerged recently by offering various types and uniqueness in each of their food businesses. Bandung is the center of fashion trends and tourist destinations, and Bandung is also one of the culinary tourism destinations that is famous for its uniqueness. Culinary that has become an idol for tourists and various groups is contemporary and fast food, including noodle-based ingredients. One of the noodle-based dining businesses in the city of Bandung that serves spicy flavors with various levels of spiciness and additional toppings in each portion, namely Mie Gacoan. Mie Gacoan is always crowded with customers. Every day this Mie Gacoan outlet gets 1,200 to 1,500 bills. Starting from April 2021 to October 2021. Based on the results of previous research that has been carried out, the results obtained are that there are complaints that are felt by visitors

when visiting Mie Gacoan. These complaints are complaints related to price, service quality and product quality. Based on these complaints, it can be seen that the strategy set by Mie Gacoan given to customers has not been implemented properly. Customers who feel satisfied with a product will not be easily influenced or switch to another product. This means that the Mie Gacoan manager must consider a suitable strategy in order to survive in the presence of competitors. In order not to lose to competitors, managers must maintain or improve the services provided. According to this, the researchers have an interest in conducting research related to the Effect of Price, Product Quality and Service Quality on Customer Satisfaction of Gacoan Noodles in Bandung City. This study aims to determine the effect of price, product quality and service quality on customer satisfaction. Research Introduction a research conducted certainly has several objectives. The following are the Introduction of research on the object of Mie Gacoan Bandung:

1. To determine the effect of price on customer satisfaction.
2. To determine the effect of product quality on customer satisfaction.
3. To determine the effect of service quality on customer satisfaction.

## 2. Literature Review

Is as one of the main factors that influence the customer's repurchase decision. The selling price is basically what is offered to the buyer. If the customer accepts the price, then the product sells well but if the customer refuses, the selling price needs to be revised. Pricing is flexible elements of the marketing mix. That is, they can be changed quickly (Tjiptono 2008). Because the price that customers want is competitive and affordable, the better the price offered, the more interested in buying. Prices may be too high or may be perceived as undesirable, leaving customers more likely to experience post-purchase discrepancies. This is in line with Gofur's research (2019) that price has a positive and significant influence on customer satisfaction.

The quality of a product is a characteristic that distinguishes it from other products, for example brand, performance, style, as well as reputation (Cimamora 2011). Product quality can be used as center of interest for customers when making purchases. Good quality products, namely producing end results that can affect customer perceptions. Customers will feel that the product holds more advantages than other similar products, so that the product has added value and is worthy of repurchasing. This is in line with Gofur's research (2019) that product quality has a positive and significant influence on customer satisfaction.

Chang and Yeh (2017) explain that service quality has a long-term involvement in the formation of customer satisfaction and makes customers loyal to the company. Service quality can be defined as the ability to meet customer needs and desires and achieve the right balance between customer expectations (Tjiptono and Chandra 2011). This is in line with Immanuel's (2019) research that service quality has a positive and significant influence on customer satisfaction.

## 3. Methods

The research method used is quantitative research. Quantitative research is a research approach that primarily uses the post-positivism in the development of science (a kind of causal thinking, reduction to variables, hypotheses and specific questions, implementing measurement and observation and theory testing) implementing research strategies such as experiments and surveys that require information Emzir statistics (2007). The variables used are independent or independent variables, namely Price (X1), Product Quality (X2), and Service Quality (X3 and the dependent or dependent variable is Customer Satisfaction (Y1). Data obtained using a survey where the number of samples used is 100 respondents. The number of 100 respondents was obtained based on the slovin formula. Determination of the sample using probability sampling technique to customers who live in the city of Bandung and have purchased Mie Gacoan products more than twice. The data analysis techniques carried out are:

1. Descriptive analysis, according to Mertha Jaya (2020) In descriptive data analysis, descriptive statistics try to show various characteristics of data sourced from a sample. Descriptive statistics for example mean, median, mode, percentile, decile, quartiles, in the form of number analysis or pictures/diagrams and descriptive analysis processed per variable
2. Classical Instrument and Assumption Test, Measurement of as Classical assumptions used include normality test, multicollinearity test and heteroscedasticity test.
3. Multiple Linear Regression Analysis Test, Multiple linear regression analysis is linear regression in order to analyze how big the relationship and the influence of the independent variables, which are more than two in number (Suryadi and Purwanto 2004). According to the statement of Suharyadi and Purwanto (2011) the equation of the multiple regression model is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

It is known that the number  $a$  is a constant,  $b_1$  is the coefficient of  $X_1$  (Price),  $b_2$  is the coefficient of  $X_2$  (Product Quality) and  $b_3$  is the coefficient of  $X_3$  (Service Quality).

