# The Effect of Product Quality, Service Quality and Price Perception on Customer Satisfaction

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***ABSTRACT***

*Maintaining and increasing brand loyalty is crucial due to a decrease in product differentiation and an increase in market uncertainty so that brand loyalty becomes a measure of the company's business performance which has an impact on product market share. The purpose of this study is to determine how perceived price, product quality, and service impact coffee shop brand loyalty by considering the mediating role of customer satisfaction in order to contribute to the literature on these relationships. The population of this study is Starbucks coffee shop customers who live in DKI Jakarta, the number of which is not known. Respondents of this study were 100 respondents with the criteria of Starbucks coffee shop customers aged 17 - 42 who had shopping experience at least 2 times in the last three months. The analysis method used is Structural Equation Modeling - Partial Least Square (SEM-PLS). The results of this study found that product quality, service quality and price perception can increase customer satisfaction and brand loyalty. Product quality, service quality, and price perception on brand loyalty can also be mediated by customer satisfaction. This research shows that coffee shops need to improve both product quality, service quality, and price perception so that coffee shops can achieve higher customer satisfaction and brand loyalty as a form of a strong foundation in the growth of coffee shops.*

***Keywords****: Brand Loyalty, Customer Satisfaction, Perceived Price, Product Qualiy, Service Quality.*

***ABSTRAK***

*Bagi pemasar mempertahankan dan meningkatkan loyalitas merek menjadi hal krusial karena adanya penurunan diferensiasi produk dan peningkatan ketidakpastian pasar sehingga loyalitas merek menjadi ukuran kinerja bisnis perusahaan yang berdampak pada pangsa pasar produk. Tujuan penelitian ini untuk mengetahui bagaimana persepsi harga, kualitas produk, dan layanan berdampak pada loyalitas merek coffee shop dengan mempertimbangkan peran mediasi kepuasan pelanggan agar dapat memberikan kontribusi pada literatur mengenai hubungan-hubungan tersebut. Populasi penelitian ini adalah pelanggan coffee shop Starbucks yang berdomisili di DKI Jakarta yang jumlahnya tidak diketahuhi. Responden penelitian ini sebanyak 100 responden dengan kriteria pelanggan coffee shop Starbucks dengan usia 17 – 42 yang memiliki pengalaman berbelanja minimal 2 kali dalam tiga bulan terakhir. Metode analisis yang digunakan adalah Structural Equation Modeling - Partial Least Square (SEM-PLS). Hasil penelitian ini menemukan bahwa kualitas produk, kualitas layanan dan persepsi harga dapat meningkatkan kepuasan pelanggan dan loyalitas merek. Kualitas produk, kualitas layanan, dan persepsi harga terhadap loyalitas merek juga dapat dimediasi kepuasan pelanggan. Penelitian ini menunjukkan bahwa coffee shop perlu meningkatkan baik kualitas produk, kualitas layanan, maupun persepsi harga supaya coffee shop dapat meraih kepuasan pelanggan dan loyalitas merek yang lebih tinggi sebagai bentuk pondasi yang kuat dalam pertumbuhan jangka panjang di pasar yang dinamis.*

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***Kata kunci**: Kepuasan Pelanggan, Kualitas Produk, Kualitas Layanan, Loyalitas Merek, Persepsi Harga.*

## INTRODUCTION

Brand loyalty is a top priority that must be maintained and improved by companies in various industries due to a decrease in product differentiation and an increase in market uncertainty. Therefore, it can be said that brand loyalty later become a measure of a company's business performance which influences the market share of a product (Khan et al., 2013). With intense competition in the industry, various coffee shops have implemented various feature innovations, such as TV, live music, and providing free WiFi for internet access to attract more customers and increase their brand loyalty (Sihombing & Walvinson, 2021). This is because brand loyalty symbolizes the customer's commitment to making subsequent purchases. Product quality can be something that might be sold to meet the market's wants and needs so that if the product quality is not comparable to the expectations of the advertised brand, it makes consumers switch to other alternatives, which means it can affect brand loyalty (Purnama, 2023). However, companies that are able to differentiate their products through innovation can make customers believe that the product is of high quality and different from competitors' products, which is ultimately able to make this a superior strength for the company compared to other competitors. Apart from that, good service quality, where the service received or felt by consumers is in accordance with what they want, will later have an impact on brand loyalty which ultimately affects company profits. Therefore, high-quality services give business owners a competitive advantage, and the workforce must carry out the service delivery process as effectively and efficiently as possible. Plus, good service quality can also be one of the reasons why customers come back to the company (Hidayat, 2021). Price perception can also be a marketing tool for companies to increase customer satisfaction which have an impact on brand loyalty (Asma et al., 2018).

