



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor: 5.2
IJAR 2020; 6(7): 186-192
www.allresearchjournal.com
Received: 14-05-2020
Accepted: 16-06-2020

Diajeng Reztrianti
Universitas Krisnadwipayana,
Indonesia, Campus Unkris
Jatiwaringin Jat CM Jakarta,
Indonesia

Budhi Suparningsih
Universitas Krisnadwipayana,
Indonesia, Campus Unkris
Jatiwaringin Jat CM Jakarta,
Indonesia

Effect of price and product quality on consumer loyalty through consumer satisfaction in the association bakoels of coffee (Asbak)

Diajeng Reztrianti and Budhi Suparningsih

Abstract

This study aims to examine the effect of price and product quality on consumer loyalty through customer satisfaction in coffee Bakoel associations. The research sample of 250 respondents from 5 shops that are members of the Coffee Bakoel Association namely Depok, Bekasi, Bandung, Jogja, and Jakarta. Data analysis techniques using path analysis.

The results showed that price and product quality influence consumer loyalty in the Association Bakoel of Coffee (Asbak) through customer satisfaction.

Keywords: Price, Product Quality, Consumer Satisfaction, Consumer Loyalty

Introduction

The rapid development and advancement of technology in the world today has made changes in the mindset, lifestyle and business in the community. The impact can be seen today in the business world, one of which advances in technology is a factor in business development. We can see the growth of MSMEs according to depkop.go.id data in 2017 amounting to 62,928,077 units, where we know that MSMEs in July 2018 contributed 60.34 percent of GDP (National Economic Growth). This can be interpreted that the development of the business world today has many great opportunities to improve people's welfare.

In terms of lifestyle-related social, changes or shifts can be seen from community relations in interacting with each other. With the proliferation of places to hangout businesses in several places in big cities, has made a shift in the interaction between one person with others. We can see how the number of food stalls or coffee shops is mushrooming in big cities. Coffee is now the most promising business field, coffee shops are now not only for young people who like to spend time hanging out, but coffee shops can be used as a place for meetings, discussions, work assignments, and so forth. For a businessman, it becomes a huge opportunity.

For an entrepreneur who is starting a business, the most desired factor in achieving customer loyalty. Customer loyalty is very important, which means how loyalty attitudes grow from our consumers, which can be seen from their attitudes and behavior. Attitude shows how a customer or consumer wants to go back to buying our product, willingness to recommend our place to another customer, and so on. While behavior shows a commitment to buy our products again.

To grow all of that, of course, a company or MSMEs must have superior products that can be superior to other products. So that makes our products can compete with other people's products. The large selection of coffee products available causes consumers to be meticulous and selective in choosing coffee, especially now that most of the consumers no longer buy products to meet their needs, but because of desire. Coupled with the discovery of consumers deciding to choose to use certain coffee products to clarify their identity so that they are seen to follow the times in certain communities. Besides this, the physical form is now no longer the main concern of consumers in choosing products, but all the inherent product attributes that attract consumers from the purchase stage to post-purchase.

The advantage of having loyal customers has a profound effect on the development of the company. In fierce business competition, tightening ties of loyalty with existing customers is

Corresponding Author:
Diajeng Reztrianti
Universitas Krisnadwipayana,
Indonesia, Campus Unkris
Jatiwaringin Jat CM Jakarta,
Indonesia

more important than ever. Customer satisfaction alone cannot achieve the goal of retaining customers, because satisfaction is a passive customer condition; while loyalty is an active or proactive relationship with customers (Tweneboah-Koduah and Farley, 2015) ^[13].

Many factors can be used as indicators, one of which is related to price. Price also has a very important role in fostering customer loyalty. Low prices do not necessarily guarantee a good quality product. If there are competitors who have high prices but the quality produced is also good, it can also grow customer loyalty (Basir *et al.* 2015).

Besides the product quality factor is also one of the factors that can affect customer loyalty. According to Kotler (2012) ^[9], product quality is stated as follows, "quality is the totality of features and characteristics of a product or service that bears on its ability to satisfy expressed or implied needs."

