

# Antecedents and Consequences of Customer Satisfaction (Visitor Study at Fruts Café Balikpapan)

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## ABSTRACT

The phenomenon of increasing restaurant business results in the level of competition in the restaurant business sector getting tighter. To overcome the increasingly fierce competition, a marketing strategy is needed that focuses on increasing satisfaction from customer needs and desires. The purpose of the study was to determine the effect of product quality, service quality and price on customer satisfaction, determine the effect of product quality, service quality and price on customer loyalty, determine the effect of customer satisfaction on customer loyalty and determine the effect of product quality, service quality and price on customer loyalty through customer satisfaction as mediation. This research uses quantitative methods with explanatory research. The population is people who have come and eaten at Fruts Café, with a sample of 110 people. Sampling technique with nonprobability sampling method, namely purposive sampling. The results of the study product quality, service quality and price have a positive and significant effect on customer satisfaction. Product quality and service quality have no significant effect on customer loyalty, while price has a positive and significant effect on customer loyalty. Customer satisfaction has a positive and significant effect on customer loyalty. Product quality, service quality and price have a positive and significant effect on customer loyalty through customer satisfaction at Fruts Café.

**Keywords:** Antecedents, Consequences, Customer Satisfaction

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## I. INTRODUCTION

In the era of business that has grown rapidly lately, competition in the business world is increasing. One of the businesses that is currently favored by business people is the restaurant business. The phenomenon of increasing the restaurant business continues to grow over time. In recent years, the development of the restaurant business in the city of Balikpapan has also experienced a significant increase. Based on data collected through a survey conducted by the Central Bureau of Statistics East Kalimantan, it shows that almost every year the restaurant business business increases in number, namely in 2017 as many as 977 businesses, in 2018 as many as 1,015 businesses and in 2019 as many as 1,040 businesses.

Restaurant business people must have a strategy on how to survive in the midst of competition by focusing on customers because loyal customers are a benchmark for the success of change (Khadka and Maharjan, 2017). The situation where customers remain restaurant customers and how tolerant customers are based on their experience is known as customer loyalty (Fornel et al, 2020). Customer loyalty is said to encourage an individual to return to buy products and services at the restaurant and even think more than twice about moving to another restaurant. Customer loyalty plays an important role in attracting and retaining customers. With customer loyalty, the existence of the restaurant business is maintained and profitability is created for the business person (Wassaouf et al, 2020).

One of the factors related to customer loyalty is customer satisfaction. Customer loyalty is created from the satisfaction obtained by customers who enjoy these products and services. Customers who feel satisfied are expected to form loyal customers and the company can get new customers so that they can make a profit (Nuridin 2018). Satisfied customers will have a high level of loyalty to the products and services provided compared to dissatisfied customers. The main key to winning the hearts of customers by providing optimal value and satisfaction to customers so that the impact will create loyalty (Permana, 2020).

The company benefit by achieving a high level of customer satisfaction. These benefits can include increase customer loyalty, avoid customer turnover, reduce customer sensitivity to prices, reduce the cost of marketing failure, reduce operating costs due to increasing number of customers, increase advertising effectiveness, and improve company reputation.

To develop a food business, entrepreneurs must prioritize customer satisfaction by paying attention to

marketing mix factors such as product quality, service quality and price. Business people are required to continue to be creative and innovate in paying attention to and evaluating their performance. Through improving product quality, service quality and prices are expected to provide satisfaction for customers who come to visit.

One of the cafes in Balikpapan city located in Balikpapan City area, Fruts Café continues to evaluate in maintaining customer loyalty by making customers who come to visit feel satisfaction. The evaluation and innovation carried out by Fruts Café includes improvement factors such as product quality, service quality and price. However, there are still fluctuations in turnover income because the number of customers who come to the café or who use the services of Fruts Café also fluctuates so it is necessary to review again what factors are most influential in increasing customer satisfaction.

The hope is that knowing these influential factors can focus more on being able to develop the right strategy in improving product quality, service quality and prices so as to create customer satisfaction Fruts Café and have an impact on customer loyalty. Based on the background and results of previous research, the researcher intends to conduct research to determine the influence between product quality, service quality and price in shaping customer satisfaction to have an impact on customer loyalty with the research title "Antecedents and consequences of customer satisfaction". (Study of Visitors at Fruts Cafe Balikpapan)".