Customer satisfaction is very crucial when companies want to develop their business and win the competition because it has been proven to result in repeat purchases (Nanincova, 2019). This is because satisfied customers buy again and recommend other people to buy the brand so that market share and premium prices can increase for the company. Previous research has indeed shown that high quality products can increase customer satisfaction and brand loyalty (Khalis & Komariah, 2022). Service quality also has an impact on increasing customer loyalty and customer satisfaction (Qi et al., 2020). In addition, price perceptions can influence increases in levels of customer satisfaction and brand loyalty (Asma et al., 2018). Customer satisfaction has been proven to increase brand loyalty (Kataria & Saini, 2020). Then, customer satisfaction can also bridge the relationship between perceptions of price, service and product quality on brand loyalty. Based on previous research conducted by Suhud et al. (2020) uses 4 variables where product quality, service quality, and price perception as independent variables and customer satisfaction as the dependent variable with a population that focuses on coffee shop customers in traditional markets in 2020.

However, this research adds brand loyalty which mediated by customer satisfaction in evaluating the relationship between perceptions of price, service and product quality, in a single research model that focuses on coffee shop customers in DKI Jakarta in 2023 which differentiates this research from other studies. Brand loyalty is added because there are many factors that influence it, so more in-depth research is still needed on how to increase brand loyalty. Moreover, companies often spend millions of dollars each year to create and support the creation of brand loyalty because brand loyalty can usually generate more stable revenues and growth rates. Based on this explanation, the aim of this study is to find out how perceptions of price, product quality and service impact coffee shop brand loyalty by considering the mediating role of customer satisfaction in order to contribute to the literature regarding these relationships.

## LITERATURE REVIEW

Product quality is the product's ability to fulfill its function, such as durability, reliability, accuracy and ease of processing (Baehaqi et al., 2022). Product quality is defined as a customer's overall assessment of the performance of goods or services. In other words, all products that can be offered to the market to fulfill customers desires or needs for high quality products are referred to as product quality (Agussalim & Ali, 2017). In other words, product quality is a good or service that relies on the ability to fulfill consumers explicit or implicit needs. Product quality can also be defined as the product's ability to perform its overall function including reliability, accuracy, ease of operation and repair, as well as other important features. There are several indicators for measuring product quality, namely: product attractiveness, product durability, product value, product uniqueness, and product distinctiveness (Rosanti & Salam, 2021). Service quality is also defined as the totality of goods or service attributes that support the ability to meet needs both indirectly and directly. Service quality can be defined as a condition where customers compare the expectations of a product or service with the perception of service performance received by them (Fauzi & Suryani, 2019). Service quality can be measured from several indicators, including: service value, service effort, and service satisfaction. Price perception is defined as a consumer assessment carried out by comparing the benefits that consumers receive with the costs they pay to get a product (Kurniawan, 2017). In other words, price perception refers to the way customers use price information as a whole. Therefore, price perception is a factor that is easily adjusted and can be changed according to market conditions by the company.