Low satisfaction, can make a good quality product not liked by consumers, and conversely, high satisfaction can make a quality product preferred by consumers. This shows that satisfaction can strengthen or weaken the relationship between product quality, and customer loyalty. Therefore this study uses satisfaction as a moderating variable to determine its effect whether it strengthens or weakens the relationship between product quality and customer loyalty. Of the many factors that exist, all of that is nothing more than a company's strategy or MSMEs in marketing their products. Every company or MSMEs wants to have loyal customers, that loyalty can be strengthened or can be weak when viewed from the satisfaction of consumers. Consumers who are satisfied with the quality of products and services provided will certainly have a positive impact on MSMEs or our company, and vice versa if companies or MSMEs fail to increase customer satisfaction, the impact can be lost to consumers.

Strategy can be seen as a company's response, both short-term and long-term, in facing challenges and opportunities. The company implements its strategy to retain customers, get new customers or customers and also to anticipate changes that occur. Without the support of the right strategy, companies will find it difficult to survive during competition. Consumer loyalty can be formed if consumers are satisfied with the level of service received and consumers tend to choose products that have advantages but with relatively cheap prices.

Literature Review

1. Price

Price is an element of a marketing mix that is flexible where at any time it can change according to time and place. Prices are not just numbers printed on the label of a package or store shelf, but prices have many forms and carry out many functions. Kotler and Armstrong (2012) ^[9] explain that price is an element of the marketing mix that generates income, other elements produce costs. Price is the easiest element in a marketing program to adjust, product features, channels, and even communication take time. In the same book, Kotler and Armstrong (2012: 345) ^[9] also explained that the price is the amount of money billed for a product and service or the amount of value exchanged by customers to get the benefits of owning or using a product and service. Another different opinion from Tjiptono (2014: 151) ^[5] which states that price is the only element of the marketing mix that provides income or income for the company.

Kotler and Armstrong (2012: 314) ^[9] explain four measures characterize prices, namely: price affordability, the suitability of prices with quality, the suitability of prices with benefits, and prices according to ability or purchasing power. Below is an explanation of four price measures, namely:

a. Affordability of Prices

Consumers can reach the price set by the company. Products usually have several types in one brand and the price is also different from the cheapest to most expensive. With prices set many consumers who buy products.

b. Prices following the ability or price competitiveness

Consumers often compare the price of a product with other products. In this case, the expensive price of a product is very expensive for consumers to consider buying the product.

c. Price match with the product quality

Price is often used as an indicator of quality for consumers. People often choose a higher price between two goods because they see a difference in quality. If prices are higher people tend to assume that the quality is also better.

d. Price match benefits

Consumers decide to buy a product if the perceived benefits are greater or equal to what has been spent to get it.

2. Product Quality

Product quality is the main focus in the company, quality is an important policy in increasing product competitiveness that must give satisfaction to consumers who exceed or at least the same as the quality of products from competitors. According to Crosby (1979) ^[3], product quality is a product that is following the requirements or standardized. A product has quality if it complies with specified quality standards. According to Juran (1993) ^[8], product quality is the suitability of product use to meet customer needs and satisfaction. According to Deming (1982) ^[4], product quality is the suitability of the product with market or consumer needs. Companies must truly understand what consumers need for a product that will be produced. Thus the product quality is an attempt to meet or exceed customer expectations, where a product has a quality that is following predetermined quality standards, and quality is a condition that is always changing because the tastes or expectations of consumers on a product are always changing.

Indicators of product quality consist of:

- Performance, related to the basic operating characteristics of a product.
- Durability, which means how long the product is concerned.
- Conformance to specification, i.e. there are no defects in the product.
- Features, add interest to consumers.
- Reliability is the probability that the product will work satisfactorily or not in a certain period.
- Aesthetic, related to the appearance of the product can be seen, taste, smell, and shape.
- Perceived quality, consumer perception of price, brand, advertising, reputation.

