

The Effect of Price and Product Quality on Consumer Loyalty Determine of Consumer Satisfaction Study Case at Luargaris Coffee & Kitchen

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Abstract

This research investigates how price and product quality influence customer loyalty, with customer satisfaction acting as a mediating variable, focusing on Luargaris Coffee & Kitchen. A quantitative approach was employed, using purposive sampling, and the study involved 372 respondents. This research primarily relies on primary data, which was gathered directly from participants who are consumers of Luargaris Coffee & Kitchen. The primary data was obtained through a carefully structured questionnaire designed specifically to address the research objectives. The dependent variable in this study is consumer loyalty, while the independent variables are price and product quality. Additionally, consumer satisfaction serves as the intervening variable. The data were analyzed through multiple linear regression, applying the Partial Least Squares Structural Equation Modeling (SEM-PLS) technique. The results indicate that product quality positively and significantly affects customer loyalty, mediated by customer satisfaction. In contrast, price and service quality did not show a significant impact on customers' purchasing decisions. The findings highlight the importance of prioritizing product quality improvement as a fundamental strategy to enhance long-term customer satisfaction and foster customer loyalty.

Keywords: Price, Product Quality, Satisfaction, Customer Loyalty

1. Introduction

The proliferation of coffee shops in various parts of the city has made competition in this business increasingly fierce. Coffee shops have become a part of people's lifestyles, often using them as a place to socialize or get work done. (Wardah et al., 2021).

Amid the booming growth of new coffee shops mushrooming in various cities, business owners are required to be more discerning in identifying elements that can influence consumer preferences. One crucial factor often considered in purchasing decisions is price and product quality. These two factors often serve as the primary differentiators between one coffee shop and another. Fair and affordable prices are a key draw for consumers when choosing a coffee shop. Conversely, product quality that meets expectations, in terms of taste, presentation, and consistency, plays a significant role in fostering customer trust. The combination of these two factors creates satisfaction that encourages repeat customers. When consumers are satisfied with what they pay for and enjoy, they are more likely to become repeat customers. This loyalty not only impacts ongoing sales but also opens up opportunities for organic promotion through stories and recommendations. Therefore, culinary businesses, particularly coffee shops, need to maintain a balance between quality and price to remain competitive and relevant in the market.

Customer satisfaction plays a crucial role in building loyalty to a brand or business. Customer satisfaction stems from the perception that what they receive meets or exceeds their initial expectations. In the context of a coffee shop, this could mean consistent coffee flavor, friendly service, a comfortable atmosphere, and a perceived value for money. If customer expectations are not met, the potential for brand switching or switching to a competitor is high. Therefore, measuring and monitoring customer satisfaction levels is a crucial step in coffee shop operational management. Satisfaction not only impacts loyalty but also contributes to enhancing a business's image and competitiveness.

Exploring the relationship between price, product quality, satisfaction, and customer loyalty has become highly relevant amidst increasingly fierce business competition. Price and quality not only directly impact loyalty but can also exert an indirect influence through satisfaction as an intermediary. In this case, satisfaction acts as a link that can strengthen or weaken the effects of price and quality on consumer loyalty. Understanding the dynamics between these variables is key for businesses in designing more targeted marketing and service approaches. Furthermore, such studies contribute scientifically to the development of marketing management theory and consumer behavior.

Research by Astuti et al. (2022), A key reference in this area is the study conducted by Astuti et al. (2022), which explored the interplay between price, product quality, customer satisfaction, and loyalty in the context of Janji Jiwa coffee shop in DKI Jakarta. The research utilized a quantitative methodology, employing survey techniques with a sample of 200 respondents aged 17 to 40. The findings highlighted the pivotal role of customer satisfaction as a mediating factor. Path analysis from the study demonstrated that higher levels of satisfaction enhanced the impact of both price and product quality on customer loyalty. This research confirms that customer satisfaction serves not only as an outcome but also as a critical factor in reinforcing among the relationship between the core variables.

Continuing from the findings Astuti et al. (2022). This research aims to broaden the scope of the study by selecting different objects and locations. The opportunity to retest a similar model in a region with unique consumer characteristics is a key motivation. Variations in social backgrounds and local preferences are interesting aspects to explore further to gain a more comprehensive understanding.

This research will focus on Luargaris Coffee & Kitchen, located in Tiban, Batam. Luargaris is a well-known coffee shop in Batam and attracts customers from various age groups. Its unique location, distinctive coffee flavors, and comfortable atmosphere make Luargaris a popular place to gather or work. However, amidst the growing number of local competitors, Luargaris needs to continuously evaluate the factors that influence customer satisfaction and loyalty. One way to do this is by conducting data-driven research to understand the extent to which price and product quality influence consumer perceptions. This research is crucial as a strategic step to maintain Luargaris' position amidst the increasingly competitive coffee business. The specific location focus also allows for more contextual and applicable research results.

This study involved consumers who had visited Luargaris Coffee & Kitchen's Tiban branch as part of the research population. To ensure that the respondents were relevant to the study's objectives, a purposive sampling technique was employed, which involved selecting participants based on specific, predefined criteria. The sample size was determined to be adequate for conducting precise and credible statistical evaluations. Data analysis was performed using SEM-PLS, a method that facilitated regression analysis and allowed for the examination of mediation effects. This approach enabled the creation of a conceptual framework to explore the cause-and-effect relationships between the key variables under investigation in greater detail.

The main difference between this study and that conducted by Astuti (2022) lies in the location and object of the study. While the previous study was conducted in DKI Jakarta on the Janji Jiwa brand, this study focuses on Luargaris Coffee & Kitchen in Batam City. Furthermore, the research period is also different: Astuti's study was conducted in 2022, while this study covers the period from 2021 to 2023. Studies conducted on various objects and locations are expected to produce richer findings that align with real-world conditions. Differences in consumer behavior across regions are the reason for the importance of a contextual approach. Comparative research such as this can provide scientific contributions to the development of marketing management studies. Thus, the uniqueness of this study lies in its empirical setting, which differs from previous studies.

Consumer satisfaction in this study was measured based on consumer perceptions of product and service suitability to their expectations. Indicators used included coffee taste, reasonable price, speed of service, and coffee shop atmosphere. Meanwhile, consumer loyalty was measured through repurchase intentions, recommendations to others, and brand loyalty. Product quality was assessed in terms of consistency of taste, presentation, and ingredients used. Price was measured based on consumer perceptions of the reasonableness of the price compared to the benefits received. All these indicators were designed to fit the context of the coffee shop business in Batam. The validity and reliability of the instruments were tested prior to the main data analysis.

The theoretical benefits of this research are to enrich scientific studies in the field of consumer behavior and marketing management, particularly in food and beverage service-based businesses. This research is also expected to serve as a reference for future researchers who wish to develop similar models in different locations and contexts. In addition, practical benefits for researchers include improved analytical skills in developing and testing models of relationships between variables. Researchers also gain empirical experience in collecting and processing field data. For the management of Luargaris Coffee & Kitchen, the results of this research can be used as a basis for evaluating service and product performance. The analysis results can also be used as a reference in designing more targeted marketing strategies. Thus, the resulting benefits cover both academic and practical aspects in a balanced manner.

This research is crucial because the coffee business in Batam City is experiencing a competitive trend. Various local and national brands continue to emerge with innovative products and services. In this environment, maintaining customer loyalty is a priority for every business owner. Consumers today have numerous choices, so the decision

to stick with a brand must be based on compelling reasons. Price and product quality are two key factors that contribute to this reasoning. However, if customer satisfaction is not achieved, loyalty will not be maximized. Therefore, understanding how these three aspects interact is crucial for developing a business strategy.