Customer satisfaction can be perceived as a sensation of joy or disappointment felt by someone after considering the difference between perception and achievement or achievement of a service and expectations. In addition, customer satisfaction is defined as a reaction (emotional or cognitive) that involves a certain focus (product, expectations, consumption experience) and occurs at a certain point, such as after consumption, after the product or service has been chosen (Parry et al., 2021). A definition of customer satisfaction is the feeling of satisfaction felt by customers after comparing the facts and expectations given from a high-quality product to customers. In other words, customer satisfaction is a varied emotional response that comes from one experience to another felt by customers (Kataria & Saini, 2020). According to Kotler & Keller (2011), brand loyalty is a good or service that is repurchased because of commitment or becomes a choice in the future even though there are factors that influence the atmosphere and marketing that influence behavior change. Therefore, brand loyalty can be understood as the tendency of customers to continue buying certain goods and services from one brand. Brand loyalty is measured through two lines of thinking: behavioral loyalty and attitudinal loyalty (Kataria & Saini, 2020). Therefore, in the research of Kim et al. (2018) measured brand loyalty based on several indicators, such as: self-loyalty, continuance intention, positive recommendations, repeat purchases, and persistence of intention.

When a company is able to provide good quality to its customers, the satisfaction felt by customers also be better (Fadjri & Silitonga, 2019). Product quality can positively influence customer satisfaction (Fatimah, 2019). In general, customers who feel more satisfied with a company are usually caused by the company being better at ensuring the quality of the services provided. Service quality is very closely related to customer satisfaction (Kotler & Keller, 2011). Every customer always expects good service quality so that they can feel satisfied. Customer satisfaction increase as price perceptions increase (Dorai & Varshney, 2012). Price perceptions have a positive impact on customer satisfaction. Therefore, if the company provides a good price perception, customers will be more satisfied. Customer satisfaction and price perceptions are correlated. Significant relationship between these two relationships. When a company is able to better guarantee the quality of its products, consumer loyalty to the brand also increases. This is in line with research conducted by Khalis & Komariah (2022) who stated that the better the quality of a product, the more the brand will be remembered by consumers, which means increasing brand loyalty.

Higher brand loyalty occurs because companies are getting better at ensuring the quality of the services provided. This shows that consumer loyalty to brands is strongly influenced by service quality (Qi et al., 2020). Service quality positively and significantly influences brand loyalty because the better the quality of service provided by the service provider, the more trust customers have in the brand so that in the long term, high quality service increase customer trust in the brand loyalty. In addition, increasing customer views regarding price perceptions can lead to an increase in brand loyalty. This is in line with research by Asma et al. (2018) where the relationship between price perception and brand loyalty has a significant relationship. This was also found in the research results of Dib & Alhaddad (2014) who revealed that price perceptions have a positive impact on brand loyalty. Companies that are able to ensure a high sense of satisfaction experienced by their customers can lead to an increase in brand loyalty. This customer satisfaction has been proven in several previous studies to significantly increase brand loyalty and act as an antecedent (Hidayat et al., 2019).

To create high brand loyalty for products, a company must be able to make customers satisfied by maintaining the quality of its products. Varied products can give customers the opportunity to choose according to their wishes and they feel the quality of the product towards brand loyalty (Anggraeni et al., 2019). Customer satisfaction is an intervening variable in the relationship between product quality and loyalty so that the increase in product quality achieved increase customer happiness, which in turn make customers more loyal. The more satisfied customers are with the services provided by the company, the higher the rate at which they return to buy that brand or product. Partial mediating role of customer satisfaction based on the relationship between service quality and brand loyalty. According to research by Nasib (2021), whether or not a product price increases have an impact on customers decisions to buy a good or service because it is one of the components that can influence satisfaction and loyalty. Other research also found similar things that price perceptions significantly and favorably influence customer satisfaction, which in turn influences loyalty.

**H1**: Product quality has a positive influence on customer satisfaction
**H2**: Service quality has a positive influence on customer satisfaction
**H3**: Price perception has a positive influence on customer satisfaction
**H4**: Product quality has a positive influence on brand loyalty
**H5**: Service quality has a positive influence on brand loyalty
**H6**: Price perception has a positive influence on brand loyalty
**H7**: Customer satisfaction has a positive influence brand loyalty
**H8a**: Customer satisfaction mediates between product quality and brand loyalty
**H8b**: Customer satisfaction mediates between service quality and brand loyalty
**H8c**: Customer satisfaction mediates between price perception and brand loyalty