## **II. LITERATURE REVIEW**

### **2.1 Product Quality**

According to Dharmawan and Sitio, (2020) Product quality is the ability of the product to meet the wishes of customers, thus the level of product quality is directly proportional to the level of satisfaction. The products offered by each business entity will be different and must have characteristics that distinguish the product from competing products even though the type of product is the same so that the product has uniqueness, privileges, advantages in reaching the targeted market. According to Kotler & Keller (2016: 394) the dimensions of product quality include: Features, performance quality, shape, durability, quality suitability, style, reliability, customization, and ease of repair.

### **2.2 Quality of Service**

One approach to service quality that is used as a reference in marketing research is the SERQUAL model (*Service Quality*) developed by Parasuraman, Zeithmal and Berry (2006). Service quality is defined by the comparison of two main factors, namely customer perception of the service they receive (*perceived service*) with expected or desired services (*Expected Service*). The dimensions of service quality according to Tjiptono (2011) are reliability, responsiveness, assurance, empathy, tangibles.

### **2.3 Price**

According to Kotler and Keller (2016:68) Understanding price is the amount of money that must be paid by customers for products or services to be purchased or the total value of profits obtained from consumers when getting products or services offered. According to Kotler & Keller (2016: 112), price indicators include: price affordability, price suitability with service quality, price competitiveness and price suitability with the benefits obtained.

### **2.4 Customer Satisfaction**

Kotler and Keller, (2016:150), defines customer satisfaction as a person's feeling of pleasure or disappointment that arises after comparing the estimated performance (result) of the product against the expected performance (or result). If performance is below expectations, consumers are not satisfied. If the performance meets expectations, the consumer is satisfied. If the performance exceeds expectations, the consumer is very satisfied / happy. According to Kotler and Keller (2016: 140) Customer satisfaction indicators include: match expectations, interest in visiting again and willingness to recommend.

### **2.5 Customer Loyalty**

According to Kotler and Keller (2016:138) Loyalty is a deeply held commitment to buy or re-endorse preferred products and services in the future despite the influence of the situation and marketing efforts that cause customers to switch. According to Bei and Chiao (2001) Loyalty is defined as a deeply held commitment to consistently repeat purchases of a preferred product or service in the future. Indicators of customer loyalty are: customers tend to buy more, customers make purchases between product or service lines, customers show immunity to pull from other competitors, customers refer the entire product or service to other parties.

### **2.6 Research Hypothesis**

H1: Product quality has a positive and significant effect on customer satisfaction at Fruts Cafe.

H2: Service quality has a positive and significant effect on customer satisfaction at Fruts Cafe

- H3: Price has a positive and significant effect on customer satisfaction at Fruts Cafe  
 H4: Product quality has a positive and significant effect on customer loyalty at Fruts Café.  
 H5: Service quality has a positive and significant effect on customer loyalty at Fruts Café.  
 H6: Price has a positive and significant effect on customer loyalty at Fruts Cafe  
 H7: Customer satisfaction has a positive and significant effect on customer loyalty at Fruts Café.  
 H8: Product quality has a positive and significant effect on customer loyalty through customer satisfaction at Fruts Cafe.  
 H9: Service quality has a positive and significant effect on customer loyalty through customer satisfaction.  
 H10: Price has a positive and significant effect on customer loyalty through customer satisfaction.

### III. RESEARCH METHODS

#### 3.1 Research Design

The research design in this study is *explanatory research*. The method used in this study is a quantitative method, where researchers use their analysis on numerical data processed by statistical methods.

