

A Smirk of Satisfaction: Study on Panama Cafe Consumers

ABSTRACT

Aims: The success of a business cannot be separated from customer satisfaction. Consumer satisfaction or customer satisfaction is also an important factor in building a business. Satisfied consumers will certainly increase sales from the company. Consumer satisfaction is the level of consumer feelings after comparing what he received with what he expected. The purpose of this study is to find solutions to problems among product quality, service quality, and price on customer satisfaction.

Study design: Quantitative descriptive.

Place and Duration of Study: The sample used in this study were consumers who made purchases at Panama Cafe in Makassar City during the period January to March 2024.

Methodology: This research is a descriptive quantitative study conducted from January to March 2024. Sampling using purposive sampling method. The total sample in this research are 50 customers (22 male, 22 female, age range 15-35 years) who made more than two purchases. Data collection uses a questionnaire, which will be tested for validity and reliability, with the help of SPSS to processing data.

Results: The Product Quality variable has a T count of 0.471 and a significant value obtained of $0.640 > 0.05$. Thus it can be said that the product quality variable does not have a positive and significant effect on customer satisfaction. The Service Quality variable has a T count of 2.030 and a significant value obtained of $0.048 < 0.05$. Therefore, it can be concluded that the service quality variable has a significant and significant influence on customer satisfaction. The Price variable has a T count of 4.781 and a significant value obtained of $0.000 < 0.05$. Hence it can be concluded that the service quality variable has an influence and is significant to customer satisfaction.

Conclusion: Product quality has no influence on customer satisfaction, while service quality and price have an influence on customer satisfaction at Panama Cafe in Makassar city.

Keywords: product quality, service quality, price, customer satisfaction (*Arial, inclined, 10 font, justified*)

1. INTRODUCTION

One of the growing culinary businesses today is coffee shops. As is known, nowadays coffee has become a lifestyle applied by the Indonesian people. When going to start their activities in the morning it is not uncommon for people to drink coffee first. This is because drinking coffee has been used as a ritual or habit for generations by the community. Coffee enthusiasts will really choose a good taste of coffee and a comfortable place to enjoy it (Nurramaadhanti & Yulia, 2021). It is for this reason that entrepreneurs set up shops or cafes and believe that this business or business can be promising in the future.

Based on the results of Hariyanto's research (2019), it is known that in 2019 the number of coffee shops in Indonesia reached more than 2,950 coffee shops, the number is three times higher than in 2016 which only had 1,000 coffee shops in big cities this figure does not include modern and traditional independent coffee shops spread in various regions.

In the city of Makassar, there are currently many coffee shops, both traditional and modern concepts, which are located in small alleys, roadside, hidden places, or strategic places, even now there are many that stand in shopping centers which certainly have their own uniqueness, both in terms of taste quality, attractive café design, and uniqueness in the serving process. Each café has its own market share. One of them is Panama Cafe. The cafe business competition in Makassar city is currently very competitive. In running a coffee shop business, companies must always observe and understand the needs and desires of consumers, by understanding the needs and desires of consumers, it will provide important input for companies to design marketing strategies.

When visiting a restaurant or café, consumers not only see what menu (product) is offered, they will also see what kind of product quality and service quality they provide to consumers. When the company is able to provide good product quality and service quality in accordance with what customers expect or even exceed their expectations, then it will be able to provide a sense of comfort that can be felt by customers and so that indirectly can be the reason for these customers to come back (Julianti et al, 2024; Putri et al, 2023)

Product quality is a characteristic of a product or service that depends on its ability to satisfy stated or implied consumer needs (Kotler & Armstrong, 2008). Product quality is a standard that customers expect and must be met by the company. Quality is a characteristic of each product that can attract customers and can satisfy customers at the same time (Rumpa et al, 2023; Rafli et al, 2023)). Based on pre-research that has been conducted, 53% of people are dissatisfied due to limited raw materials so that the products offered are sometimes empty. In addition, the noncoffee menu for people who do not consume coffee is also still very small.