In the business world, customer loyalty is often a measure of a company's long-term success. High loyalty can reduce promotional costs because loyal customers will voluntarily recommend products. This also leads to greater satisfaction and loyalty. This is the basis for developing the research model in this study.

Research limitations were implemented to maintain focus and depth of analysis. The research object was limited to Luargaris Coffee & Kitchen, Tiban branch, Batam, to ensure more specific and contextual results. Furthermore, the data collection period was limited to 2021 and 2023 to reflect the current state of the business. This limitation was also crucial to avoid overly broad generalizations that could obscure the meaning of the research findings. A clearly defined scope ensures a more in-depth and relevant analysis. This study also avoided the use of variables other than price, product quality, satisfaction, and loyalty to maintain model consistency. It is hoped that these limitations will strengthen the research's scientific contribution (Astuti et al., 2022).

2. Theory Study & Literature Review

1. Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB) builds upon the earlier Theory of Reasoned Action (TRA) developed by Ajzen and Fishbein in 1980. TRA originally suggested that an individual's actions are primarily driven by their intentions, which are shaped by personal attitudes and societal expectations. However, in 1991, Ajzen introduced a critical new factor into the model: the perception of behavioral control, or perceived behavioral control, which became a key component of the revised theory—TPB. In its refined form, TPB asserts that behavior is influenced not only by intentions and norms but also by a person's perceived ability to control their actions. The central premise of this theory is that individuals thoughtfully weigh the potential outcomes of their actions before making decisions. As such, TPB is particularly well-suited for examining the cognitive processes involved in consumer decision-making.

In the context of consumer behavior, the TPB is used to understand how individuals decide to purchase a product or use a particular service. Intention is a central variable in this theory because it is considered a direct indicator of actual behavior. If a consumer has a strong intention to purchase a product, they are more likely to carry out that purchase behavior. This intention is formed through consideration of the individual's attitude toward the product, perceived social pressure (subjective norms), and the individual's perception of their ability to control the behavior. For example, in choosing a coffee shop, consumers' intentions are influenced by how much they like the product offered, the level of encouragement from friends or the environment, and how easily they access the place. Therefore, the TPB provides a strong theoretical foundation for analyzing purchasing decisions and consumer loyalty.

Within the Theory of Planned Behavior (TPB), three main factors shape a person's intention to act. These factors include personal attitudes toward a behavior, perceived social pressures (subjective norms), and the individual's perception of their ability to control the action (perceived behavioral control). Attitude relates to how a person evaluates an action, whether they view it as positive or negative.

Meanwhile, subjective norms describe the extent to which a person feels influenced by expectations or pressure

from their social environment—such as friends, family, or the general public—regarding a particular behavior. Perceived behavioral control, on the other hand, refers to an individual's beliefs about the extent to which they feel capable or have control over carrying out that action. Together, these three components explain why someone intends to perform (or not perform) a behavior.

Meanwhile, perceived behavioral control relates to the extent to which a person feels in control of their actions. These three elements collectively influence an individual's intention to perform a particular action. In the case of a consumer planning to visit a coffee shop, a positive attitude toward coffee quality, encouragement from friends, and location accessibility are important factors in shaping their intention. By understanding these determinants, businesses can design appropriate strategies to attract consumers.

Several previous studies have applied the TPB in the context of consumer behavior and proven the validity of this theory. Rosalina (2022) found that intention significantly influences college students' consumer behavior in choosing cosmetic products, mediated by attitudes, subjective norms, and behavioral control. Hidayat (2021) also explained that in the context of purchasing decisions, consumers consider not only the direct benefits of the product but also social factors and perceived external constraints.

Thus, the TPB is highly flexible and can be applied in various industrial sectors, including the food and beverage industry, such as coffee shops. The application of this theory provides a framework for evaluating consumer decisions systematically and measurably. Therefore, in this study, the TPB is used as a grand theory to explain the factors influencing consumer intention and loyalty. This theory serves as the basis for developing hypotheses and designing measurement instruments in field studies.

2. Marketing Mix

The marketing mix refers to the set of strategic tools and tactics that businesses deploy to engage their target audience and achieve the desired outcomes. As outlined by Kotler and Armstrong (2016), the marketing mix is comprised of four key components, often referred to as the 4Ps, which collectively contribute to delivering value to consumers and establishing enduring, mutually rewarding relationships. These components include product, price, place, and promotion. These four elements are not standalone; instead, they interact in a coordinated manner to create a seamless experience for the customer. By carefully balancing and optimizing each element, businesses can tailor their offerings to meet consumer needs and expectations, ensuring satisfaction and fostering loyalty. The marketing mix serves as the foundation for designing effective marketing strategies that align with market demands and contribute to the company's success in a competitive environment.

1. Product: Products are the core of the marketing mix. Without a product, nothing can be marketed. Products encompass everything a company offers to its target market to satisfy consumer needs and wants. Products can be tangible goods, services, experiences, information, or a combination of these. Important aspects of product elements include:

- Product quality: How well the product meets consumer needs.
- Features or specifications: Includes product innovations and advantages.
- Design: The visual and ergonomic appearance of the product.
- Brand: A unique identity that differentiates a product from competitors.
- Packaging: Protective function as well as visual appeal.

- Warranty and after-sales service: Guarantee of trust for consumers after purchase.
- Companies need to develop products with a consumer orientation (customer-centered innovation), not just focusing on technical excellence alone.

2. Price: Price is the amount of money a customer must pay to obtain a product or service. According to Kotler and Armstrong, price is not just a nominal figure, but also reflects the customer's perceived value of the product.

Pricing strategies include a variety of approaches, such as:

- Value-based pricing: Determining prices based on customer perceptions of value.
- Cost-based pricing: Based on production costs plus a profit margin.
- Discount and incentive strategies: Including rebates, coupons, purchase bonuses, etc.
- Psychological pricing: For example, the price is Rp. 9,999 to make it look cheaper than Rp. 10,000.
- Dynamic pricing: Prices change depending on market conditions or demand.
- Pricing decisions must take into account the purchasing power of the target market, the brand's position in the market, and the competition.

3. Place (Place/Distribution)

Place or distribution is how products are made available to customers at the right location and time. It encompasses all activities undertaken to ensure products reach end consumers in the most efficient and effective manner. Key elements of distribution include:

1. Direct and indirect distribution channels: Does the company sell directly to consumers or through intermediaries (agents, wholesalers, retailers).
2. Distribution coverage: Intensive (many outlets), selective (limited), or exclusive (very limited)
3. Physical and digital sales locations: Physical stores, e-commerce, marketplaces, mobile apps.
4. Supply chain management: Coordination of logistics, warehousing, transportation.
5. Ease of access for customers: Products must be easy to find and reach.

The success of a place strategy is heavily influenced by developments in digital technology and changes in consumer behavior, such as online shopping trends.

4. Promotion

Promotion is all marketing communication activities carried out to convey a product's value, persuade customers to buy, and build brand loyalty. It is the communication aspect of the marketing mix. Forms of promotion include:

1. Advertising: Mass media, digital, social media, billboards, and others.
2. Sales promotion: Discounts, free samples, bundling, and instant gifts.
3. Public relations: Press releases, sponsored events, CSR, crisis management.
4. Direct marketing: Email, SMS, catalog, telephone.
5. Digital marketing: SEO, SEM, influencer marketing, content marketing, and social media.
6. Personal selling: Face-to-face selling by salespeople.
7. Promotional strategies must be integrated so that the messages received by consumers are consistent and effective in forming brand image.