4. Partial test is used to test the significance of each independent variable on the dependent variable partially (Sugiyono, 2012: 250). In order to show the significance of the effect of the independent variables ( $X_1, X_2, X_3$ ) on the dependent variable ( $Y$ ), so that the t-test was carried out. This study has a hypothesis, namely:

$H_0: \rho_{X1} \leq 0$  (There is no positive effect on price relationship with customer satisfaction at Mie Gacoan Bandung)

$H_a: \rho_{X1} > 0$  (There is a positive relationship between price and customer satisfaction at Mie Gacoan Bandung).

$H_0: \rho_{X2} \leq 0$  (There is no positive effect on product quality and customer satisfaction at Mie Gacoan Bandung).

$H_a: \rho_{X2} > 0$  (There is a positive influence on product quality and customer satisfaction at Mie Gacoan Bandung).

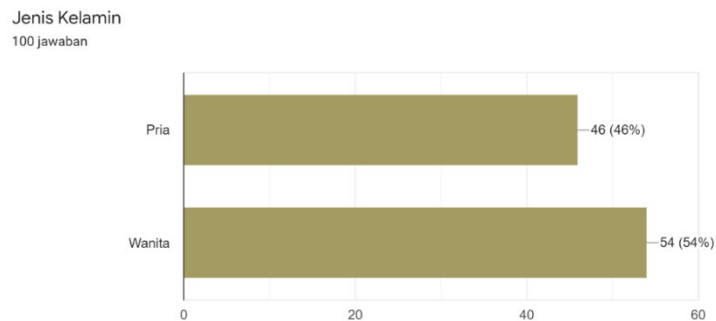
$H_0: \rho_{X3} \leq 0$  (There is no positive effect on service quality and customer satisfaction at Mie Gacoan Bandung).

$H_a: \rho_{X3} > 0$  (There is a positive influence on service quality and customer satisfaction at Mie Gacoan Bandung).

5. Coefficient of Determination Test. According to Mertha Jaya (2020:101) the Coefficient of Determination is used to measure how strong the ability of the dependent variable is. The coefficient of determination is a number between 0 and 1. A small  $R^2$  number means that the independent variable has a very limited ability to function refers to variable . When the coefficient of determination is 0, the independent variable has no effect on the dependent variable. When the coefficient of determination is close to 1, the independent variable accurately affects the dependent variable through the coefficient of determination, and error minimized, so that it close to.

#### 4. Data Collection

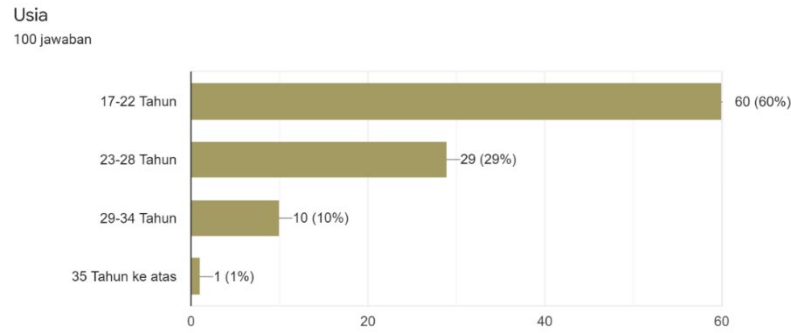
The results of data collection using a questionnaire, the characteristics of the respondents can be known as follows (Figure 1):



Source: SPSS data processing

Figure 1. Gender Characteristics of Respondents

According to the picture, from the 100 respondents studied, it can be seen that the majority of respondents are female by 54 respondents or 54%. On the other hand, the number of male respondents was 46 respondents or 46% (Figure 2). It can be interpreted that the majority of those who purchase Mie Gacoan products in the city of Bandung are women.



Source: SPSS data processing

Figure 2. Characteristics of Respondents Age

Based on the picture above, from the 100 respondents studied, it can be seen that 60 respondents or 60% are between 17-22 years old, 29 respondents or 29% are between 23-28 years old, 10 respondents or 10% are between 29-34 years old, and 1 respondent or 1% aged 35 years and over. This can be interpreted that the majority of respondents who make purchases of Mie Gacoan products in the city of Bandung are 17-22 years old. One of the factors that the majority of respondents are 17-22 years old is because Mie Gacoan comes with the concept of a cafe with a spacious and contemporary dining area so it is very suitable for young people.