Service quality is a measure of how well the level of service provided is able to match customer expectations (Tjiptono, 2102). Service Quality is all forms of efforts made by the company in terms of service in order to form customer satisfaction (Awad et al, 2023). The customer will feel satisfied if he gets service that matches his expectations, maybe even more than what is expected (Askari et al, 2023; Asyhafa et al, 2023)). Based on pre-research that has been conducted, there are 60% of respondents who feel less satisfied. This is due to the limited number of employees at Panama Cafe so that services are not fully channeled seeing the concept of a fairly large café and has two floors, besides that the parking lot provided by the café is also relatively small because it can only accommodate two to three cars.

Price is the value of an item in the form of money and is one of the important factors for the company because determining a good and correct price will be a consideration for customers so that they can buy back the product offered besides that, price is the main key for the company in terms of finance (Malik et al, 2024). Price is the amount of money charged for a product or service, or the amount of value that customers exchange to benefit from owning or using a product or service (Kotler & Armstrong, 2008). When compared to other similar cafés, the prices offered by Panama Café are more expensive where the price of a glass of coffee or noncoffee drinks starts from IDR 17,000 - 25,000, while in other cafés it starts from IDR 10,000 - 15,000. This makes consumers feel objected and dissatisfied.

Consumer satisfaction is the overall attitude that consumers show towards goods or services after they have obtained and used them (Mowen & Minor, 2002). Consumer satisfaction is very important to create loyal consumer traits (Nurananda et al, 2023). If the quality is far below expectations, then they will experience emotional dissatisfaction. In building a business, one of the things that is very influential is customer satisfaction. If a customer is satisfied with the product being sold, they will become a loyal customer and will recommend the product to others.

Table 1. Sales Data of Panama Cafe in 2023

Month	Sales Turnover 2023
January	22.109.000
February	20.821.000
March	23.007.000
April	19.352.000
May	2.306.000
June	29.032.000
July	29.215.000
August	30.084.000
September	23.361.000
October	22.818.000
November	19.004.000
December	20.921.000
Total	262.030.000

Table 1 shows that the sales data for Panama Cafe in 2023 fluctuates. It can be seen that in April, May and November there was a decrease from the previous month which reached 2,306,000 sales levels, this was due to several factors. Based on interviews that have been conducted with the owner of Panama Cafe, one of the factors that cause fluctuations is the limited raw materials that pass the specialty standards available at the café, so that sometimes the composition used is not correct. Based on the background of the problems above, the objectives of this study are as follows; to determine the effect of product quality on customer satisfaction at Panama Café, to determine the effect of service quality on customer satisfaction at Panama Café, to determine the effect of price on customer satisfaction at Panama Café, and to determine the simultaneous effect of product quality, service quality, and price on customer satisfaction at Panama Cafe.

2. MATERIAL AND METHODS

The type of research used in this study is associative using a quantitative approach. Quantitative research is a research method based on the philosophy of positivism, used to research certain populations or samples, sampling techniques are generally carried out randomly, data collection using research instruments, quantitative data analysis with the aim of testing predetermined hypotheses (Sugiyono, 2014).

The research conducted was aimed at consumers of Panama Cafe in Makassar City. Research Implementation Time will begin in January - March 2024.

According to Sugiyono (2014), population is a general area of objects or subjects with certain qualities and characteristics that are allowed to be studied before evaluating their success. The population used in this study are consumers who make purchases at Panama Cafe in Makassar City.

Sampling is the process of selecting a sufficient number of elements from the population, so that research on the sample and understanding of its properties and characteristics, will make it possible to generalize these properties or characteristics to population elements (Sekaran, 2006). The sample size in this study was determined using the Lemeslow formula, which is the formula used to calculate the sample with an infinite population situation.

Data collection techniques are methods used by researchers to collect data in order to obtain the information needed in the research process. This study uses several data collection techniques including:

A questionnaire is a pre-formulated list of written questions that respondents will answer, usually in clearly defined alternatives (Sekaran, 2006).