#### 3.2 Definition of Variable Operationalization

The purpose of operationalizing variables is to equalize perceptions between researchers and objects related to research. The operationalization of variables can be seen in the table below:

**Table 1: Variable Operationalization**

No	Variable	Variable Definition	Dimension	Indicators
1	Product Quality (X1)	The quality of the product in question is the quality of food / beverage products contained in the menu offered or served at Fruts Cafe.	Feature	The variety of menus served is diverse
			Quality of Performance (Food)	The quality of taste is well maintained according to the taste desired by consumers. Food hygiene is always maintained.
			Shape	Portions of cuisine that are in accordance with consumer wishes.
			Style	The display of food products served is attractive
2	Quality of Service (X2)	The quality of service of Fruts café employees in serving / entertaining customers well to meet the expectations of customers	Reliability	Employees are reliable in handling problems
			Responsiveness	Employees provide fast service for customers
			Guarantee	Employees consistently serve courteously
			Empathy	Employees treat customers attentively
			Physical Evidence	The atmosphere inside the café is comfortable and clean
3	Price (X3)	The amount of values that must be spent by customers to get products and services from the Cafe	Price Affordability	Product prices are relatively affordable for customers
			Price match with Service Quality	Product Prices offered are in accordance with product quality
			Price Competitiveness	The price of the product is cheaper than other cafes around it
			Price match with benefits	The price of the product offered is in accordance with the benefits obtained
4	Customer Satisfaction (Y1)	The level of feeling satisfaction after comparing the performance of the products and services provided by the Cafe to customer perception	Expectations match	Products obtained as expected The service provided by Cafe employees is as expected The facilities obtained at the café are as expected
			Interest in revisiting	Customers are interested in visiting again to repurchase products from Fruts Café
5	Customer Loyalty (Y2)	Loyalty from customers to continue using the products and services at Fruts Cafe and not move to another café	Loyalty to keep buying products	Customers make purchases of products or services twice or more
			Immunity to the pull of other competitors	Customers do not turn to other cafes even though they offer products at discounted prices
			Referencing the total existence of the Cafe	Customers give positive information to others

No	Variable	Variable Definition	Dimension	Indicators
				Customers recommend Fruts Café to others

**3.3 Population and Sample**

In this study, the population taken is Fruts Café customers who come and use products or services at Fruts Café more than twice in the February-April 2023 period. The sampling techniques used is *Nonprobability sampling* which is a technique that does not provide equal opportunities for members of the population but there are criteria that have been determined by the researcher. In determining the size of the sample, in this study using theories from Ferdinand, (2014:173) Where the research sample uses 5-10 times the number of indicators. In this study there were 22 indicators and sample sizes used by researchers using the number 5. Based on the formula above, the minimum number of respondents in this study is 110 respondents.

**3.4 Research Instruments**

The research instrument in this study uses questionnaires in the form of written statements and links *G-Form*. Questionnaire using scale *Likert* To gauge the attitude, opinion of visitors to the questions asked (Sugiyono, 2018:166).

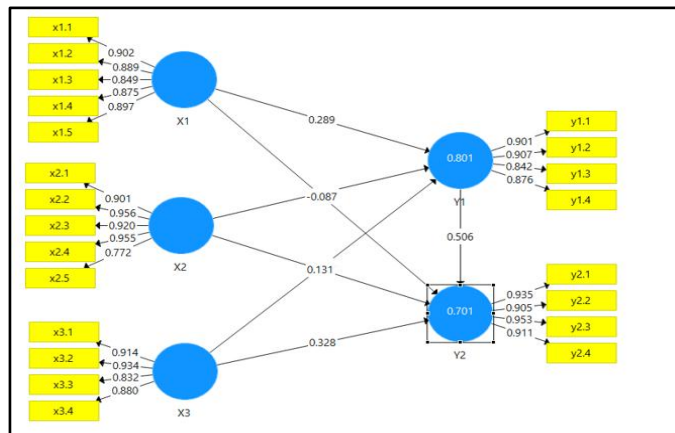
**3.5 Data Analysis Techniques**

Testing the hypothesis using the help of *SmartPLS software* version 3.2.7 with a method approach based on *Partial Least Square (PLS)*. PLS testing is carried out with several analytical steps ranging from designing measurement models (*outer models*), designing structural models (*inner models*), *path diagram construction*, *estimating path coefficients*, *Q-square tests* and *hypothesis tests (Bootstrapping)*.