According to Kotler and Armstrong (2016), the Marketing Mix is a strategic framework that helps companies understand, design, and implement comprehensive marketing strategies. The four main elements—product, price,

place, and promotion—are inseparable because they mutually influence and determine marketing success. Companies that can align and adapt these four elements to the needs and behaviors of their target market will more easily achieve competitive advantage and customer loyalty.

Kotler and Armstrong emphasized that the combination of these four elements must be strategically arranged to create value for customers while building sustainable competitive advantage. In today's digital era, the marketing mix is also often developed into 7Ps, especially for the service sector, by adding the elements of People, Process, and Physical Evidence. Over time, the 4P concept has evolved into 7Ps to adapt to the characteristics of service marketing. The addition of three new elements is people, process, and physical evidence. This expansion is known as the service marketing mix, which is considered more representative in the context of service-based businesses such as coffee shops. People refers to all individuals involved in the service process, including employees and customers. Process covers the service flow from ordering to serving products. Meanwhile, physical evidence includes physical elements that support consumer perception, such as interior design, cleanliness, and employee uniforms. In the context of Luargaris Coffee & Kitchen, these seven elements are important to analyze to understand the implemented marketing strategy. The right combination of the marketing mix will have a direct impact on customer satisfaction and loyalty.

Price is a crucial factor influencing consumer preferences when making a choice. As a proxy for the value of a product or service, price reflects the extent to which consumers assess the appropriate balance between price and quality. A study by Afrizoni (2023) confirmed that price significantly influences consumer purchasing behavior, particularly in the food and beverage industry. Companies that manage competitive pricing strategies without sacrificing quality will have a strong market position. Therefore, it is crucial for coffee shops like Luargaris to regularly evaluate their pricing strategies. This strategy not only influences purchase intentions but can also increase long-term customer loyalty.

Besides price, product is also a crucial element in the marketing mix. The products offered must suit consumer tastes, be of high quality, and provide added value compared to competitors. In the context of a coffee shop, the product encompasses not only drinks and food but also the overall experience consumers experience while in the place. Menu innovation, attractive presentation, and consistency of taste are key factors in shaping customer satisfaction. According to Kotler & Armstrong (2019), good product management involves continuous product planning, development, and refinement. Luargaris can utilize customer feedback to improve the quality of the products offered. Thus, the product becomes a primary means of building a sustainable competitive advantage.

Place and promotion are also key determinants of a successful marketing mix strategy. A strategic location facilitates consumer access to products and services, while effective promotion increases consumer awareness and interest. In the coffee shop industry, an easily accessible location, adequate parking, and a comfortable atmosphere enhance appeal. On the other hand, promotions through social media, discounts, and loyalty programs can strengthen consumer emotional attachment. Both must be managed synergistically to support overall marketing objectives. In this study, price and product quality variables were taken from the marketing mix framework to examine their impact on loyalty through satisfaction. By integrating the TPB and marketing mix concepts, it is hoped that a more comprehensive understanding of Luargaris Coffee & Kitchen consumer behavior can be achieved.

Literature Review

The relationship between price, product quality, and customer loyalty has been extensively studied, with significant emphasis on understanding how consumer satisfaction mediates this dynamic. Several studies have found that product quality plays a central role in shaping customer loyalty. For instance, Ma'arifah et al. (2021) explored how Batik Keris Surakarta's marketing mix strategy contributed to enhancing customer loyalty by focusing on delivering high-quality products that meet consumer expectations. Similarly, Nanda et al. (2020) investigated the effect of product differentiation in the coffee shop industry, showing that quality product offerings, paired with effective Instagram marketing strategies, foster greater consumer loyalty. In the context of coffee shops, Puji et al. (2022) found that product quality and price significantly affect customer loyalty, with customer satisfaction as a key mediating factor.

Price is often considered one of the most influential factors in determining consumer behavior, especially in competitive markets. According to Dewi et al. (2021), the price element of the marketing mix must align with perceived quality to maintain customer satisfaction, ultimately driving loyalty. While a competitive price point can attract customers, it is the combination of affordable pricing and superior product quality that ensures long-term customer retention. For example, Putra et al. (2022) demonstrated that Starbucks' focus on offering quality coffee at competitive prices directly impacts consumer satisfaction, which in turn strengthens customer loyalty.

In the study by Hartono et al. (2021), it was highlighted that the ease of transactions and e-service quality provided by e-commerce platforms also contributes significantly to purchasing decisions. This is directly relevant to coffee shops and other businesses with online ordering systems. Consumers' satisfaction with the purchasing process, which includes aspects like website navigation, customer service, and prompt delivery, indirectly influences their loyalty towards the brand. This shows that service quality and product quality both play vital roles in shaping customer perceptions and subsequent loyalty.

Moreover, studies indicate that customer satisfaction itself serves not only as a response to product or service quality but as a critical mediator in reinforcing the effect of both price and product quality on consumer loyalty. Panjaitan and Setyorini (2019) conducted research that explicitly confirmed that customer satisfaction acts as a mediating variable in the relationship between marketing strategies and customer loyalty. This underscores the importance of satisfying customers, as even when the price is favorable, it is the perceived quality and satisfaction that make a long-lasting impact on customer retention.

The interplay between price and product quality is particularly pronounced in markets like coffee shops, where consumer choices are heavily influenced by both price sensitivity and product differentiation. As Muhafidhah (2020) noted, consumers often perceive value not only through price but through the unique features that distinguish products from competitors. By offering a distinct experience through high-quality coffee and customer service, businesses like Luargaris Coffee & Kitchen can leverage these elements to foster a loyal customer base.

In the fast-paced and ever-evolving consumer landscape, companies must adapt their marketing strategies to maintain competitive advantages. Solikha and Suprpta (2020) pointed out that service quality is integral to customer satisfaction, which then becomes an intermediary factor in fostering customer loyalty. A customer who is satisfied with the service is more likely to return, and in the context of coffee shops, the ability to provide excellent service can differentiate a brand in a crowded market.

Furthermore, studies such as that by Yanuar (2018) have explored the role of social media, specifically Instagram, in promoting brands and influencing consumer loyalty. The study highlighted that consumers who engage with a brand on Instagram tend to develop a stronger emotional connection to the product, especially when

the brand offers high-quality content and interacts with followers. This digital engagement, coupled with satisfying product quality and pricing, enhances the likelihood of repeat purchases and customer loyalty.

The importance of customer satisfaction as a mediator is also emphasized in studies of online purchasing behaviors, such as the research by Susanto et al. (2023), which examined perceived security and information quality in online shopping. It found that consumers' trust and the quality of the information they receive about products are critical in shaping their purchasing decisions and satisfaction, which directly impacts loyalty. This finding is relevant to coffee shops and restaurants that maintain an online presence, as it indicates that enhancing customer experience and satisfaction in both physical and digital platforms can result in long-term loyalty.

Finally, in competitive industries such as the food and beverage sector, maintaining competitive pricing while ensuring high product quality is essential for sustaining consumer loyalty. As Wina (2015) noted, differentiation strategies that focus on unique product offerings and consistent quality can create a competitive edge, ensuring customer loyalty despite fluctuating market prices. As businesses like Luargaris Coffee & Kitchen continue to refine their marketing strategies, focusing on both quality and price, alongside customer satisfaction, will be critical for fostering lasting consumer loyalty.