In addition to questionnaires, interview techniques were also used to support the accuracy and completeness of the questionnaire. Interviews are also used to broaden the researcher's view of other data that is not formulated in the questionnaire. In addition, interviews are also used to complement the data collected through questionnaires.

Data analysis technique is the process of systematically searching and compiling data obtained from questionnaires by organizing data into categories, breaking down into units, synthesizing, compiling into patterns, choosing which ones are important and which will be studied and drawing conclusions that are easy to understand for yourself or others.

Validity test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2005).

Reliability test is a tool to measure a questionnaire which is an indicator of a variable. A questionnaire is said to be reliable or reliable if someone's answer to a question is consistent or stable over time (Ghozali, 2005). The classic assumption test is the initial stage used before liner regression analysis. The classic assumption tests used in this study are multicollinearity, heteroscedasticity, and normality tests (Ghozali, 2011).

To determine the magnitude of the influence between variables, the T test and F test were conducted. The T test basically shows how far the influence of one independent variable individually in explaining the variation in the independent variable (Ghozali, 2005). The F test is used to determine whether the independent variables affect the dependent variable together or simultaneously. Furthermore, the Determinant Coefficient Test (R^2) is intended to determine the best level of accuracy in regression analysis, which is indicated by the coefficient of determination (R^2) between 0 (zero) and 1 (one). Coefficient of determination (R^2) zero independent variables have absolutely no effect on the dependent variable.

3. RESULTS AND DISCUSSION

Validity Test

Table 2. Product Quality Variable Validity Test (X1)

No. item	R_{count}	R_{table}	Description
1	0,891	0.273	Valid
2	0,839	0.273	Valid
3	0,827	0.273	Valid
4	0,797	0.273	Valid
5	0,794	0.273	Valid
6	0,889	0.273	Valid
7	0,884	0.273	Valid

Table 3. Validity Test of Service Quality Variables (X2)

No. item	R_{count}	R_{table}	Description
1	0,788	0.273	Valid
2	0,882	0.273	Valid
3	0,871	0.273	Valid
4	0,841	0.273	Valid
5	0,852	0.273	Valid
6	0,813	0.273	Valid
7	0,883	0.273	Valid
8	0,896	0.273	Valid
9	0,789	0.273	Valid
10	0,802	0.273	Valid

Table 4. Price Variable Validity Test (X3)

No. item	R_{count}	R_{table}	Description
1	0,835	0.273	Valid
2	0,848	0.273	Valid
3	0,878	0.273	Valid
4	0,816	0.273	Valid

No. item	R_{count}	R_{table}	Description
5	0,879	0.273	Valid
6	0,870	0.273	Valid

Table 5. Customer Satisfaction Variable (Y)

No. item	R_{count}	R_{table}	Description
1	0,755	0.273	Valid
2	0,777	0.273	Valid
3	0,902	0.273	Valid
4	0,947	0.273	Valid
5	0,874	0.273	Valid
6	0,855	0.273	Valid
7	0,807	0.273	Valid
8	0,707	0.273	Valid

Based on table 2, table 3, table 4, and table 5 it can be concluded that all variables are declared valid because the R_{count} obtained is greater than R_{table} .

Reliability Test

Table 6. Reliability Test Results

Variable	<i>Cronbach's Alpha</i>	description
Product Quality (X_1)	0,931	Reliable
Service Quality (X_2)	0,954	Reliable
Price (X_3)	0,924	Reliable
Consumer Satisfaction (Y)	0,927	Reliable

Based on the variables above (table 6), it can be said that all variables are reliable, this is because the Cronbach's alpha value is greater than 0.6.

Multicollinearity Test

Table 7. Multicollinearity Test Results

Variable s	<i>Cronbach's Alpha</i>	Description
	Tolerance	VIF
Product Quality (X_1)	0,337	2,694
Service Quality (X_2)	0,449	3,449
Price (X_3)	0,407	2,407

It can be seen that the tolerance value for the above variables exceeds 0.10. Meanwhile, the VIF value is smaller than 10.00. On the basis of the multicollinearity test decision, it is concluded that the regression model is free of multicollinearity / there is no multicollinearity symptom.