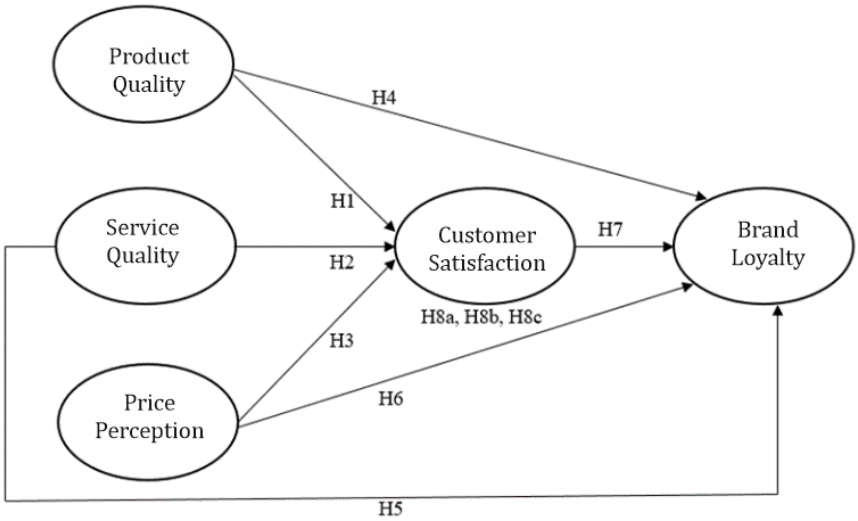


**Figure 1.** Research Model

## METHOD

This research uses quantitative methods by distributing questionnaires to collect data. The total questionnaire used in this research was 20 statements. This research uses a questionnaire survey using the Google Form tool where the data collected is in the form of scores from respondents. This research measurement uses a Likert scale with a range of 1 - 5 where scale 1 indicates strongly disagree and scale 5 indicates strongly agree. The population studied was consumers of Starbucks coffee shops in DKI Jakarta who were aged 17 – 42 years and had shopping experience at that place with a frequency of shopping at least 2 times in the last three months. This research requires 100 respondents (20 statements x 5). This stage carries out validity and reliability tests where the validity test is based on the Kaiser-Meyer-Olkin (KMO) measurement and the anti-image matrix correlation Measures of Sampling Adequacy (MSA) with acceptable value provisions, namely if KMO ≥ 0.5 and MSA ≥ 0.5, while checking reliability is carried out by looking at the Cronbach's Alpha value based on the acceptable value requirement, namely ≥ 0.6 (Sugiyono, 2021). In this research further data analysis was carried out using Structural Equation Modeling (SEM) with a PLS (Partial Least Square) approach assisted by using statistical software where there are two focuses, namely the outer model and the inner model. The outer model analysis part consists of convergent validity, reliability and customized R square to explain how many exogenous variables can explain endogenous variables based on values of 0.25 weak, 0.50 moderate, 0.75 strong (Hair et al., 2021). In the inner model analysis section with p-value, t-statistic, original sample criteria.

## RESULT

The pretest was carried out to test validity and reliability. Validity testing refers to the KMO and MSA values which must be ≥ 0.50 (Sugiyono, 2021). Based on the results of the calculations that have been carried out, it was found that the KMO test results (0.729 – 0.841) and MSA values (0.672 – 0.895) for each indicator totaled 20 statements so that all of these indicators met the validity requirements and could be used at the next stage of analysis. Then, the reliability test refers to Cronbach's Alpha with a value ≥ 0.6 (Sugiyono, 2021). Based on the reliability testing, the results obtained were that all statement indicators received a value (0.866 – 0.933) exceeding the predetermined value limit, thus showing that all indicators in this study were reliable and could be used for further analysis. Based on the results of distributing a questionnaire to 100 respondents, it was found that female respondents dominated 69 people (69%) compared to 31 male respondents (31%). Furthermore, the majority of respondents were 17 – 26 years old, 51 people (51%) and followed by 27 – 42 years old, 49 people (49%). Apart from that, the majority of respondents work as private/public employees, 65 people (65%), 22 students

(22%), 8 people (8%) as housewives, and 5 people as entrepreneurs (5%). The highest shopping frequency was 2 – 5 times in the last 3 months, as many as 85 respondents (85%). In addition, the highest level of monthly expenditure was IDR 3.000.001 – IDR 5.000.001, amounting to 30 respondents (30%).