This literature review synthesizes key research findings around the role of price, product quality, and consumer satisfaction in shaping customer loyalty, with insights drawn from the studies provide.

Hypothesis Development

The Influence of Price on Consumer Loyalty

Santoso (2019) found that appropriate pricing can encourage consumer loyalty, and Astuti (2022) stated that consumers tend to be loyal to a brand if the price is perceived as fair and profitable. These findings emphasize that price is a crucial element in strengthening consumer attachment to a product or service. Within the Theory of Planned Behavior (Ajzen, 1991) framework, the perception of fairness in prices (price fairness) forms a positive attitude toward a product—because consumers perceive the price and benefits as balanced—which then increases behavioral intention to repurchase. A study by Zhang et al. (2021) showed that price fairness significantly improves consumer attitudes and usage intentions, which is consistent with the TPB. Furthermore, consumers' belief that they can repurchase the product (perceived behavioral control) will strengthen this intention, ultimately contributing to loyalty.

H1: Price has a positive effect on consumer loyalty.

The Influence of Product Quality on Consumer Loyalty

Research by Indrawati (2018) shows that product quality contributes significantly to customer loyalty, and Mahanani & Alam (2022) emphasize that consumers remain loyal if the quality they receive consistently meets expectations. These findings reinforce the role of superior quality in retaining a customer base. According to the Theory of Planned Behavior (Ajzen, 1991), positive perceptions of product quality shape attitudes that support repeat purchases. Furthermore, when consumers believe they can consistently obtain quality products (perceived behavioral control), their behavioral intention to be loyal is strengthened. An empirical study by Calvin Johari & Keni Keni (2022) on MSME cake products shows that product quality, consumer attitudes, and perceived behavioral control positively and significantly influence purchase intentions, in line with the TPB model. Thus, product quality shapes not only attitudes and behavioral control but also repurchase intentions—a crucial step towards customer loyalty.

H2: Product quality has a positive effect on consumer loyalty.

The Influence of Price on Consumer Satisfaction

Research by Solikha & Suprpta (2020) shows that price has a significant impact on customer satisfaction, while Pardede (2021) asserts that fair and rational pricing significantly increases customer satisfaction. Within the framework of the Theory of Planned Behavior (Ajzen, 1991), the perception of fair prices contributes to the formation of a positive attitude toward a product—because consumers perceive a balance between price and benefits—which subsequently strengthens behavioral intentions to make a purchase. A study by Susanti (2019) in the hotel sector stated that perceived price fairness has a significant effect on customer satisfaction, and this satisfaction acts as a mediator that strengthens customer loyalty. Furthermore, consumers' confidence that they can afford and receive a fair price (perceived behavioral control) also increases repurchase intentions. Thus, regular price evaluation is not only important for maintaining satisfaction standards but also supporting loyal consumer intentions and behavior.

H3: Price has a positive effect on consumer satisfaction.

The Influence of Product Quality on Consumer Satisfaction

Research by Afnina & Hastuti (2018) revealed that product quality is a major driver of customer satisfaction, and Imron (2019) emphasized that maintaining product quality according to consumer expectations is crucial for achieving high levels of satisfaction. These findings indicate that products that consistently meet expectations not only increase customer trust but also positively impact overall business performance. From the perspective of the Theory of Planned Behavior (Ajzen, 1991), consumer perceptions of product quality (perceived product quality) shape Positive attitude toward a brand — consumers tend to view quality products as a good choice, which increases behavioral intention to repurchase. A study by Calvin Johari & Keni Keni (2022) in the context of MSMEs selling cake products showed that quality (as an antecedent variable) significantly influences attitude and purchase intention, verifying this TPB mechanism. Furthermore, when consumers feel able to access and trust that product quality will always be present (perceived behavioral control), their intentions become stronger, significantly influencing loyalty behavior.

H4: Product quality has a positive effect on consumer satisfaction.

The Influence of Consumer Satisfaction on Consumer Loyalty

Astuti (2022) stated that there is a close relationship between customer satisfaction and loyalty, and Santoso (2019) found a positive correlation between the two. This suggests that maintaining customer satisfaction is key to maintaining long-term loyalty. Based on the Theory of Planned Behavior (Ajzen, 1991), customer satisfaction shapes Attitude is a positive attitude toward a brand or product that then increases behavioral intention to continue purchasing. The results of a study by Lee et al. (2022) in the context of tenants show that satisfaction has a direct and significant effect on loyalty, in line with the TPB pattern where a positive attitude toward satisfaction strengthens loyal intentions and behavior. Furthermore, when consumers feel confident that they have control over the decision to continue using a product or service (perceived behavioral control), the intention to remain loyal is strengthened—strengthening the relationship between intention and behavior within the TPB framework.

H5: Consumer satisfaction has a positive effect on consumer loyalty.

The Influence of Price on Consumer Loyalty through Consumer Satisfaction

According to Astuti (2022), a price commensurate with a product's value directly influences loyalty, especially when consumers feel satisfied after a purchase. Santoso (2019) also emphasized that consumer satisfaction is a

crucial channel bridging the influence of price on loyalty. This emphasizes that appropriate pricing, combined with achieving satisfaction, will strengthen consumer attachment to a brand. Within the TPB framework (Ajzen, 1991), consumer perceptions of price fairness play a role in shaping a positive attitude toward the brand. This attitude then increases behavioral intention to continue purchasing. A study by Puteri & Bernarto (2022) on the GoJek platform concluded that price fairness significantly influences consumer satisfaction, which in turn drives loyalty—strengthening the TPB mechanism where attitudes and intentions are influenced by price perceptions. Furthermore, perceived behavioral control—the belief that consumers can afford quality products at a fair price—also strengthens repurchase intentions. Therefore, careful price evaluation that is always aligned with product quality not only maintains satisfaction but also fosters consumer loyalty intentions and behavior.

H6: Price has a positive effect on Consumer Loyalty through Customer Satisfaction

The Influence of Product Quality on Consumer Loyalty through Consumer Satisfaction

Astuti's (2022) research shows that good product quality can create satisfaction and trigger customer loyalty, while Palilati et al. (2022) added that quality products also strengthen consumers' emotional attachment to the brand. Within the framework of the Theory of Planned Behavior (Ajzen, 1991), product quality perception is the main premise for the formation of brand loyalty. *attitude* (positive attitude), because consumers who believe that quality meets expectations will form a positive evaluation of the product. Furthermore, the belief that quality products are consistently available (perceived behavioral control) strengthens the intention to repurchase. A study by Calvin Johari & Keni Keni (2022), which analyzed MSMEs selling cakes, showed that product quality variables had a significant positive effect on attitude and purchase intention, confirming the TPB mechanism in the context of product quality. Thus, continuous quality improvement, whether through innovation or refinement, not only builds positive attitudes and behavioral control but also strengthens consumer intentions and brand loyalty.