Heteroscedasticity Test

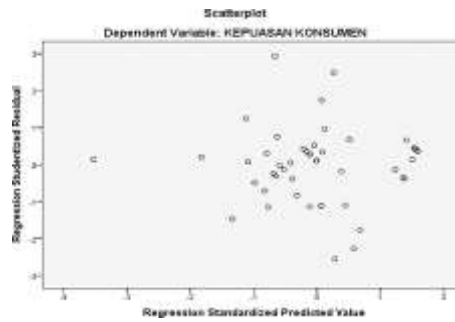


Figure 1. Scatterplot of Heteroscedasticity Test.

Based on the picture above, it can be seen that the points spread out not to form a certain pattern (wavy, widening then narrowing) then spread above and below the number 0 on the Y axis, so in the regression model there is no heteroscedasticity.

Normality Test

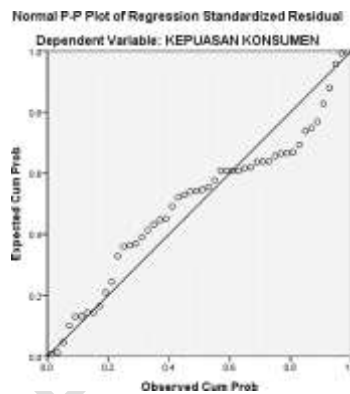


Figure 2. Normality Test Chart.

From the picture above, it can be concluded that the research data is normally distributed in the regression model. This is because it can be read from the distribution (dots) around the regression line (diagonal), and the distribution of data points in the same direction along the diagonal.

Table 8. Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.129	2.994		.043	.966
PRODUCT QUALITY	.071	.152	.059	.071	.640
SERVICE QUALITY	.240	.118	.289	2.030	.048
PRICE	.812	.170	.569	4.781	.000

- The constant is 0.129 if there is no product quality, service quality, and price, then the customer satisfaction variable is fixed at 0.129
- b_1 = X1 regression coefficient of 0.071, then each additional 1% value can increase the value of customer satisfaction by 0.071 assuming X2 and X3 are constant.
- b_2 = X2 regression coefficient of 0, 240, then each additional 1% value can increase the value of customer satisfaction by 0.240 assuming X1 and X3 are constant.
- b_3 = X3 regression coefficient of 0, 812, then each additional 1% value can increase the value of customer satisfaction by 0.812 assuming X1 and X2 are constant.

**Table 9. Hypothesis Test
T test**

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.129	2.994		.043	.966
PRODUCT QUALITY	.071	.152	.059	.471	.640
SERVICE QUALITY	.240	.118	.289	2.030	.048
PRICE	.812	.170	.569	4.781	.000

- X1 product quality has a significant value of 0.640 greater than 0.05 and the direction of the regression coefficient is negative, which means that X1 has no positive and significant effect on customer satisfaction.
- X2 service quality has a significant value of 0.048 smaller than 0.05 and the direction of the regression coefficient is positive, which means that X2 has a positive and significant effect on customer satisfaction.
- X3 selling price has a significant value of 0.000 smaller than 0.05 and the direction of the regression coefficient is positive, which means that X3 has a positive and significant effect on customer satisfaction.

F test

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1019.383	3	339.794	41.379	.000 ^b
	Residual	377.737	46	8.212		
	Total	1397.120	49			

From the table above, it shows a significant probability of 0.000, which is smaller than 0.05 so that the independent variables, namely product quality, service quality and price, have a significant effect on customer satisfaction.

Table 10. Determination Coefficient Test (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 ^a	.730	.712	2.866

Based on the table above, it is known that the Adjusted R Square result obtained is 0.712, which means that the ability of product quality, service quality and price variables, and in explaining customer satisfaction is 71.2%, while the remaining 28.8% is explained by other variables not examined in this study.