**IV. ANALYSIS AND DISCUSSION**

**4.1 Outer Model Evaluation**

Evaluation *Outer Model* aims to test the validity and reliability of the data in this study. Here is the output result pls algorithm:



Source:

SmartPLS 3 Output,

Processed (2023)

**Figure 1. Outer Model Testing**

**1. Convergent Validity Test**

**Table 2. Outer Loading Test Results**

	X1	X2	X3	Y1	Y2
X1.1	<b>0,902</b>				
X1.2	<b>0,889</b>				
X1.3	<b>0,849</b>				
X1.4	<b>0,875</b>				
X1.5	<b>0,897</b>				
X2.1		<b>0,901</b>			
X2.2		<b>0,956</b>			

	X1	X2	X3	Y1	Y2
X2.3		<b>0,920</b>			
X2.4		<b>0,955</b>			
X2.5		<b>0,772</b>			
X3.1			<b>0,914</b>		
X3.2			<b>0,934</b>		
X3.3			<b>0,832</b>		
X3.4			<b>0,880</b>		
Y1.1				<b>0,901</b>	
Y1.2				<b>0,907</b>	
Y1.3				<b>0,842</b>	
Y1.4				<b>0,876</b>	
Y2.1					<b>0,935</b>
Y2.2					<b>0,905</b>
Y2.3					<b>0,953</b>
Y2.4					<b>0,911</b>

Source: SmartPLS 3 Output, Processed (2023)

Based on table 2. above that each research variable indicator has an *outer loading* value of > 0.7. The value has met the convergent *validity* requirements so that all indicators are feasible and valid for further research and analysis

**Table 3. Average Variance Extracted (AVE) Value Table**

Variable	Average Variance Extracted (AVE)	Information
Product Quality (X1)	<b>0,779</b>	<b>Valid</b>
Quality of Service (X2)	<b>0,816</b>	<b>Valid</b>
Price (X3)	<b>0,794</b>	<b>Valid</b>
Customer Satisfaction (X4)	<b>0,778</b>	<b>Valid</b>
Customer Loyalty (X5)	<b>0,858</b>	<b>Valid</b>

Source: SmartPLS 3 Output, Processed (2023)

Based on Table 3, convergent validity shows the AVE value of the entire construct is greater than 0.5. Thus, the AVE value has met the *rule of thumb* used to test convergent validity. This indicates that the data is valid for future testing.

**2. Discriminant Validity Test**

**Table 4. Cross Loading Value**

	X1	X2	X3	Y1	Y2
X1.1	<b>0.902</b>	0.730	0.764	0.785	0.723
X1.2	<b>0.889</b>	0.676	0.766	0.740	0.652
X1.3	<b>0.849</b>	0.561	0.648	0.611	0.456
X1.4	<b>0.875</b>	0.674	0.803	0.769	0.652
X1.5	<b>0.897</b>	0.654	0.764	0.765	0.630
X2.1	0.766	<b>0.901</b>	0.767	0.756	0.661
X2.2	0.700	<b>0.956</b>	0.716	0.701	0.663
X2.3	0.674	<b>0.920</b>	0.689	0.696	0.622
X2.4	0.674	<b>0.955</b>	0.703	0.692	0.657
X2.5	0.568	<b>0.772</b>	0.486	0.708	0.595
X3.1	0.771	0.696	<b>0.914</b>	0.753	0.697
X3.2	0.883	0.745	<b>0.934</b>	0.774	0.734
X3.3	0.599	0.536	<b>0.832</b>	0.617	0.628
X3.4	0.763	0.672	<b>0.880</b>	0.873	0.725
Y1.1	0.860	0.767	0.857	<b>0.901</b>	0.743
Y1.2	0.822	0.742	0.824	<b>0.907</b>	0.733
Y1.3	0.601	0.634	0.620	<b>0.842</b>	0.677
Y1.4	0.642	0.627	0.687	<b>0.876</b>	0.726
Y2.1	0.714	0.664	0.763	0.777	<b>0.935</b>

Y2.2	0.675	0.638	0.761	0.690	<b>0.905</b>
Y2.3	0.659	0.672	0.716	0.779	<b>0.953</b>
Y2.4	0.601	0.658	0.666	0.776	<b>0.911</b>

Source: SmartPLS 3 Output, Processed (2023)

Based on table 4. The *cross loading value* indicates each indicator block has a higher cross loading value for each latent variable measured by another variable indicator. This means that the indicators used in this study already have a good *discriminant validity* value in compiling their respective variables.