H7: Quality has a positive effect on Consumer Loyalty through Customer Satisfaction

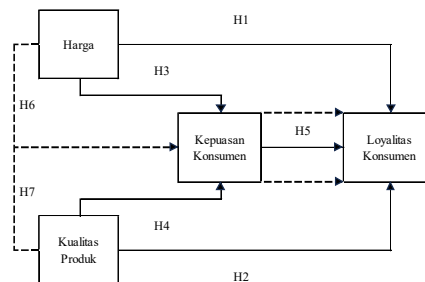


Figure 1. Research Model

Data Types and Sources

This research primarily relies on primary data, which was gathered directly from participants who are consumers of Luargaris Coffee & Kitchen. The data collection process involved engaging with customers who had firsthand experiences with the café's offerings. The primary data was obtained through a carefully structured questionnaire designed specifically to address the research objectives. This method allowed for the collection of rich, firsthand insights into the consumers' perceptions and behaviors regarding factors like price, product quality, customer satisfaction, and loyalty. To ensure comprehensive and targeted responses, the questionnaire was meticulously developed to capture relevant information aligned with the research focus. It was distributed to a select group of respondents who had actively visited the café, thus ensuring that the data reflected real consumer experiences. The

approach allowed the study to obtain direct feedback from those who have interacted with the business, providing a more accurate and detailed understanding of their preferences and behaviors.

All data gathered through this process is original, as it was collected specifically for this study, and has not been published in any prior research. This guarantees the relevance of the data to the current research and enhances its validity. By focusing on primary sources, the study ensures that the insights are not only authentic but also tailored to the specific context of Luargaris Coffee & Kitchen, making the findings both pertinent and reliable.

3. Research Methods

The study employed a quantitative approach, utilizing a closed-ended questionnaire that was designed based on established theoretical indicators for each variable being studied. This method enabled the collection of specific, measurable data that could be effectively analyzed. The questionnaires were distributed directly to customers who had previously visited Luargaris Coffee & Kitchen. The selection of participants was based on relevant demographic factors such as gender, age group, and previous visitation experience at the café, ensuring that the sample was diverse and represented the target consumer base.

A total of 372 respondents were successfully surveyed, meeting the study's inclusion criteria. This sample size was considered adequate to provide reliable results for statistical analysis. The data collected were analyzed using SPSS software, which allowed for both partial and simultaneous testing of the variables' effects. This analysis provided insights into how various factors, such as price and product quality, influence customer satisfaction and loyalty.

Variable	Type of Variable	Definition	Indicator	Scale
Price (X1)	Independent Variable	Price is the amount of money charged for a product or service	1. Price Suitability 2. Price List 3. Price Discount 4. Price Perception	Likert
Product Quality (X2)	Independent Variable	Product quality refers to the characteristics or attributes of a product or service that determine how well it meets consumer needs, both direct and latent	1. Product Performance 2. Additional Features 3. Specification Conformance 4. Aesthetics	Likert
Customer Loyalty (Y)	Dependent Variable	Customers who are satisfied with a product or service and make repeat purchases, showing loyalty to the brand	1. Reuse of Service 2. Recommend to Others	Likert
Customer Satisfaction (Z)	Intervening Variable	Consumers' satisfaction with whether their expectations and desires are met, based on the menu, price, facilities, and services provided	1. Expectation Suitability 2. Willingness to Revisit 3. Willingness to Recommend	Likert

Table 1. Methods Research

Source: *Processed from various sources(Nanda Annisa et al., 2020)*

Research Instruments

Research Muhammad & Febriatmoko, (2022) For data collection, this study utilized a Likert scale ranging from 1 to 5. Respondents were asked to indicate their level of agreement with various statements, where a score of 5 represented "Strongly Agree" (SS) and a score of 1 represented "Strongly Disagree" (STS). The scale was specifically designed to capture the intensity of respondents' attitudes, opinions, and perceptions regarding the variables under study. The structure of the research instrument was adapted from previous research conducted by Muhammad & Febriatmoko (2022), who developed similar measurement scales to assess various consumer-related behaviors. This allowed the study to use well-established indicators for each variable, ensuring consistency and reliability in measuring the constructs defined in the operationalization phase.

The use of a Likert scale enables the researchers to quantitatively assess subjective opinions, making it easier to analyze trends and patterns in consumer responses. By employing this scale, the study can measure not just the direction of respondents' attitudes but also the intensity, providing a more comprehensive understanding of consumer preferences and attitudes toward price, product quality, customer satisfaction, and loyalty. This structured approach is particularly beneficial for studying attitudes in a systematic and quantifiable manner, ensuring the validity of the data collected.

Time, Location and Object of Research

The study was carried out in 2023, specifically at Luargaris Coffee & Kitchen, located in Tiban, Batam. The research focused on the visitors of this café, who were chosen as the subjects due to their direct experiences with the café's offerings. By selecting customers who had already interacted with the business, the study aimed to gather real-time feedback from individuals who had firsthand experience of the café's products and services. This approach allowed for the collection of data that is both relevant and grounded in actual consumer behavior, providing insights into the factors influencing customer loyalty and satisfaction at the café. The choice of location, Luargaris Coffee & Kitchen, was strategic as it represented a popular establishment with a diverse customer base.

Conducting research at a specific and active site, such as this café, provided the researchers with a targeted demographic. It also allowed for the study to capture valuable context-specific insights that are critical to understanding the local consumer market. The research's object was, therefore, centered on the interactions between the business and its customers, focusing on how price, product quality, and customer satisfaction affect consumer loyalty in the context of this café.

Sample Size Determination Technique

The sample size for this research was carefully determined based on the specific characteristics of the consumer group being targeted. To ensure the validity and relevance of the data, only individuals who had visited Luargaris Coffee & Kitchen in Tiban, Batam, were selected. This selective sampling approach was essential to ensure that the data collected directly reflected the experiences of customers who were familiar with the café and its offerings. The researchers aimed to capture a representative sample of the consumer population by focusing on those who had engaged with the business, allowing the results to be more meaningful and applicable to the study's objectives.

The questionnaires were distributed between November 6–12, 2023, ensuring that the responses came from customers who had visited the café during that specific period. This timeline was carefully chosen to maintain

consistency and to ensure that the data collected was representative of the recent consumer experiences at the café. By limiting the sample to this observation window, the researchers could mitigate the potential effects of seasonal or temporal fluctuations in customer behavior, thus ensuring that the findings would be relevant and accurately reflect the café's typical customer base during that period.

Sampling Techniques

In this study, a non-probability sampling method was used, which means that not all individuals in the target population had an equal chance of being selected to participate. Unlike probability sampling, where each individual has a known and equal chance of being included in the sample, non-probability sampling relies on the researcher's discretion to select respondents based on specific criteria. This approach is particularly useful when the focus is on a targeted group, such as consumers who have visited Luargaris Coffee & Kitchen. While this method does not guarantee statistical representativeness, it ensures that the sample consists of individuals whose experiences are relevant to the study's objectives.

Non-probability sampling allows the researchers to focus on gathering data from consumers with specific characteristics, such as having already visited the café. This technique can be advantageous when the goal is to gather in-depth insights from a particular segment of the population. While it does limit the ability to generalize findings to the entire population, it provides more precise data on the behavior and attitudes of a specific group that is directly relevant to the research question. Furthermore, a purposive sampling approach was employed, a selection technique based on specific considerations and objectives. Respondents were deliberately selected because they possessed specific characteristics relevant to the research focus. This approach allowed the researchers to obtain more in-depth information from subjects who truly understood the context of the problem, thus ensuring that the results obtained were more in line with the analysis's needs.

Meanwhile, the use of purposive sampling techniques in this context is not merely a matter of practicality, but rather part of a methodological strategy that emphasizes data quality over quantity. By establishing selection criteria such as experience, position, or involvement in the phenomenon being studied, researchers can ensure that only respondents deemed capable of providing meaningful and relevant answers are interviewed. This technique is particularly useful in exploratory or qualitative studies, where depth of understanding is far more important than statistical representation of the broader population.