Customer Satisfaction

Kotler and Keller (2016: 153) ^[11] suggest that "In general, satisfaction is a person's feelings of pleasure or disappointment that results from comparing a product or service perceived performance (or outcome) to expectations. If the performance or experience falls short of expectations, the customer is dissatisfied. If it matches expectations, the customer is satisfied. If it exceeds expectations, the customer is highly satisfied or delighted." Vice versa if the performance meets expectations, satisfied customers. If performance exceeds expectations, the customer is very satisfied or happy. The opinions of Tjiptono and Chandra (2016: 201) ^[5] also read the same that customer satisfaction will be achieved if after consuming an item and service, the results felt by customers meet or exceed their expectations. Based on the above definition, it can be concluded that customer satisfaction is a feeling that arises after the consumer consumes a product where the feeling is following what he expected or exceeded his expectations. Based on the above definition, it can be concluded that customer satisfaction is a feeling that arises after the consumer consumes a product where the feeling is following what he expected or exceeded his expectations. According to Kotler's (2011) ^[10] theory, the key to retaining customers is customer satisfaction. Indicators of customer satisfaction are:

- a. Re-purchase: buyback, where the customer will return to the company to look for goods/services.
- b. Creating word of mouth: in this case, customers will say good things about our company to others.
- c. Creating a brand image: consumers will pay less attention to brands and advertisements from competing products.
- d. Create purchasing decisions at the same company: buy other products in the same company.

4. Consumer Loyalty

Behavior after purchasing a product is determined by satisfaction or dissatisfaction with a product at the end of the sales process. The concept of customer loyalty is more associated with behavior than attitude. One positive attitude of consumers can be shown through loyalty to the company's products and recommend these products to other consumers, while negative attitudes are shown through negative words to other consumers and move to other companies. Loyalty is something that arises without coercion but arises by itself. The definition of loyalty according to Griffin that was translated by Yahya (2010) ^[1] is the formation of attitudes and behavior patterns of a consumer towards the purchase and use of the products and their previous experience. Similar to Kotler and Keller

(2012) ^[9], defining loyalty is the commitment of the customer to persist deeply to re-subscribe or re-purchase selected products or services as a consistent attitude in the future, even though the influence of the situation and marketing efforts have the potential to cause changes behavior.

Consumers who can be categorized as loyal consumers are consumers who are satisfied with certain products so they have the enthusiasm to introduce it to anyone they know. Furthermore, loyal consumers will also show their loyalty by buying other products from the same company. From the above understanding, we can conclude that loyalty is formed from two components, loyalty as a behavior that is a consistent repurchase and loyalty as an attitude that is a positive attitude towards a product or manufacturer coupled with a consistent buying pattern. Based on this, it can be concluded that customer loyalty to a product is related to the positive attitude that the consumer has towards the product by making repeated purchases consistently.

According to Hidayat (2009: 103) ^[7], consumer loyalty is the commitment of a consumer towards a market based on a positive attitude and reflected in consistent repurchases. These indicators are:

- a. Trust, is a response to consumer confidence in the market.
- b. Emotion commitment is a psychological commitment of consumers to the market
- c. Switching costs are a response to consumers about the burden received when changes occur
- d. Word of mouth is the publicity behavior of consumers towards the market
- e. Cooperation is a consumer behavior that shows the attitude of working with the market

Research Methods

a. Research Time and Location

The research will be conducted in November 2019 - February 2020 by taking the location of the Association Bakoel of Coffee (Asbak) MSME located in Depok, Bekasi, Bandung, Jogja, and Jakarta.

b. Research Design

This study uses an explanatory analysis approach. This means that each variable centered on the hypothesis will be observed through testing the causal relationship of the independent variable to the dependent variable. The relationship between variables can be described in the form of path analysis diagrams as follows: the research conceptual framework can be explained as follows:

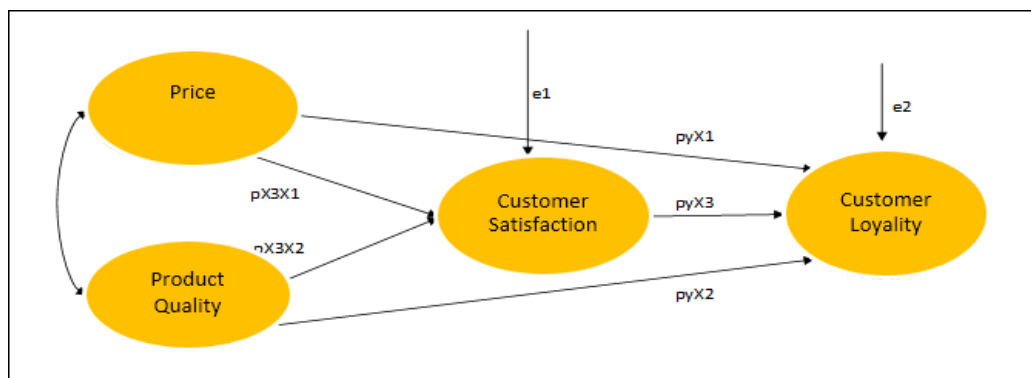


Fig 1: Overall Path Analysis

c. Population and Sample

According to Sugiyono (2016: 80) [12], the definition of the population is as follows: "Population is the area of generalization consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn."