The Product Quality variable (X1) has a T count of 0.471 and a significant value obtained of $0.640 > 0.05$. Therefore, it can be said that the product quality variable does not have a positive and significant effect on customer satisfaction (Y). The Product Quality variable (X1) is the only variable that has no effect on customer satisfaction. This is evidenced in the Multiple Linear Regression Analysis test where the product quality variable has the lowest point compared to other variables 0.71.

In the results of the questionnaire that has been distributed, it can be seen that statement number 4 has the lowest points, namely "Cafe Panama makes a menu of dishes with the right mix of ingredients" with a score of 203. There were 1 respondent who answered disagree and 1 respondent who answered strongly disagree that the menu offered by Café Panama was not in accordance with the right mix of raw materials.

The Service Quality variable has a T count of 2.030 and a significant value obtained of $0.048 < 0.05$. Hence it can be concluded that the service quality variable has a significant influence on customer satisfaction. The highest points are in statement number 7, namely "The building, and the interior of the room along with other facilities at Cafe Panama are attractive" with a score of 218 and supported by high points in the questionnaire of 207 with a good range. This indicates that many customers are satisfied with the interior of the café which has an outdoor concept with views of rice fields, making customers who come will feel relaxed and comfortable while enjoying the various foods and drinks they order.

The Price variable (X3) has a T count of 4.781 and a significant value obtained of $0.000 < 0.05$. So it can be concluded that the service quality variable has a significant and significant influence on customer satisfaction. The price variable is the most influential variable in customer satisfaction (Y) which can be seen in the Multiple Linear Regression analysis test where product quality has the highest point of 0.812. The highest point is in statement number "The price is in accordance with the quality of food and drinks provided at Panama Cafe" with a score of 209. This shows that the prices available are in accordance with the quality of the food and drinks offered. Even though it is a little more expensive than other cafes, it will cover customer perceptions because the expenses incurred match what they get.

Based on the results of data analysis in this study, it is known that the product quality variable has no effect on customer satisfaction, while service quality and price affect customer satisfaction.

4. CONCLUSION

Based on the results of data analysis in this study, it is known that the variable product quality has no effect on customer satisfaction at Panama Cafe in Makassar city, service quality has an influence on customer satisfaction at Panama Cafe in Makassar city, price has an effect on customer satisfaction at Panama Cafe in Makassar city. Product quality has no influence on customer satisfaction, while service quality and price have an influence on customer satisfaction at Panama Cafe in Makassar city.

From the research results discussed previously and the conclusions obtained, the input or suggestions are proposed as follows:

- The Product Quality variable has no influence on customer satisfaction at Panama Cafe in Makassar city, it is recommended that Panama Cafe prepare more coffee composition and always restock raw materials so that the menu served is even better.
- Service Quality Variables have an influence on customer satisfaction at Panama Cafe in Makassar city and it is recommended that Panama Cafe maintain services in terms of building interiors and other forms of services at Panama Cafe.
- The price variable has an influence on customer satisfaction at Panama Cafe in Makassar city, it is recommended that Panama Cafe can hold discounts on certain days, for example during holidays, café birthdays, twin dates, new year's and so on in order to attract consumers to come visit Panama Cafe.
- This study is very limited in that there are only three independent variables, namely product quality, service quality and price in predicting the dependent variable, namely customer satisfaction, therefore it is hoped that further researchers will develop a better research model by including other variables that have not been included in this study.
- Researchers found that this research is not enough to achieve absolute truth. Based on the results of hypothesis testing, researchers also noted several weaknesses in the study as follows:
 - The dependent variable, namely customer satisfaction, is not always influenced by product quality, service, and price, but can also be influenced by other factors. Individual perceptions and opinions when evaluating customer loyalty can differ and change over time, so the level of consumer behavior when surveyed may not always be the same when measured again. Respondents' lack of understanding of some of the statements contained in the questionnaire.

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