**3. Composite Reliability Test**

**Table 5. Composite Reliability Value**

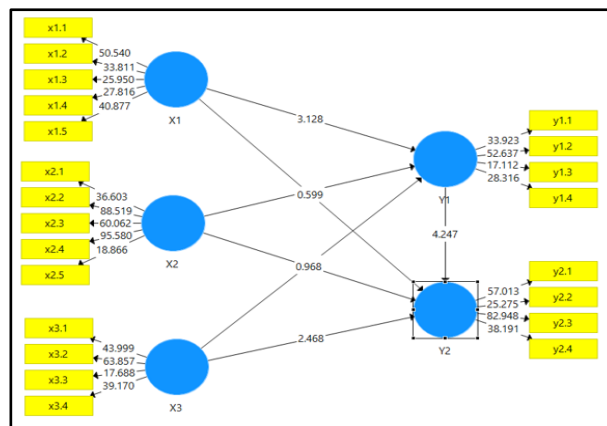
Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Information
Product Quality	<b>0,929</b>	<b>0,936</b>	<b>0,946</b>	Reliable
Quality of Service	<b>0,942</b>	<b>0,943</b>	<b>0,957</b>	Reliable
Price	<b>0,913</b>	<b>0,921</b>	<b>0,939</b>	Reliable
Customer Satisfaction	<b>0,905</b>	<b>0,911</b>	<b>0,933</b>	Reliable
Customer Loyalty	<b>0,945</b>	<b>0,946</b>	<b>0,960</b>	Reliable

Source: SmartPLS 3 Output, Processed (2023)

The results of *composite reliability* can be seen in table 5. shows the value of all research variables > 0.7 which means that all variables have a high level of reliability. Furthermore, for the results of *Cronbach Alpha*, the value of all research variables >0.6, which means that the research variables tested are valid and reliable so that they can continue to test the structural model (*Inner Model*).

**4.2 Evaluation Inner Model**

Evaluation *Inner Model* aims to test the significance between constructs in structural models using R-square, the value of the coefficient *Path* or *T-Values* and data reliability in this study. The following are the result pls algorithm output:



Source: SmartPLS 3 Output, Processed (2023)

**Figure 2. Inner Model Testing**

**1. Coefficient Determination (R2)**

**Table 6. R Square Test Results (R<sup>2</sup>)**

	R Square	R Square Adjusted
Customer Satisfaction (Y1)	0.801	0.795
Customer Loyalty (Y2)	0.701	0.688

Source: SmartPLS 3 Output, Processed (2023)

The table above proves that the prediction model is appropriate to explain the level of variation in the change of the independent variable to the dependent variable due to the results of *R-Square* >0.67 (Ghozali & Latan, 2017)

2. Path Coefficients

Table 7. Output Path Coefficients

	Original sample (O)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Information
Product Quality -> Customer satisfaction	0,289	0,092	3,128	<b>0,002</b>	Positive and Significant Effect
Product quality -> Customer loyalty	-0,087	0,145	0,599	<b>0,549</b>	No significant effect
Quality of service -> Customer satisfaction	0,265	0,088	3,020	<b>0,003</b>	Positive and Significant Effect
Quality of service -> customer loyalty	0,131	0,136	0,968	<b>0,334</b>	No significant effect
Price -> Customer satisfaction	0,410	0,122	3,352	<b>0,001</b>	Positive and Significant Effect
-Price > customer loyalty	0,328	0,133	2,468	<b>0,014</b>	Positive and Significant Effect
Customer satisfaction -> customer loyalty	0,506	0,119	4,247	<b>0,000</b>	Positive and Significant Effect
Product Quality ->Customer satisfaction->customer loyalty	0,146	0,055	2,650	<b>0,008</b>	Positive and Significant Effect
Quality of service ->Customer satisfaction -> customer loyalty	0,134	0,058	2,334	<b>0,020</b>	Positive and Significant Effect
-> price -Customer satisfaction ->Customer loyalty	0,207	0,083	2,492	<b>0,013</b>	Positive and Significant Effect

Source: SmartPLS 3 Output, Processed (2023)