## 5. Results and Discussion

Test instruments used are validity and reliability tests. Based on the results of the validity test of the number  $r$  count  $> 0.361$ , then the calculated  $r$  is declared valid (Table 1). Then for the reliable test results, it is obtained that the results of Cronbach's Alpha Variable numbers  $> 0.6$  means that it can be said that the test results are reliable. The normality test used is the Kolmogorov-Smirnov test, which shows the Asymp number. Sig. (2-tailed) which is 0.546 the number is above the significant number (0.05). Then it is interpreted that the residual variable has a normal distribution

Table 1. Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
		Abs 8
N		100
Normal Parameters <sup>a,b</sup>	Mean	.0000
	Std. Deviation	.01976
Most Extreme Differences	Absolute	.080
	Positive	.080
	Negative	-.071
Kolmogorov-Smirnov Z		.799
Asymp. Sig. (2-tailed)		.546
a. Test distribution is Normal.		
b. Calculated from data.		

The next test is the multicollinearity test. The calculation results explain that the tolerance (X1) is 0.925 and the VIF number is 1.081, the tolerance (X2) is 0.478 and the VIF number is 2.091 and the tolerance (X3) is 0.459 and the VIF number is 2.180. From this matter, it shows that the tolerance each independent variable is price, product quality and service quality  $> 0.1$  with a VIF number  $< 10$ . So according to the test requirements, if the tolerance is 0.1 and the VIF number is 10 then it can be interpreted as not there is multicollinearity between independent variables (Table 2).

Table 2. Multicollinearity Test

Model		Coefficients <sup>a</sup>						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.070	.037		28.617	.000		
	H	.018	.006	.227	2.776	.007	.925	1.081
	KP	.013	.009	.167	1.473	.144	.478	2.091
	KL	.030	.009	.405	3.491	.001	.459	2.180

a. Dependent Variabel: K

The last classic assumption test is the heteroscedasticity test according to the glejser test which explains that the level of significance of the price variable (X1) is 1, the level of significance of the product quality variable (X2) is 1, and the level of significance of the service quality variable (X3) is 1. statistically significant influence the absolute dependent variable. This comes from a probability greater than 0.05. So it can be interpreted that the regression model does not refer to heteroscedasticity (Table 3).

Table 3. Glejser Test

Model		Coefficients <sup>a</sup>				t	Sig.
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	-2.776E-019	.037		.000	1.000	
	H	.000	.006	.000	.000	1.000	
	KP	.000	.009	.000	.000	1.000	
	KL	.000	.009	.000	.000	1.000	

a. Dependent Variabel: Unstandardized Residual

Test Multiple linear regression analysis was used to determine the effect of the independent variables (Price, Product Quality and Service Quality) on the dependent variable (Customer Satisfaction)(Table 4).

Table 4. Multiple Linear Regression Analysis

Model		Coefficients <sup>a</sup>				t	Sig.
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	-1.281	.739		-1.733	.086	
	H	.585	.163	.306	3.593	.001	
	KP	.256	.164	.178	1.565	.121	
	KL	.417	.150	.316	2.772	.007	

a. Dependent Variabel: K

The equation model used is:

$$Y = -1.281 + 0.585 X_1 + 0.256 X_2 + 0.417 X_3$$

The constant number (a) = -1.281 shows a constant number, if the number of independent variables (Price, Product Quality and Service Quality) = 0 so that the dependent variable (Customer Satisfaction) is -1.281. Price variable regression coefficient of 0.585 shows that the price variable has a positive influence on customer satisfaction. Another meaning, if the price variable increases so that customer satisfaction will increase by 0.585. The regression coefficient of the Product Quality variable is 0.256 which shows that the Product Quality variable has a positive influence on customer satisfaction. Another meaning, if the Product Quality variable increases, then customer satisfaction will increase by 0.256. The regression coefficient of the Service Quality variable as much as 0.417 explains that the Service Quality variable has a positive influence on customer satisfaction. Another meaning, if the

Service Quality variable increases, then customer satisfaction will increase by 0.417. Test Partial test (t test) is used to determine how much influence the independent variable partially has on the dependent variable. This partial t test is obtained from the regression significance. Then from the results obtained a significant number and t count in order to draw the hypothesis that has been compiled (Table 5)

Table 5. Results of Partial T Test Analysis

No	Hipotesis	Path Coeffients	t	Signifikansi	Description
1	Price on Customer Satisfaction	0.585	3.593	0,0.01	A positive and significant influence
2	Product Quality on Customer Satisfaction	0.250	1.565	0.121	A positive but not significant effect
3	Service Quality on Customer Satisfaction	0.417	2.772	0.007	A positive and significant influence

The results of the t test test explain that the price has a positive coefficient with a significance level of  $0.001 < 0.05$  and t count  $3.593 > t$  table (1.984). This matter shows that price has a positive and significant influence on customer satisfaction at Mie Gacoan Bandung. If the price offered by Mie Gacoan is affordable and relatively cheaper than other competitors, it will have an impact on customers and customers will be satisfied with the price offered.