According to Hair et al. (2021), the accepted loading factor value is >0.7. Based on the convergent validity results of the 20 indicators in this study, it was found that 20 indicators had a loading factor value of >0.7, namely 0.761 – 0.929. Then, Average Variance Extracted (AVE) in convergent validity is used to measure the extent to which the indicator is positively correlated with other indicators of the same construct. AVE value > 0.5 to be acceptable (Hair et al., 2021). The results of data processing show an AVE value of 0.630 – 0.831 so it has passed the provisions. The internal consistency reliability test was carried out to measure the indicator's ability to measure its latent construct based on Composite Reliability and Cronbach's Alpha values to be accepted >0.6 – 0.7 (Hair et al., 2021). The results of data processing showed that all latent variables (constructs) had a Composite Reliability value (0.872 – 0.936) > 0.6 and a Cronbach's Alpha value (0.804 – 0.900) > 0.7. Thus, both the Composite Reliability and Cronbach's Alpha values have passed the requirements. The discriminant validity test can be seen in the Fornell-Larcker Criterion measurement with the square root rule for each AVE construct must be greater than the correlation value with other constructs (Hair et al., 2021). The results of data processing show that the Fornell-Larcker Criterion values are in accordance with applicable regulations. Then, Cross Loading with reference to the indicator's correlation value to the latent variable must be greater than the correlation value to other latent variables (Hair et al., 2021). The results of data processing also show that it meets the requested criteria. Then, the Heterotrait-Monotrait Ratio (HTMT) values for all variables in the study are considered to have good convergent consistency and can be differentiated from other constructs because they comply with the criteria which show a value of <0.9, namely 0.605 – 0.851 (Henseler et al., 2015).

The multicollinearity test is needed to find out whether there are independent variables that are similar between the independent variables in one regression model. If there is a correlation, it is stated that the regression model experiences a multicollinearity problem. The multicollinearity test was carried out by looking at the tolerance value and the Variance Inflation Factor (VIF) value. A VIF value > 5 is an indication of possible collinearity problems between variables (Hair et al., 2021). The results of data processing in this study show that the VIF value (1,665 – 3,592) is < 5 so it is in accordance with the specified requirements. The value of the coefficient of determination (Adjusted $R^2$) can explain the extent to which exogenous variables can explain endogenous variables with reference to an R square value of 0.75 which is in the strong category, an R square value of 0.50 which is in the moderate category and an R square value of 0.25 which is in the weak category (Hair et al., 2021). According to the results of data processing, the coefficient of determination (Adjusted $R^2$) for the customer satisfaction variable is 0.497. This means that the variables product quality, service quality, price perception and brand loyalty are able to explain the customer satisfaction variable by 49.7%, while 50.3% of the other variables are not explained in this research. Then, the brand loyalty variable has a coefficient of determination (Adjusted $R^2$) of 0.690. In other words, the variables product quality, service quality, price perception and customer satisfaction are able to explain the brand loyalty variable by 69.0%, while 31.0% is explained by variables outside this research model.