Data collection technique

Collection data technique on capture consumer perceptions and experiences regarding price, quality, satisfaction, and loyalty. Dissemination was conducted online, using the Google Forms platform, facilitating respondent participation and expediting the data collection process. The online approach was chosen to reach consumers more widely and efficiently.

Data Processing Techniques

After collecting the questionnaire data, the next step was to tabulate the initial data using Microsoft Excel. This process involved organizing the data into tables for easier analysis and interpretation. The data was then imported into SmartPLS software for further processing, including analyzing relationships between variables and testing hypotheses. This allowed the analysis process to be conducted systematically and based on measurable statistics.

Data Analysis Techniques

1. Partial Least Square (PLS) Data Analysis

Data analysis using the Partial Least Squares (PLS) method was conducted to evaluate the relationship between the variables in this study: price, product quality, consumer loyalty, and consumer satisfaction. PLS was chosen because of its ability to handle models with multiple indicators and to analyze relationships between latent variables simultaneously. This method also allows for data analysis with a relatively small sample size and does not require specific data distribution assumptions, making it suitable for research involving consumer behavior factors.

In this research, PLS (Partial Least Squares) analysis was performed in two key phases: the outer model and the inner model. The first phase, the evaluation of the outer model, focuses on assessing the validity and reliability of the measurement indicators for each variable. This step is crucial to ensure that the indicators effectively capture the intended constructs and that the data is consistent and dependable. Through this evaluation, the study ensures that the model's measurements align with the theoretical framework and reflect the variables accurately.

The second phase involves the inner model, which examines the relationships between latent variables and tests the strength and significance of their interconnections. This phase is designed to explore how the latent variables interact and influence each other, providing insights into the underlying structural model. By evaluating the inner model, the study can confirm whether the hypothesized relationships between variables hold true and assess their impact on the overall model's outcomes.

Evaluation of Measurement Model (Outer Model)

a. Convergent Validity

Convergent validity is assessed by examining the measurement indicators for each construct to ensure that they consistently represent the same underlying concept. This form of validity checks whether the indicators that are intended to measure the same construct are indeed converging, or aligned, in terms of their responses. To ensure this, the cross-loading value for each variable must exceed a threshold of 0.70. If any indicator demonstrates a factor loading below this value, it is considered weak and will be excluded from the model to maintain the integrity of the construct's measurement.

Table 2 Convergent Validity

Variable	Indicator	Outer Loadings	Notes
Price	HG1	0.893	Valid
	HG2	0.778	Valid
	HG3	0.839	Valid
	HG4	0.913	Valid
	HG5	0.923	Valid
Product Quality	KP1	0.810	Valid
	KP2	0.871	Valid
	KP3	0.897	Valid
	KP4	0.916	Valid
	KP5	0.929	Valid
Consumer Loyalty	LK1	0.832	Valid
	LK2	0.832	Valid

	LK3	0.905	Valid
	LK4	0.896	Valid
	LK5	0.927	Valid
Consumer Satisfaction	KK1	0.833	Valid
	KK2	0.827	Valid
	KK3	0.779	Valid
	KK4	0.853	Valid
	KK5	0.843	Valid

The modifications reflected in Figure 2 reveal that all the measurement indicators successfully meet the criteria for convergent validity. Specifically, each indicator demonstrates a loading factor greater than 0.70, which is the threshold for ensuring that the indicators are reliably capturing the intended construct. This indicates that the indicators are well-aligned with the theoretical framework, showing consistency in their measurement.

As a result, the findings suggest that the measurement model is robust, as all indicators contribute effectively to their respective constructs. The high loading factor values further confirm the validity of the model, affirming that each construct is represented by indicators that are both relevant and dependable in measuring the desired variables.

Table 3 Discriminant Validity

Variable	Price	Consumer Satisfaction	Product Quality	Consumer Loyalty
Price	0.945	0.919	0.948	0.903
Consumer Satisfaction	0.953	0.919	0.919	0.923
Product Quality	0.919	0.948	0.919	0.903
Consumer Loyalty	0.925	0.955	0.895	0.923

Based on the data analysis presented in Table 3, it can be observed that the loading factor values for the indicators of each variable are notably higher compared to the loading values of other variables. This suggests that the indicators are effectively measuring their respective constructs, displaying strong alignment with the theoretical framework. The higher the loading factor, the more reliable the indicator is in representing its corresponding variable.

However, it is also important to note that some variables show high correlations with other constructs. While

this does not necessarily undermine their validity, it suggests that these variables may share common underlying dimensions, indicating potential overlap. Despite this, the overall results indicate that each variable exhibits good discriminant validity, as the indicators demonstrate sufficient distinction from one another while still being closely related within their respective constructs.

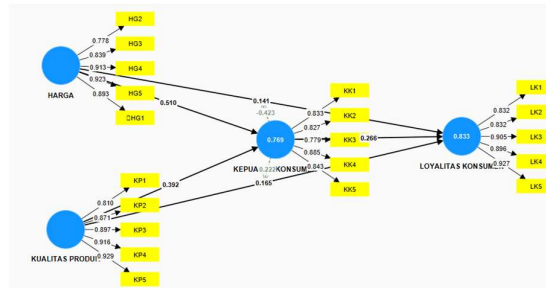


Figure 2 PLS Algorithm Results

The changes presented in Figure 2 demonstrate that every indicator has satisfied the criteria for convergent validity. Each indicator shows a loading factor exceeding the 0.70 threshold, which is considered the benchmark for establishing the strength of the relationship between the indicators and their corresponding constructs. This confirms that the indicators are effectively representing the constructs they are intended to measure.

These results validate the consistency and reliability of the measurement model. Since all the indicators have high loading values, it indicates that the model's constructs are accurately reflected, ensuring the validity of the study's measurement framework. Thus, the indicators are deemed appropriate for their respective variables, reinforcing the overall integrity of the model.

	HARGA	KUALITAS PRODUK	KEPUAHAN KONSUMEN	LOYALITAS KONSUMEN
HARGA	0.778			
KUALITAS PRODUK	0.510	0.918		
KEPUAHAN KONSUMEN	0.541	0.510	0.769	
LOYALITAS KONSUMEN			0.769	0.821

Figure 3 Output 1

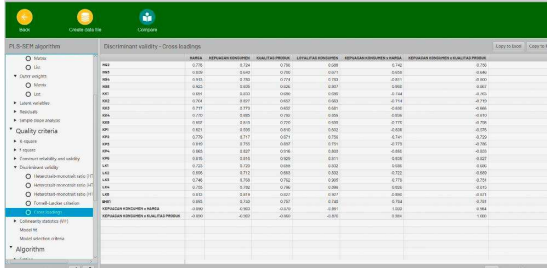


Figure 4. Output 2

b. Discriminant Validity

Discriminant validity is assessed to confirm that each construct is conceptually distinct from the others within the model. In other words, it ensures that the constructs are measuring different concepts and do not overlap excessively. A construct is considered to have good discriminant validity when the loading factor for each indicator is higher for its corresponding latent variable than it is for other variables. This indicates that each variable is uniquely represented by its indicators, without undue correlation with other constructs.

For a construct to achieve strong discriminant validity, the loading factor of its indicators must exceed those associated with other constructs in the model. When this condition is met, it confirms that the constructs are distinct and each indicator is appropriately linked to the variable it is intended to measure. If any loading factor for an indicator is higher for another construct, this could suggest that the constructs are not sufficiently separated, which would undermine the validity of the model.