Based on the above understanding, the population in this study is the Association Bakoels of Coffee (Asbak) of MSME associations located in Depok, Bekasi, Bandung, Jogja, and Jakarta, totaling 300 respondents. According to Sugiyono (2016: 81) [12], the sample is: "The sample is part of the number and characteristics possessed by the population".

The population in this study are consumers of Association Bakoels of Coffee (Asbak) of MSME associations located in Depok, Bekasi, Bandung, Jogja and Jakarta. The population has a large number, so researchers use samples from that population. The sample was conducted because of the limitations of researchers in conducting research both in terms of funding, time, energy, and the number of very large populations. Therefore the sample taken must be able to represent the population, and the number of samples must be representative. The right sample members are used according to (Sugiyono: 2016, 116) [12] in the study depending on the desired level of error.

The greater the number of samples from the population studied, the smaller the chance of error, and vice versa. In this study, researchers in taking samples using accidental sampling technique that is a technique of determining samples based on coincidences, ie anyone who accidentally

meets the researcher can be used as a sample if viewed by people who happen to be met according to the data source. The number of samples that researchers took as many as 250 respondents from 5 shops that are members of the Association Bakoels of Coffee. Data analysis techniques using path analysis.

Research Results and Discussion

A. Effect of Price (X1) and Product Quality (X2) on Consumer Satisfaction (X3)

1. Sub-Structure Coefficient Analysis 1

Table 1: Subnational Anova Coefficients 1

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	2015,951	2	1007,976	604,366	.000 ^b
	Residual	411,953	247	1,668		
	Total	2427,904	249			

a. Dependent Variable: Consumer_Satisfaction_X3

b. Predictors: (Constant), Quality_Products_X2, Price_X1

Based on table 1, sub-structure 1 obtained the Sig probability value of 0.005. Concerning the testing rules, the significance of the probability value is 0.005 < 0.05 so that H0 is rejected and H1 is accepted. That is, there is a significant simultaneous relationship between price and product quality with consumer satisfaction. Thus, the regression model above is feasible and correct. To see the magnitude of the effect, use Beta or Standardized Coefficient below:

Table 2: Sub-structure Coefficients 1

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,177	1,070		3,902	,000
	Price_X1	,009	,033	,229	,282	,003
	Quality_Products_X2	,810	,029	,706	28,043	,000

a. Dependent Variable: Consumer_Satisfaction_X3

Based on table 2, the standardized coefficient of the magnitude of the effect of prices on customer satisfaction is 0.229 or the remaining 22.9% is at 77.1% influenced by other variables. As for the magnitude of the effect of product quality on consumer satisfaction by 0.706 or 70.6% the remaining 29.4% is influenced by other variables.

2. T-Test Analysis

To see the magnitude of the effect of price and product quality variables on customer satisfaction directly used T-test

a) Price (X1) on Consumer Satisfaction (X3)

Based on the results of calculations, the probability value of 0.003 is obtained. By referring to the testing rules of significance the probability value is 0.003 < 0.05 so that H0 is rejected and H1 is accepted, meaning that there is a significant relationship between price and consumer satisfaction in the Association Bakoels of Coffee (Asbak).

b) Product Quality (X2) on Consumer Satisfaction (X3)

Based on the results of the calculation, a probability value of 0,000 is obtained. By referring to the test rules of significance the probability value is 0,000 < 0.05 so H0 is

rejected and H1 is accepted, meaning that there is no significant relationship between product quality and customer satisfaction in the Association Bakoels of Coffee (Asbak).