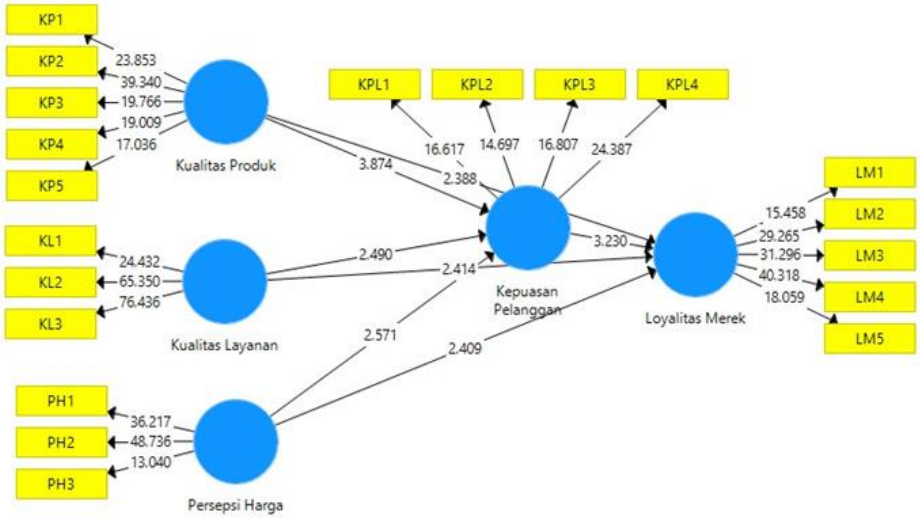


**Figure 2.** Inner Model Analysis

This stage looks at the path coefficients based on the T statistic value and P value using the bootstrapping method with one-tailed significance criteria. As for the T statistic value > 1.65 with a confidence level of 95% or a P value < 0.05 for an acceptable hypothesis (Hair et al., 2021). The direction of the relationship can be ascertained by using the Original Sample.

**Table 1.** Direct Hypothesis Test Results

| | Hypothesis | Original Sample | T Statistics | P Values | Information |
|---|---|---|---|---|---|
| **H1** | Product quality has a positive effect on customer satisfaction | 0.349 | 3.874 | 0.000 | Accepted |
| **H2** | Service quality has a positive effect on customer satisfaction | 0.215 | 2.490 | 0.013 | Accepted |
| **H3** | Price perception has a positive effect on customer satisfaction | 0.262 | 2.571 | 0.010 | Accepted |
| **H4** | Product quality has a positive effect on brand loyalty. | 0.358 | 3.244 | 0.001 | Accepted |
| **H5** | Service quality has a positive effect on brand loyalty | 0.222 | 3.193 | 0.001 | Accepted |
| **H6** | Price perception has a positive effect on brand loyalty | 0.349 | 3.142 | 0.002 | Accepted |
| **H7** | Customer satisfaction has a positive effect on brand loyalty | 0.325 | 3.230 | 0.001 | Accepted |

Based on the results of direct hypothesis testing in the table above, it was found that all 7 hypotheses were accepted. Testing H1 for product quality on customer satisfaction resulted in a T statistic of 3,874 > 1.65 with a p value of 0.000 < 0.05 and a positive original sample value (0.349). This means that there is a positive influence between product quality and customer satisfaction so that H1 is accepted. Testing H2 on the effect of service quality on customer satisfaction obtained a T statistic of 2,490 > 1.65 with a p value of 0.013 < 0.05 and a positive original sample value (0.215). This means that there is a positive influence between service quality on customer satisfaction so that H2 is accepted. Testing H3 of the influence of price perception on customer satisfaction obtained a T statistic of 2,571 > 1.65 with a p value of 0.010 < 0.05 and a positive original sample value (0.262). This means that there is a positive influence between price perception and customer satisfaction so that H3 is accepted. Testing H4 on the influence of product quality on brand loyalty, the results obtained were a T statistic of 3,244 > 1.65 with a p value of 0.001 < 0.05 and a positive original sample value (0.358). This means that there is a positive influence between product quality and customer satisfaction so that

H4 is accepted. Testing H5 on the influence of service quality on brand loyalty, the results obtained were a T statistic of 3,193 > 1.65 with a p value of 0.001 < 0.05 and a positive original sample value (0.222). This means that there is a positive influence on service quality on brand loyalty so that H5 is accepted. Testing H6 for price perception on brand loyalty obtained a T statistic of 3,142 > 1.65 with a p value of 0.002 < 0.05 and a positive original sample value (0.349). This means that there is a positive influence between price perception on brand loyalty so that H6 is accepted. Testing H7 on the influence of customer satisfaction on brand loyalty obtained a T statistic of 3,320 > 1.65 with a p value of 0.001 < 0.05 and a positive original sample value (0.325). This means that there is a positive influence between customer satisfaction and brand loyalty so that H7 is accepted.