3. Mediation Effects

Table 8. Results of Mediation Effects

Relationship	P-Values (Direct Effect)	P-Values (Indirect Effect)	Result
Product Quality ->Customer satisfaction->customer loyalty	0,549	0,008	Full Mediation
Quality of service ->Customer satisfaction -> customer loyalty	0,334	0,020	Full Mediation
-> price -Customer satisfaction ->Customer loyalty	0,014	0,013	Partial Mediation

Source: SmartPLS 3 Output, Processed (2023)

4. Q-Square Test-Blinfolding

$$Q^2 = 1 - (1 - R^2_1)(1 - R^2_2)$$

So,  $Q^2 = 1 - (1 - R^2_1)(1 - R^2_2)$   
 $= 1 - (1 - 0.801)(1 - 0.701)$   
 $= 1 - (0.199)(0.299)$   
 $= 1 - 0.059$   
 $= 0.941$

The amount of  $Q^2$  has a range of  $0 < Q^2 < 1$ , which means that the closer to 1 means the better the model. The calculation results above obtained  $Q^2$  of 94.1%. Thus this research model can be used for hypothesis testing.

4.3 Discussion

The Effect of Product Quality on Customer Satisfaction

Based on the results of the path coefficient test in table 7, it is proven that product quality has a positive and significant effect on customer satisfaction so that it can be stated that **Hypothesis 1 (H1) is accepted**. This shows that the more product quality increases, the customer satisfaction also increases. In addition, product quality and customer satisfaction are in a high category, which means that the Company has implemented product quality well so that satisfaction is felt well by customers.

Product quality that is well implemented and improved can meet customer expectations and provide positive benefits for customers so as to create increased customer satisfaction. This is in line with previous research conducted by Liu and Kao (2021) in online shopping e-commerce in China which states that the increase in the quality of agricultural products sold by e-commerce companies has a positive and significant influence on customer satisfaction. Research Pratikto and Hermawan (2019) at Nganjuk Kafe Harmoni which

revealed that the increase in product quality in cafes had a positive and significant impact on increasing customer satisfaction and research Hudaya (2020) at a Coffee Shop in Jakarta that reveals that the quality of the product is good Positively and significantly affect customer satisfaction.

### **The Effect of Service Quality on Customer Satisfaction**

Based on the results of the path coefficient test in table 7, it is proven that service quality has a positive and significant effect on customer satisfaction so that it can be stated that **Hypothesis 2 (H2) is accepted**. This shows that the more service quality increases, the customer satisfaction also increases. In addition, service quality and customer satisfaction are in a high category, which means that the Company has implemented service quality well so that satisfaction is felt well by customers.

The quality of service that is implemented properly and improved can meet customer expectations and provide positive benefits for customers so as to create increased customer satisfaction. In line with this study, previous research conducted by Shen and Yahya (2021) at airline service companies in Malaysia that certify the improvement in the quality of services provided by airlines as assessed from indicators *Tangible, Personal Service, Empathy, Airline Image* Proven to be significant in increasing customer satisfaction. Research Tiasanty and Sitio (2020) PT Sharp Electronic Indonesia also stated that good service quality has a great effect on increasing customer satisfaction. If the company can improve the quality of service to customers, especially the dimensions of responsiveness, assurance and empathy, customer satisfaction will continue to increase.

### **The Effect of Price on Customer Satisfaction**

Based on the results of the path coefficient test in table 7, it is proven that price has a positive and significant effect on customer satisfaction so that it can be stated that **Hypothesis 3 (H3) is accepted**. This shows that the better the price, the more customer satisfaction increases. In addition, price and customer satisfaction are in a high category, which means that the Company has implemented prices well so that satisfaction is felt well by customers.

The suitability of prices issued by customers with the quality of products or services obtained can affect the level of customer satisfaction. In accordance with previous research conducted by Shen and Yahya (2021) to airline service companies in Malaysia that state attractive prices that are affordable prices are a satisfactory factor for passengers. Other researchers conducted by Risnawati et al (2019) The expedition company states that the price match for the services offered by the company with the benefits obtained by customers has a significant impact on customer satisfaction.

### **The Effect of Product Quality on Customer Loyalty**

Based on the results of the path coefficient test in table 7, it is proven that product quality does not have a significant effect on customer loyalty so that it can be stated that **Hypothesis 4 (H4) is rejected**. This shows that improving product quality does not affect the increase in customer loyalty.