B. Effect of Price (X1) and Product Quality (X2) on Consumer Loyalty (Y) through Consumer Satisfaction (X3)

The structural equation for substructure 2 is the same as the structural equation for model 1. In substructure 2 I analyze the direct and partial influence between price (X1), product quality (X2), on consumer loyalty (Y) through consumer satisfaction (X3).

1. Sub-Structure Coefficient Analysis 2

Table 3: Anova Coefficients 2

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	543,648	3	181,216	24,943	.000 ^b
	Residual	1787,248	246	7,265		
	Total	2330,896	249			

a. Dependent Variable: Consumer_Loyalty_Y

b. Predictors: (Constant), Consumer_Satisfaction_X3, Price_X1, Product_Quality_X2

Based on table 3, ANOVA sub-structure 2 above, the Sig probability value of 0,000 is obtained. Concerning the testing rules the significance of the probability value is $0,000 < 0,05$ so that H_0 is rejected and H_1 is accepted. That is, there is a significant relationship between Price, Product

Quality and Consumer Satisfaction on consumer loyalty. Thus, the regression model above is feasible and correct. To see the magnitude of the effect beta or standardized coefficients numbers are used below:

Table 4: Sub-structure Coefficients 2

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	17,258	2,302		7,498	,000
	Harga_X1	,327	,070	,327	,100	,020
	Product_Quality_X2	,125	,123	,143	1,013	,012
	Consumer_Satisfaction_X3	,346	,133	,353	2,607	,010

a. Dependent Variable: Consumer_Loyalty_Y

Based on table 4, the standardized coefficient of the magnitude of the effect of prices on consumer loyalty is 0.327 or the remaining 32.7% is 67.3% influenced by other variables. As for the magnitude of the effect of product quality on consumer loyalty of 0.143 or 14.3% the remaining 85.7% is influenced by other variables. And for the magnitude of the effect of consumer satisfaction on customer loyalty of 0.353 or 35.3% the remaining 64.7%.

2. T-Test

To see the effect of price, product quality on customer loyalty through customer satisfaction used the t-test.

a) Price (X1) on Consumer Loyalty (Y)

Based on the calculation results, a probability value of 0.020 is obtained. By referring to the testing rules of significance the probability value is $0,020 < 0,05$ so that H_0 is rejected and H_1 is accepted, meaning that there is a significant relationship between price and consumer loyalty in the Association Bakoels of Coffee (Asbak).

b) Product Quality (X2) on Consumer Loyalty (Y)

Based on the results of calculations, the probability value of 0.012 is obtained. Concerning the testing rules of significance, the probability value is $0,012 < 0,05$ so H_0 is rejected and H_1 is accepted, meaning that there is a significant relationship between product quality and consumer loyalty in the Association Bakoels of Coffee (Asbak).

c) Consumer Satisfaction (X3) on Consumer Loyalty (Y)

Based on the calculation results, a probability value of 0.010 is obtained. By referring to the testing rules of significance the probability value is $0,010 < 0,05$ so that H_0 is rejected and H_1 is accepted, meaning that there is a significant

relationship between customer satisfaction and consumer loyalty in the Association Bakoels of Coffee (Asbak).

C. Determination (R²)

Table 5: Determinant Coefficients (R2) Model Sub Summary Structure 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.483 ^a	,233	,224	2,69541

a. Predictors: (Constant), Consumer_Satisfaction_X3, Price_X1, Product_Quality_X2

The amount of R square (r^2) is 0.233. The number can be used to see the effect of price, product quality and customer satisfaction on consumer loyalty by calculating the Coefficient of Determination (KD) using the following formula:

$BC = r^2 \times 100\%$
 $BC = 0.233 \times 100\%$
 $BC = 23.3\%$

This figure means that the effect of price, product quality and customer satisfaction on combined performance is 23.3%, while the remaining 76.7% ($100\% - 23.3\%$) is influenced by other factors. In other words, the variability of consumer loyalty that can be explained by using the variable price, product quality and customer satisfaction is 23.3%, while the effect of 76.7% is caused by variables outside this model.