According to Manus and Lumanauw's statement (2015) explains that price plays a crucial role in the decision-making stage, namely the involvement of the allocation of prices, meaning that it helps buyers to get products or services using the best benefits according to their purchasing power. From the distribution of respondents' answers for the price variable, it shows that the majority of respondents said the price set for Mie Gacoan was relatively affordable, the price set for Mie Gacoan was relatively cheaper than other noodle-based dining businesses and the price matched the quality of the product offered by Mie Gacoan. The results of this study are in line with those previously carried out by Jessica Ordella Kristanto (2018). The Influence of Service Quality, Product Quality and Price on Customer Satisfaction at Cafe One Eighteenth Coffee. The results of the study show that service quality has no influence on customer satisfaction, on the other hand product quality and price affect customer satisfaction.

The results of the t test test explain that Product Quality has a positive coefficient with a significance level of  $0.121 > 0.05$  and  $1.565 < t$  table (1.671). This shows that product quality has a positive but not significant effect on customer satisfaction at Mie Gacoan Bandung. If the quality of the product given by Mie Gacoan is good, it will have an influence on the customer and the customer will be satisfied with the quality obtained.

According to the statement of Kotler and Armstrong (2008) in Arumsari (2012:45), product quality is the factors that exist in an item or result that make the item or result suitable for the purpose of creation.raw materials fresh, the products served are in accordance with the picture promised on the product display menu list (food and drink) is very interesting. In terms of the taste of the product (food and drink) according to taste or not changing, there are respondents who say they quite agree, this may be due to the large number of visitors to Mie Gacoan so that employees are less careful in serving food and result in a different taste from food and beverage products. The results of the research are parallel to those of Elisa Lintang Pertiwi (2017). The Effect of Product Quality, Product Completeness and Service Quality on Consumer Satisfaction at Yulia Bakery Kediri City. The results of the study explain that product quality, product completeness and service quality have a positive influence on consumer satisfaction.

The results of the t test test explain that Service Quality has a positive coefficient with a significance level of  $0.007 < 0.05$  and  $2.772 < t$  table (1.671). This matter explains that Service Quality has a positive and significant influence on customer satisfaction at Mie Gacoan Bandung. If the quality of service provided by Mie Gacoan is good, it will have an impact on customers and customers will feel satisfied with the services provided. According to Tjiptono (2014) Quality delivered has a significant impact on the company because quality refers to a dynamic state that has a significant impact on the use of services, products, processes, and the environment that meet or exceed expectations.

According to the distribution of respondents' answers for the service quality variable, it was explained that most respondents said the quality of services provided by Mie Gacoan was like the appearance of Mie Gacoan employees who were always neat. In terms of facilities, Mie Gacoan provides facilities (tables, chairs, toilets, etc.) which are clean. In terms of time, food and drinks ordered were delivered quickly. In terms of the size of the Mie Gacoan product, it is as promised. In terms of taste, Mie Gacoan products are as promised. In terms of appearance, Mie Gacoan products are in accordance with what was promised. Complaints are responded to quickly and Mie Gacoan employees are always polite and friendly in serving customers. In terms of the place where customers feel comfortable with the environment at the Mie Gacoan outlet. Meanwhile, in terms of ordering time not to wait too long in ordering food and drinks, several respondents stated that they quite agreed it was because many customers visited the Mie Gacoan outlet so they had to queue up for ordering food and drinks. The results of this study are in line with the previous work by Claudia Ade Juantonia Radiman (2020). The Effect of Product Quality and Service Quality on Geprek Benu Customer Satisfaction in Harapan Indah City, Bekasi. The results of the study show that product quality and service quality have a positive influence on Geprek Benu customer satisfaction in Harapan Indah City, Bekasi.

Test The Coefficient of Determination Test is used to determine the model's ability to describe the dependent variable, namely buyer satisfaction. Coefficient of Determination Test Results. it can be seen that the Adjusted R Square is 0.403. This shows that as much as 40.3% of customer satisfaction at Mie Gacoan can be explained by the variables of price, product quality and service quality, on the other hand the remaining 59.7% is explained by other variables not involved in this study.

Table 6. Coefficient of Determination Test (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.649 <sup>a</sup>	.421	.403	.35630
a. Predictors: (Constant), KL, H, KP				

## 6. Conclusion

According to the results and discussion, it can be interpreted according to the partial test (t-test), explaining that partially the price variable has a positive and significant influence on customer satisfaction at Mie Gacoan in Bandung. Product quality has a positive but not significant effect on customer satisfaction at Mie Gacoan in Bandung. Service quality has a positive and significant effect on customer satisfaction at Mie Gacoan in Bandung. The R number of 0.649 means 64.9% showing that the relationship between price, product quality and service quality variables on customer satisfaction has a close relationship. The Adjusted R Square figure of 0.403 means that 40.3% of customer satisfaction factors can be explained by the variables of price, product quality and service quality. On the other hand, 59.7% were explained by other factors not involved in this study.

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