From the test results, *P values* of  $0.549 > 0.05$  and Path Coefficients  $0.087$  are negative, indicating that product quality does not have a significant effect on customer loyalty. Customer loyalty is not always in line with the products owned by Fruts Café even though the quality of the products provided is very good. Customers have many other factors to consider in choosing a food menu so that it can be understood that customers cannot be loyal to Fruts Café.

This research is not in line with research conducted by Pratikto & Hermawan (2019) at Kafe Harmoni which states that product quality has a positive and significant effect on customer loyalty. This research is in line with research that has been conducted by Jannah et al (2019) at PT. Mahakarya Sejahtera Indonesia where the quality of products issued by the Company such as beauty and health products even though they already have good quality does not affect customer loyalty to buy back these products. Subsequent studies in line with these findings were conducted by Wantara and Tambrin (2019) in Madura Batik which states that the good quality of batik products in Madura Batik does not directly affect customer loyalty. This is because customers prefer other factors such as affordability and promo prices in purchasing beauty products so that customer loyalty is not created.

### **The Effect of Service Quality on Customer Loyalty**

Based on the results of the path coefficient test in table 7, it is proven that service quality does not have a significant effect on customer loyalty so that it can be stated that **Hypothesis 5 (H5) is rejected**. This shows that improving service quality does not affect the increase in customer loyalty.

From the test results, *P values* of  $0.334 > 0.05$  and Path Coefficients of  $0.131$  are positive, indicating an increase in service quality that does not have a significant effect on customer loyalty. Customer loyalty is not always in line with the services owned by Fruts Café even though the quality provided is very good. Customers have many other factors to consider in choosing a food menu so that it can be understood that customers cannot



be loyal to Fruts Café.

This research is not in accordance with the research of Risnawati et al. (2019) on freight forwarding companies which states that the quality of good service provided by the Company greatly determines customer loyalty. Research that is in line with this research is stated by Agiesta et al (2021) at PT. KAI that shows the quality of service does not always have an influence on customers to continue using local train services Bandung Raya and researchers Octavia (2019) at PT. Bank Index Lampung also shows that service quality does not always have a direct impact on customer loyalty. This shows that when customers get service will not always make customers loyal, it is because the quality of service received by each customer is different so that service quality is not always the main factor that makes customers loyal.

#### **The Effect of Price on Customer Loyalty**

Based on the results of testing the path coefficient in table 7, it is proven that price has a positive and significant effect on customer loyalty so that it can be stated that **Hypothesis 6 (H6) is accepted**. This shows that the better the price, the more customer loyalty increases.

In line with the results of this study, previous researchers conducted by Pratikto and Hermawan (2019) at Café Harmoni stated that price has a positive and significant influence on customer loyalty. Other researchers who are similar to this are carried out by Suzana et al (2022) at East West Seed Company which states that price has a positive and significant influence on customer loyalty.

#### **The Effect of Customer Satisfaction on Customer Loyalty**

Based on the results of testing the path coefficient in table 7, it is proven that customer satisfaction has a positive and significant effect on customer loyalty so that it can be stated that **Hypothesis 7 (H7) is accepted**. This shows that the more satisfaction felt by customers, the customer loyalty also increases.

Customer satisfaction obtained as a result of experience with product quality, service quality and prices provided by cafes has proven successful in having a positive and significant impact on customer loyalty.

This is in line with Research conducted by Santos et al (2020) at Bank BNCTL in Dilli stated that customer satisfaction has a positive and significant effect on customer loyalty. Leninkumar's (2017) research on the banking industry in Sri Lanka states that there is a positive and significant relationship between customer satisfaction and customer loyalty.

#### **The influence of product quality on customer loyalty through customer satisfaction.**

Based on the results of the path coefficient test in table 7, it is proven that product quality has a positive and significant effect on customer loyalty mediated by customer satisfaction so that it can be stated that **Hypothesis 8 (H8) is accepted**. This shows when the quality of Fruts Café products is good and according to the wishes of customers, it will increase customer satisfaction which in turn indirectly has a positive and significant impact on Fruts Café customer loyalty.