C. Framework for empirical causal influence between structural pathways one and two

The path diagram of the causal influence of empirical prices, product quality, and customer satisfaction on performance is as follows:

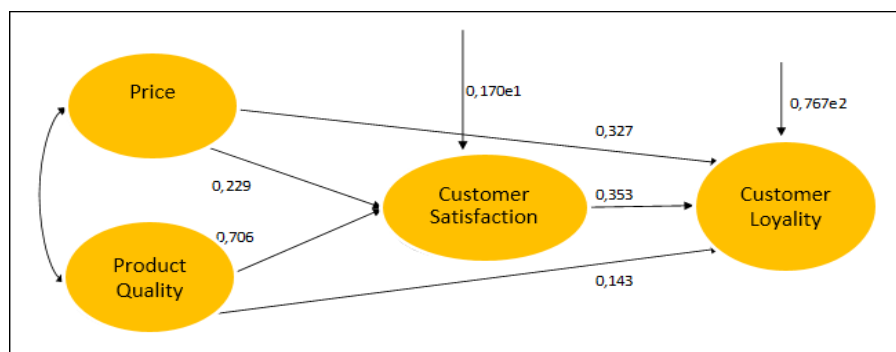


Fig 2: Path Analysis Results

Based on the results of the calculation as a whole, it can be interpreted and discussed to provide information objectively as follows:

a. Direct Influence

To calculate the direct effect, the following formula is used:

• Effect of Price Variables on customer loyalty

$$X1 \rightarrow X3 = 0,229$$

$$X2 \rightarrow X3 = 0,706$$

$$X1 \rightarrow Y = 0,327$$

$$X2 \rightarrow Y = 0,143$$

$$X3 \rightarrow Y = 0,353$$

b. Indirect Effect

To calculate the indirect effect, the following formula is used:

• The effect of price variables on customer loyalty through customer satisfaction

$$X1 \rightarrow X3 \rightarrow Y = (0.229 \times 0.353) = 0.080837$$

• The effect of product quality variables on customer loyalty through customer satisfaction

$$X2 \rightarrow X3 \rightarrow Y = (0.706 \times 0.353) = 0.249218$$

c. Total Effect

• The effect of price variables on customer loyalty through customer satisfaction

$$X1 \rightarrow X3 \rightarrow Y = (0.229 + 0.353) = 0.582$$

• The effect of product quality variables on customer loyalty through customer satisfaction

$$X2 \rightarrow X3 \rightarrow Y = (0.706 + 0.353) = 1.059$$

• The effect of prices on consumer loyalty

$$X1 \rightarrow Y = 0.327$$

• The effect of product quality on consumer loyalty

$$X2 \rightarrow Y = 0.143$$

• The influence of customer satisfaction on customer loyalty

$$X3 \rightarrow Y = 0.353$$

The structural equation for the equation model is:

$$1) \text{ Sub-structure equation 1: } X3 = 0,229X1 + 0,706X2 + 0,170\epsilon1$$

$$2) \text{ Sub-structure equation 2: } Y = 0.3270X1 + 0.143X2 + 0.767\epsilon2$$

Discussion

1. Significant influence between price and product quality on simultaneous consumer satisfaction

Price and product quality simultaneously or jointly affect customer satisfaction. This is shown in the coefficient of substructure 1, with the acquisition of a significant number of 0.003 <from 0.05. This means that if the price and product quality increase together it can affect the increase in customer satisfaction with the coffee shop.

2. Significant effect of price on consumer satisfaction

In the same book, Kotler and Armstrong (2011: 345)^[10] also explains that price is the amount of money billed for a product and service or the amount of value exchanged by customers to get the benefits of owning or using a product and service. From research what has been done in getting the result that the price at the coffee shop has a strong enough influence in the sense that the price becomes a benchmark so that if there is an increase in price it also affects the level of customer satisfaction. This is reinforced by the results of the analysis that has been done that is through the t-test obtained a significant number of studies amounting to 0.003 <0.05, so the hypothesis proposed by researchers is following the results of the study, namely the price has a positive and significant effect on consumer

satisfaction in the Coff Association Bakoels of Coffee (Asbak). The study stated that the variable price has a positive effect on customer satisfaction.