In this study, the PLS algorithm was used to test discriminant validity. The results from the analysis confirmed that the constructs meet the required standards, with each indicator showing the highest loading factor for its respective latent variable when compared to other latent variables. These findings indicate that the model successfully differentiates between the constructs, ensuring the robustness and reliability of the results.

Table 4. Discriminant validity

Variable	Price	Consumer Satisfaction	Product Quality	Consumer Loyalty
Price	0.945	0.919	0.948	0.903
Consumer Satisfaction	0.953	0.919	0.919	0.923
Product Quality	0.919	0.948	0.919	0.903
Consumer Loyalty	0.925	0.955	0.895	0.923

Based on the data analysis presented in Table 4, it is evident that the loading factor values for the indicators of each variable are the highest when compared to those of other variables. This suggests that the indicators are effectively capturing the intended constructs, demonstrating their strong association with the variables they represent. The high loading factor values indicate that the constructs are measured with a high degree of reliability and consistency.

However, despite these high loading factors, some variables show a notable correlation with other constructs. While this does not necessarily undermine their validity, it highlights the potential overlap between certain constructs. Nevertheless, the overall analysis indicates that the model maintains good discriminant validity, as the primary indicators of each variable still demonstrate clear and distinct relationships with their respective constructs.

c. Construct Reliability and Validity

Table 5. Construct Reliability and Validity

Variable	Composite Reliability	Average Variance Extracted (AVE)
Price	0.944	0.758
Consumer Satisfaction	0.919	0.773
Product Quality	0.948	0.784
Consumer Loyalty	0.944	0.773

The data analysis results presented in Table 5 show that the composite reliability test yielded satisfactory outcomes. All of the variables in the study demonstrate good reliability, as the composite reliability values for each latent variable exceed the threshold of 0.70. This indicates that each construct in the model is measured consistently and that the indicators are performing reliably, ensuring the accuracy of the research instrument used in the study.

The high composite reliability scores suggest that the questionnaire employed in this research is both consistent and dependable, making it a valid tool for measuring the intended constructs. This consistency further supports the credibility of the results, as the reliability of the measurements directly impacts the validity of the conclusions drawn from the data. Therefore, the research instrument can be considered appropriate for capturing the relevant data on the variables under investigation.

Additionally, the Average Variance Extracted (AVE) values in the analysis were found to be greater than the correlation values between the constructs in the model. This implies that the AVE values meet the required standards for the next phase of testing. A higher AVE signifies that the constructs share more variance with their respective indicators than with other constructs, further strengthening the validity of the model and confirming that the subsequent testing steps can proceed confidently.

Table 6. Structural Equation Model (Inner Model)

Variable	Price	Consumer Satisfaction	Product Quality	Consumer Loyalty
Price	0.945	0.919	0.948	0.903
Consumer Satisfaction	0.953	0.919	0.919	0.923
Product Quality	0.919	0.948	0.919	0.903
Consumer Loyalty	0.925	0.955	0.895	0.923

A structural model is developed based on theoretical concepts to examine the relationships between exogenous and endogenous variables, as outlined in the conceptual framework. The evaluation of the structural model, or inner model, is carried out through various stages, which include the calculation of key metrics to assess the strength of the relationships between the variables. These steps help to ensure that the model accurately reflects the theoretical constructs and their interactions.

a. *Coefficient of Determination(R²)*

Table 7. Coefficient of Determination

Variable	R-square
Consumer Satisfaction	0.769
Consumer Loyalty	0.883

In the data analysis presented in Table 7, the Coefficient of Determination (R²) values for the variables are shown. For Consumer Satisfaction, the R² value is 0.769, indicating that 76.9% of the variation in customer satisfaction is explained by the model, suggesting a strong relationship. Similarly, the Consumer Loyalty variable has an R² value of 0.883, meaning that 88% of the variation in consumer loyalty can be attributed to the factors in the model, demonstrating a very strong explanatory power.

b. *F Square Value*

Table 8. F Square Value

Variable	Variable	R-square
Consumer Satisfaction	Price	0.241
Consumer Loyalty	Product Quality	0.143

In Table 8, the F Square values for the variables in the model are provided. For the Consumer Satisfaction variable, the F² value with respect to Price is 0.241, indicating a moderate effect size. This suggests that Price has a notable impact on Consumer Satisfaction, contributing to a significant portion of the variation in this construct. Meanwhile, the Consumer Loyalty variable shows an F² value of 0.143 in relation to Product Quality, implying a relatively small but still meaningful effect of product quality on customer loyalty. These values help assess the strength of each variable's influence on the dependent constructs

c. *Q Square Value*

Table 9. Q Square Value

Variable	Variable	Q ²
Consumer Satisfaction	Consumer Satisfaction	0.529
Consumer Loyalty	Consumer Loyalty	0.617

In Table 9, the Q² values for the constructs are presented, offering insight into the predictive relevance of the model. For Consumer Satisfaction, the Q² value is 0.529, which indicates that the model has moderate predictive

relevance for explaining customer satisfaction. Similarly, the Consumer Loyalty variable has a Q^2 value of 0.617, suggesting a high level of predictive relevance for explaining consumer loyalty. These values provide an understanding of how well the model predicts the outcomes, with higher Q^2 values reflecting better predictive performance.

d. Hypothesis Testing

In hypothesis testing, it is crucial that the estimated path relationship within the structural model is statistically significant. To assess the significance of these relationships, the bootstrapping procedure is employed, which allows for the estimation of standard errors and t-values. This method helps determine whether the hypothesized relationships between the variables hold true. The significance of each hypothesis is evaluated by examining the parameter coefficients and their corresponding t-values as reported in the bootstrapping algorithm.

To evaluate whether a relationship is statistically significant, the calculated t-statistic is compared against the critical value from the t-table at an alpha level of 0.05 (5%), which corresponds to a critical value of 1.96. If the calculated t-statistic exceeds this threshold, the hypothesis is considered significant. This comparison ensures that the relationships tested within the model have sufficient statistical backing, confirming their relevance in explaining the underlying phenomena.

Table 10. Hypothesis Testing

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Price -> Consumer Satisfaction	0.510	0.508	0.054	9.421	0.000
Pricw -> Consumer Loyalty	0.141	0.135	0.081	1.742	0.082
Consumer Satisfaction -> Consumer Loyalty	0.266	0.271	0.080	3.328	0.001
Product Quality -> Consumer Satisfaction	0.392	0.394	0.051	7.658	0.000
Product Quality -> Consumer Loyalty	0.165	0.171	0.077	2.145	0.032

Based on Table 10, the Direct Relationship Hypothesis Test shows that all have an influence with a p-value below 0.05, except for price on consumer loyalty, which shows an insignificant influence with a p-value of 0.082 > 0.05.

e. Mediation Relationship Test Results

The mediation hypothesis test was conducted to analyze the indirect effects between the independent and dependent variables through the mediating variable. This test helps to determine whether a third variable influences the relationship between the primary variables. The significance of these indirect relationships was evaluated by comparing the calculated t-statistic with the critical value from the t-table at a significance level of 0.05 (5%), where the threshold is set at 1.96. If the t-statistic exceeds this value, the mediation effect is considered significant.

In this research, Consumer Perceived Value was selected as the mediating variable to examine how it influences the relationship between the independent and dependent variables. By assessing this indirect path, the study aims to understand the role of perceived value in shaping customer behaviors and satisfaction. The results of this mediation test provide deeper insights into how consumer perceptions affect the overall dynamics of the model.