From the results of the study, it was found that the direct influence between product quality on loyalty did not have a significant effect, but when mediated by customer satisfaction, the effect became positive and significant. Customer satisfaction successfully mediates and is able to drive product quality towards customer loyalty to be positive and significant. The effect of mediation in table 8 in this hypothesis shows that full mediation means customer satisfaction plays an important role. When customer satisfaction increases due to improved product quality, it has an impact on increasing customer loyalty.

In line with these findings, previous researchers were Hongdiyanto and Liemena (2021) Fuzee Sushi states that product quality mediated by customer satisfaction has a positive and significant influence on customer loyalty. Researchers Suzana et al (2022) East-West Seed Indonesia also stated that there is a positive and significant relationship between product quality and loyalty through customer satisfaction. When customers feel satisfaction with the quality of products from the company positively and significantly has an impact on increasing customer loyalty.

#### **The influence of service quality on customer loyalty through customer satisfaction.**

Based on the results of the path coefficient test in table 7, it is proven that service quality has a positive and significant effect on customer loyalty mediated by customer satisfaction so that it can be stated that **Hypothesis 9 (H9) is accepted**. This shows when the quality of Fruts Café service is good and according to the wishes of customers, it will increase customer satisfaction which in turn indirectly has a positive and significant impact on Fruts Café customer loyalty.

From the results of the study, it was found that the direct influence between service quality on loyalty did not have a significant effect, but when mediated by customer satisfaction, the effect became positive and significant. Customer satisfaction successfully mediates and is able to drive service quality towards customer loyalty to be positive and significant. The effect of mediation in table 8 in this hypothesis is full mediation,

which means customer satisfaction plays an important role. When customer satisfaction increases due to improved service quality, it has an impact on increasing customer loyalty.

As per research conducted by Anabila et al. (2022) in the Hotel Industry in Ghana which states good service quality has a positive and significant impact on customer loyalty mediated by customer satisfaction. Research Suzana et al, (2022) East-West Seed Indonesia also stated that there is a positive and significant relationship between service quality and loyalty through customer satisfaction.

### **The effect of price on customer loyalty through customer satisfaction.**

Based on the results of the path coefficient test in table 7, it is proven that price has a positive and significant effect on customer loyalty mediated by customer satisfaction so that it can be stated that **Hypothesis 10 (H10) is accepted**. This shows that when prices are applied properly by Fruts, it will increase customer satisfaction which in turn indirectly has a positive and significant impact on Fruts Café customer loyalty.

From the results of the study, it was found that both direct and indirect influences between prices on loyalty have a positive and significant effect. The mediating effect in table 8 of this hypothesis is partial mediation, meaning customer satisfaction mediates only part of price against customer loyalty. When customer satisfaction increases due to price, it has an indirect impact on increasing customer loyalty. Customers who are satisfied with the price will have an impact on the desire to buy back these products and services thereby creating customer loyalty.

This is in line with research conducted by Shen and Yahya (2021) to airlines in Malaysia. Affordable prices succeed in making aircraft customers satisfied so that this has an impact on customer loyalty. Research by Astuti et al (2021) at Coffee Shops in Jakarta states that customer satisfaction has succeeded in mediating and providing a positive and significant influence between price and customer loyalty.

## **V. CLOSING**

### **5.1 Conclusion**

Based on the results of research analysis, it can be concluded that the direct relationship between product quality, service quality and price on customer satisfaction has a positive and significant effect. Product quality and service quality on customer loyalty have no significant effect. Price on customer loyalty has a positive and significant effect. Customer satisfaction with customer loyalty has a positive and significant effect. For the indirect relationship, between product quality, service quality and price to customer loyalty through the mediation of customer satisfaction has a positive and significant effect.

### **5.2 Suggestion**

Based on the research results, there are several recommendations as follows: 1) continue to maintain and improve product quality, service quality and price by paying attention to the dominant indicators on these variables so that customer satisfaction is maintained. 2) Although product quality and service quality do not have a significant effect, the price factor can be a consideration to attract customer attention to remain loyal to use products and services from Fruts Café. Affordable price strategies, promos or discounts can be used to attract customers' attention back to Fruts Café. 3). Evaluate customer satisfaction by getting feedback or criticism from customers through suggestion boxes or short questions and answers after they use services or products from fruts café. This is necessary so that corrective action can be taken immediately.

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