**Table 2.** Mediation Hypothesis Test Results

| | Hypothesis | Original Sample | T Statistics | P Values | Information |
|---|---|---|---|---|---|
| **H8a** | Customer satisfaction positively mediates product quality with brand loyalty | 0.113 | 2.149 | 0.032 | Accepted |
| **H8b** | Customer satisfaction positively mediates service quality with brand loyalty | 0.070 | 1.971 | 0.049 | Accepted |
| **H8c** | Customer satisfaction positively mediates price perception with brand loyalty | 0.085 | 2.079 | 0.038 | Accepted |

Testing H8a of the mediating effect of customer satisfaction between product quality and brand loyalty obtained T statistic results of 2,149 > 1.65 with a p value of 0.032 < 0.05 and a positive original sample value (0.113) and testing H4 which is a direct relationship was also accepted. This means that customer satisfaction positively mediates the relationship between product quality and brand loyalty through partial mediation so that H8a is accepted. Testing H8b for the mediating effect of customer satisfaction between service quality and brand loyalty, the T statistic results were 1.971 > 1.65 with a p value of 0.049 < 0.05 and the original sample value was positive (0.070) and testing of H5 which was a direct relationship was also accepted. This means that customer satisfaction positively mediates the relationship between service quality and brand loyalty through partial mediation so that H8b is accepted. Testing H8c for the mediating effect of customer satisfaction between price perception on brand loyalty resulted in a T statistic of 2,079 > 1.65 with a p value of 0.038 < 0.05 and a positive original sample value (0.085) and testing H6 which is a direct relationship was also accepted. This means that customer satisfaction positively mediates the relationship between price perception and brand loyalty through partial mediation so that H8c is accepted.

## DISCUSSION

The first finding found that product quality positively influences customer satisfaction. This means that as the quality of the coffee shop's products increases, customer satisfaction also follow suit. Customers are satisfied with the coffee shop as a whole because the merchandise they have has good durability. Apart from that, customers feel that the coffee shop has attractive packaging and the packaging of the coffee shop products is also considered unique compared to other brands by customers. This is in line with previous research which has shown that product quality can increase customer satisfaction (Fatimah, 2019). The second finding in this research proves that service quality has a positive effect on customer satisfaction. This means that when the quality of service provided by a coffee shop gets better, customer satisfaction also gets better. Coffee shop customers are satisfied with the overall service provided because the coffee shop baristas serve customers well. Moreover, the coffee shop barista also tries his best to please his customers. This is reinforced by previous research which has proven that service quality can increase customer satisfaction.

The results of the third study prove that price perception has a positive effect on customer satisfaction. In other words, when customers price perceptions are deemed more appropriate in their eyes, customer satisfaction also increase. This is based on the fact that customers make purchasing decisions at the coffee shop based on price. Customers also feel that the prices at the coffee shop are in accordance with the quality of the products. As a result, customers are overall satisfied with the taste provided by the coffee shop. This finding is supported by previous research which found a strong direct relationship between price perception and customer satisfaction (Dorai & Varshney, 2012). The next finding is that product quality has a positive effect on brand loyalty. This means that if the product quality is good, brand loyalty increase. Customers feel that the coffee shop is superior to other brands. In addition, the products owned by the coffee shop are considered to have a distinctive taste so that in the end it can attract customers to continue coming to enjoy the special drinks provided and customers recommend the coffee shop to many people. Thus, the results of this research are in line with previous research which states that product quality has a positive effect on brand loyalty (Khalis & Komariah, 2022).

Therefore, service quality has a positive influence on brand loyalty. This can be interpreted that when the quality of the service provided is considered quality in the eyes of customers, the satisfaction they have also be better. This is because customers feel they get good service from the coffee shop so they will be satisfied with the service provided. As a result, customers continue to buy the available coffee shop products and they consider themselves loyal customers of the coffee shop. This research is supported by previous research that found a strong positive relationship between service quality and brand loyalty (Qi et al., 2020). Research also finds that price perception has a positive effect on brand loyalty. When customers price perceptions become more appropriate in their eyes, this also causes an increase in brand loyalty. This is based on the fact that even though customers feel that the coffee shop has luxury products, the prices given are considered commensurate with the quality of the products they have. Therefore, in the end customers always want to enjoy the drinks at the coffee shop. Thus, the results of this research are in line with previous research which states that price perception has a positive effect on brand loyalty (Dib & Alhaddad 2014; Asma et al., 2018).