3. Significant influence between product quality and consumer satisfaction

Product quality is the main focus in the company, quality is an important policy in increasing product competitiveness that must give satisfaction to consumers who exceed or at least equal the quality of products from competitors. According to Crosby (1979)^[3], product quality is a product that is following the requirements or standardized. A product has quality if it complies with specified quality standards. In this study, product quality has a positive and significant effect on customer satisfaction, this means that when the product quality variable has increased, the variable customer satisfaction has increased. The results of the analysis that have been done show a significant figure of 0,000 <from 0.05. Therefore, the hypothesis proposed by researchers is following the results of the research that has been done, so that product quality (X2) has a positive and significant effect on consumer satisfaction in the Association Bakoels of Coffee (Asbak).

4. Significant influence between price and product quality on consumer loyalty through simultaneous consumer satisfaction

The hypothesis stated by researchers that there is a positive and significant influence on price and product quality on consumer loyalty indirectly through customer satisfaction. This was obtained from the results of the study showing a significant value of the research F of 0,000 < from 0.05. This means that there is a positive relationship between price, product quality and customer loyalty through customer satisfaction.

5. Significant effect of price on consumer loyalty

From the research that has been done to get the results that the price at the Coffee Bakoel Association (Asbak) is strong in the sense that the price becomes competitiveness against competing coffee shops and a measure of consumers in buying so that if there is an increase in the variable price of consumer loyalty at the Association Bakoels of Coffee (Asbak) also increased. This is reinforced by the results of the analysis that has been done, namely through the t-test, producing a significant value of 0.020 <0.05. The calculation means that H0 is rejected and H1 is accepted, so the hypothesis proposed by researchers is following the results of research that have been done, namely, the price has a positive and significant effect on consumer loyalty in Association Bakoels of Coffee (Asbak). A strong relationship between price and employee performance of 0.578. This means the coefficient is positive.

6. Significant influence between product quality on consumer loyalty

Product quality is the processed product following the expectations of the buyer. Good product quality can produce good consumer loyalty output. The results showed that product quality had a positive and significant effect on consumer loyalty in the Association Bakoels of Coffee (Asbak).

The conclusion was obtained based on the results of the analysis that has been done, the analysis showed that a

significant value of 0.012 <from 0.05 so that H₀ was rejected and H₁ was accepted. In this study, there was a positive influence between product quality and customer loyalty of 0.460%.

7. Significant influence between consumer satisfaction on consumer loyalty

Satisfaction is a feeling of pleasure or disappointment someone who appears after comparing the performance (results) of the product thought to the expected performance (or results). If performance is below expectations, the customer is not satisfied. Vice versa if the performance meets expectations, satisfied customers. If performance exceeds expectations, the customer is very satisfied or happy. The opinions of Tjiptono and Chandra (2016: 201)^[5] also read the same that customer satisfaction will be achieved if after consuming an item and service, the results felt by customers meet or exceed their expectations. From the research that has been done to get the results that a significant value of 0.010 <from 0.05 so that H₀ is rejected and H₁ accepted. This means that consumer satisfaction directly has a positive effect on customer loyalty.

Conclusions and Recommendations

Based on the results of research and hypothesis testing from the formulation of the problem presented, it can be concluded as follows:

1. Simultaneously the price and quality of the product significantly influence consumer loyalty in the Association Bakoels of Coffee (Asbak).
2. Partially, the price has a significant effect on consumer loyalty in the Association Bakoels of Coffee (Asbak).
3. Partially the quality of the product influences consumer loyalty in the Association Bakoels of Coffee (Asbak).
4. Product price and quality affect customer loyalty in the Coffee Bakoel Association (Asbak) through customer satisfaction.
5. Partially, the price has a significant effect on customer satisfaction.
6. Partially, product quality has a significant effect on customer satisfaction.
7. Partially customer satisfaction affects customer loyalty in the Association Bakoels of Coffee (Asbak).

Recommendations

Based on the results of research and discussion of testing as above, the following recommendations are recommended:

1. Product quality needs to be maintained and continuously improved because product quality can be an important point in differentiating it from other coffee products.
2. Association Bakoels of Coffee (Asbak) should continue to maintain the influence of price and product quality variables because based on research these variables directly affect consumer loyalty to Asbak coffee products. Some things that can be done such as, continue to improve innovation, improve engine quality and others.
3. This research only focuses on price, product quality, customer satisfaction, and customer loyalty. There are still other factors such as promotion, distribution channels that can be used as opportunities to conduct new research.

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