Table 11 Mediation Relationship Test

Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T Value	P values
Consumer Satisfaction x Pice -> Consumer Loyalty	-0.423	-0.416	0.106	3.989
Consumer Satisfaction x Product Quality -> Consumer Loyalty	0.222	0.218	0.108	2.046

Based on Table 11 of the Mediation Relationship Hypothesis Test, it can be seen that the consumer satisfaction variable mediates the relationship between variables X and Y.

Discussion

1. The Influence of Price on Consumer Loyalty

The results of the analysis show that the hypothesis stating that Price (X1) has a positive effect on Consumer Loyalty (Y) at LuarGaris Coffee & Kitchen cannot be accepted statistically, because the significance value of 0.082 is greater than the commonly used significance limit ($\alpha = 0.05$). This means that statistically, there is no significant influence between price and consumer loyalty.

Although theoretically competitive or quality-compared prices can influence loyalty, in the context of this study, price has not been proven to be a dominant factor influencing customer loyalty. This could be because consumers may consider other factors such as product quality, ambiance, service, or convenience more than price alone. Consequently, LuarGaris Coffee & Kitchen management is advised not to focus too much on pricing strategy as a determinant of customer loyalty. Instead, they need to evaluate other aspects of the customer experience that may play a greater role in building loyalty, such as service, menu innovation, or ambiance.

2. The Influence of Product Quality on Consumer Loyalty

From the results of the analysis conducted, it is proven that the hypothesis stating that Product Quality (X2) has a positive effect on Consumer Loyalty (Y) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value of 2.145, this result indicates that product quality has a significant positive effect on consumer loyalty. Improving product quality at the coffee shop can not only increase customer satisfaction but also strengthen their loyalty to the brand. Thus, focusing on improving product quality at LuarGaris Coffee & Kitchen can bring significant benefits in strengthening the relationship between the quality of the products offered and consumer loyalty. This can also help in building a positive brand image in the eyes of customers and strengthen the coffee shop's position in the market. Thus, creating high-quality products can be an effective strategy in increasing customer loyalty and long-term business success.

3. The Influence of Price on Consumer Satisfaction

From the results of the analysis conducted, it can be concluded that the hypothesis stating that Price (X1) has

a positive effect on Consumer Satisfaction (Z) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value of 9.421, this finding confirms the existence of a significant positive influence between product prices and consumer satisfaction levels. This indicates that reasonable prices and in accordance with product value can increase consumer satisfaction at the coffee shop. Increasing consumer satisfaction can be a key factor in building customer loyalty to the brand, because high customer satisfaction tends to be closely related to consumer loyalty. Therefore, by maintaining reasonable prices and providing satisfactory value to consumers, LuarGaris Coffee & Kitchen can strengthen relationships with customers and increase loyalty.

4. The Influence of Product Quality on Consumer Satisfaction

From the results of the analysis that has been carried out, it can be concluded that the hypothesis stating that Product Quality (X2) has a positive effect on Consumer Satisfaction (Z) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value of 4.125, this finding confirms the existence of a significant positive influence between the quality of the products offered and the level of consumer satisfaction. This shows that improving product quality at the coffee shop can increase consumer satisfaction and strengthen the relationship between the brand and customers.

Improving product quality can directly create a positive experience for consumers, increase their trust in the brand, and lead to higher satisfaction. Good product quality can also differentiate LuarGaris Coffee & Kitchen from its competitors and build a strong reputation among customers. By prioritizing product quality, coffee shops can ensure high customer satisfaction, strengthen customer loyalty, and create lasting relationships with consumers, ultimately leading to long-term business success.

5. The Influence of Consumer Loyalty on Consumer Satisfaction

From the results of the analysis that has been carried out, it can be concluded that the hypothesis stating that Consumer Satisfaction (Z) has a positive effect on Consumer Loyalty (Y) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value of 3.975, this finding indicates a positive and significant influence between the level of consumer satisfaction and consumer loyalty. This confirms that consumer satisfaction at the coffee shop has an important role in building and maintaining strong and sustainable customer loyalty.

Customer satisfaction can be considered a key indicator of the quality of service and products provided by LuarGaris Coffee & Kitchen. By ensuring that customers are satisfied with their experience, coffee shops can foster strong customer loyalty. Customer satisfaction can also help build positive brand-customer relationships, increase customer retention, and even expand brand reach through positive recommendations from satisfied customers. Therefore, a consistent focus on improving customer satisfaction can be an effective strategy for building customer loyalty and achieving long-term success in the coffee industry.

6. The Influence of Price on Consumer Loyalty Through Consumer Satisfaction as an Intervening Variable

From the results of the analysis, it can be concluded that the hypothesis stating that Price (X1) has a positive effect on Consumer Loyalty (Y) through Consumer Satisfaction (Z) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value between Price and Consumer Satisfaction, as well as between Consumer Satisfaction and Consumer Loyalty, this finding indicates a positive effect of price on consumer loyalty through the level of consumer satisfaction.

This emphasizes the importance of striking a balance between price and customer satisfaction. By setting reasonable prices that align with product value, coffee shops can foster high levels of customer satisfaction, which in turn can influence brand loyalty. High customer satisfaction can be key to building a strong relationship between price, satisfaction, and customer loyalty. Therefore, focusing on managing price and customer satisfaction simultaneously can help LuarGaris Coffee & Kitchen maintain and enhance customer loyalty, strengthening its market position.

7. The Influence of Product Quality on Consumer Loyalty Through Consumer Satisfaction as an Intervening Variable

From the results of the analysis that has been carried out, it can be concluded that the hypothesis stating that Product Quality (X2) has a positive effect on Consumer Loyalty (Y) through Consumer Satisfaction (Z) at LuarGaris Coffee & Kitchen is accepted. With a significant T-value between Product Quality and Consumer Satisfaction, as well as between Consumer Satisfaction and Consumer Loyalty, this finding indicates a positive influence of product quality on consumer loyalty through the level of consumer satisfaction.

This confirms that good product quality can create a positive experience for consumers, increase their satisfaction, and ultimately strengthen brand loyalty. By focusing on improving product quality, LuarGaris Coffee & Kitchen can not only increase customer satisfaction levels but also build strong relationships with customers. Thus, an integrated strategy of product quality, customer satisfaction, and customer loyalty can be the key to the coffee shop's long-term success, ensuring business sustainability and customer satisfaction.

4. Conclusion

Based on the findings of the analysis conducted, this study concludes that both price and product quality play a significant role in shaping consumer satisfaction and loyalty. A price perceived as fair and commensurate with the value of the benefits received will provide a positive experience for consumers. When consumers perceive that the price paid reflects the quality and service received, satisfaction levels increase significantly. This demonstrates that price perception is a crucial aspect in building long-term loyalty to a brand or business, as seen in the case of LuarGaris Coffee & Kitchen.

Besides price, product quality is also a determining factor in building customer satisfaction. Products that meet consumer expectations in terms of taste, appearance, and service consistency will strengthen customer trust in the brand. Maintaining quality can create a satisfying and enjoyable consumption experience, which ultimately strengthens consumers' commitment to repurchase or recommend the product to others. Therefore, continuous product quality improvement is a crucial aspect in maintaining loyalty.

Customer satisfaction has proven to be a crucial element in bridging the influence of price and quality on loyalty. When customers are satisfied, their relationship with the product becomes stronger, even in the face of competition. This means that strategies focused on improving quality and adjusting prices must be geared toward maximizing customer satisfaction. Therefore, LuarGaris Coffee & Kitchen needs to adjust its marketing strategy while maintaining quality and creating competitive prices that meet customer expectations to maintain loyalty and sustainably expand market share.

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