Another important finding was that customer satisfaction had a positive effect on brand loyalty. This means that an increase in customer satisfaction lead to an increase in brand loyalty. Customers are satisfied with the atmosphere of the coffee shop and the services provided, which makes customers interested in continuing to visit to buy the products offered and they always use the membership card offered by the coffee shop to make transactions. This is in line with previous research which shows that customer satisfaction has a positive effect as an antecedent to brand loyalty (Hidayat et al., 2019). Finally, this research proves that customer satisfaction positively mediates product quality, service quality, and price perception on brand loyalty. Therefore, in the end customers recommend this coffee shop to many people. Previous research supports this that customer satisfaction mediates product quality and brand loyalty (Anggraeni et al., 2019). Then, coffee shop baristas are also considered to serve customers well so that customers feel satisfied with the service provided, which results in customers continuing to want to enjoy the drinks at the coffee shop. Apart from that, customers buy at the coffee shop based on the price offered and they assume that the price offered is comparable to the quality of the product so that the customer feels satisfied with the coffee shop which in turn makes the customer think that he is a loyal customer of the coffee shop and continue to buy the product. offered.

## CONCLUSION

This research shows the influence of product quality, service quality and price perception on brand loyalty in coffee shop products which is mediated by customer satisfaction. Therefore, the conclusion that can be drawn from this research is that product quality, service quality and price perception can increase customer satisfaction. Then, the results of this research also show that customer satisfaction successfully mediates the

relationship between product quality, service quality and price perception. Apart from that, in this study the majority of respondents were women, 69%, with an age range of 17 – 26 years (51%) who lived in DKI Jakarta and the majority worked as private/state employees with dominant expenditure of IDR 3.000.001 – IDR 5.000.000 (30%). This research has limitations so that future researchers are expected to be able to improve the findings of further research. This research only involved respondents who lived in DKI Jakarta and only used one coffee shop brand so the results cannot describe all customers of the coffee shop industry. Therefore, it is recommended that further research include other coffee shop brands and conduct research in places that have not been studied by previous researchers. Apart from that, researchers also suggest adding other variables related to brand loyalty such as brand image and brand awareness which are not yet in this research so that it can produce better future research.

The results of this research can provide material implications for companies operating in the coffee shop sector in increasing customer satisfaction which leads to customer loyalty to a brand. One of the factors that determines brand loyalty is product quality where the coffee shop has a distinctive and superior taste compared to other brands. Therefore, companies can choose high-quality coffee beans according to the taste image that customers want and create a unique taste by mixing distinctive flavors that differentiate them from other brands. Apart from that, customers still don't understand and think that the brand has good quality. This means that customers understanding of product quality regarding this brand is still low so that companies can carry out more intensive campaigns regarding the quality and benefits of this brand specifically to improve product quality for this brand. Companies can also pay attention to how to improve the quality of services provided, for example, companies can train their baristas to serve customers well and improve their skills by providing training or seminars that provide material in accordance with this on a regular basis so that it is hoped that the quality of existing services get better, which in the end making customers feel that the coffee shop is serving them with all its might and has an impact on customers who will be more satisfied and loyal to the brand. Companies must also always ensure that they set prices in accordance with the quality of the products they have. This is because price is one of the considerations for customers to feel satisfied or not, where the quality of the product at the price given can give different reactions from customers. Apart from that, companies can provide attractive offers in the form of cashback vouchers or discounts so that they hope to make customers feel satisfied which ultimately make them willing to buy the brand again. In other words, they will be more loyal and not turn to other brands. This not only influences short-term success but also creates a strong foundation for long-term growth and resilience in a dynamic market.

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