

# THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION AS AN INTERVENING VARIABLE (CASE STUDY OF J.CO DONUTS & COFFEE BANDUNG CITY)

Efi Novita<sup>1</sup>, Agus Maolana Hidayat<sup>2\*</sup>

<sup>1,2</sup>Business Administration, Telkom University, Indonesia.

**\*Corresponding Author**  
**Agus Maolana Hidayat**

Business Administration, Telkom  
University, Indonesia.

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**Abstract:** The advancement of the culinary industry in Indonesia poses both challenges also opportunities for entrepreneurs. Companies must engage in fierce competition to ensure their sustained presence in the market. This study holds the potential to offer strategic guidance to companies striving to uphold also expand their market share in the face of escalating competition. The aim of this research is to examine how product quality, pricing, also service quality influence customer loyalty through the prism of customer satisfaction at J.CO Donuts & Coffee in Bandung City. Employing a quantitative methodology with a causality type, the study employed a non-probability sampling method, specifically purposive sampling, with a sample size of 200 respondents. Data analysis was performed using SmartPLS 3.0. The outcome of the study indicate that product quality significantly also positively impacts customer satisfaction, along with pricing also service quality. However, product quality does not exhibit a significant positive influence on customer loyalty. Conversely, pricing demonstrates a positive also significant impact on customer loyalty, while service quality does not. Nevertheless, customer satisfaction emerges as a pivotal factor with a positive also significant effect on customer loyalty. Consequently, it can be deduced that product quality, pricing, also service quality collectively exert a positive also significant influence on customer loyalty through the mediating factor of customer satisfaction.

**Keywords:** Product Quality, Price, Customer Satisfaction, Customer Loyalty.

## Introduction

J.CO Donuts & Coffee is an Indonesian restaurant that follows global standards, with a focus on donuts, coffee also frozen yogurt. Formed on June 26 2005 by the Johnny Andrean Group, J.CO Donuts & Coffee was created after successfully introducing the BreadTalk brand to Indonesia. This achievement motivated Johnny Andrean to explore additional cooking ideas. Although not the first donut brand in Indonesia, J.CO Donuts & Coffee quickly attracted attention also surpassed Dunkin Donuts in popularity, resulting in significant sales growth when it debuted in mid-2005. Customers can stay up to date with the latest news from J.CO Donuts & Coffee through various service facilities also communication channels. Additionally, they have a great website that allows customers to make purchases online, saving them the hassle of going to a physical store. Find the latest information on various J.CO Donuts & Coffee channels website, app, Instagram, Twitter, Facebook, TikTok, also delivery orders.

Currently, the culinary sector is very popular with Indonesian people, especially appetizers also snacks. Therefore, the food industry has become a sought-after employer also provides great support to the creative industry sector. It covers a variety of elements, including cakes, frozen foods, catering services, snacks, also more. The existence of human life is closely related to the

need for food, also the need for food continues to exist in various age groups, whether, children, teenagers.

The Central Statistics Agency said that The second quarter of 2023 witnessed a deceleration of 4.62% in the food also beverage industry., which was a continuation of the slowing trend that occurred in the previous quarter.

As per Databoks in 2023, J.CO Donuts & Coffee is the only donut brand that is included in the category of the 10 best-selling restaurants in Indonesia.

As per the Top Brand Award in the donut category, J.CO Donuts & Coffee has a TBI result of 52.4%, ranking first in the Indonesian market as a domestic product. This makes many Indonesian people provide support for local products as a form of love for their country.

As per PinHome.id, J.CO Donuts & Coffee is the second most popular donut category after Dunkin' Donuts. In this case the company must not only produce high quality products, but also be able to achieve also maintain customer satisfaction that pertains to the emotion of contentment or dissatisfaction that arises following the comparison of expectations with the actual experience.

As per Google Trends, J.CO Donuts & Coffee for 2022-2023 will experience fluctuations caused by several factors. Some

common reasons for such fluctuations may involve special events or trends, seasonality, or changes in brand or product popularity. Google Trends functions as a tool that provides information about the extent to which a keyword is searched for on Google in a certain period.

As per Semrush.com, web visit data, which is a source of information about J.CO Donuts & Coffee, during May-October 2023 tends to decrease even though there have been several increases in web visits in certain months. J.CO Donuts & Coffee Company needs to look at web visit data because this information provides deep insight into user interactions with their website.

Budi & Yasa (2023) emphasize that increasing customer satisfaction is the right approach to foster higher repurchase intentions. When customers are satisfied, they tend to communicate their good experience to their near also dear ones also endorse the product to their friends also family.

Product quality is related to the extent to which a brand or product is able to satisfy expectations also fulfill basic human needs (Santoso et al., 2019). To meet consumer demand, organizations must adopt measurement strategies that incorporate product segmentation, such as classifying food items as per criteria such as taste superiority, portion size, menu diversity, also the nature of the food offered.

Asaloei (2019) emphasizes the importance of price in determining the value of a product. Offering competitive prices, especially if accompanied by adequate product quality, can arouse customers' curiosity also make them want to buy more. On the other hand, if customers perceive prices as too expensive also not meeting quality expectations, this can lead to dissatisfaction also discourage repeat purchases. Therefore, price plays an important role in determining the extent of customer satisfaction, as buyers often evaluate it in relation to other available options.

Research like this has also been previously researched, therefore there is a study gap. Multiple investigations have explored the impact of product quality, pricing, also service quality on customer loyalty through the lens of customer satisfaction. One such study conducted by Chrisnaya et al. (2023) substantiates the following findings: 1) there is a significant influence of service quality, product quality, also price on both customer satisfaction also customer loyalty, also 2) there is a substantial impact of customer satisfaction as an intervening factor between service quality, product quality, also price on customer loyalty.

As per the context that has been explained, the researcher feels interested in carrying out thesis study at J.CO Donuts & Coffee in Bandung City. This study has the potential to provide valuable strategic direction to companies in their efforts to maintain also increase their market share amidst increasingly competitive competition.

## Literature Review

### Marketing

As per Emi Puspita Dewi, (2022), Marketing includes a comprehensive framework of company operations, which involves strategic planning, pricing, promotion also distribution of goods or services to fulfill the demands of current also potential buyers.

### Product Quality

As per Philip Kotler & Kevin Lane Keller, (2020) quality

measures the extent to which the product meets the specified specifications. A product is a collection of physical goods that form an identifiable entity. Product quality parameters are the ability of the product to satisfy consumers also the extent to which the producer can maintain positive customer assessments of the product.

### Price

As per Tjiptono, (2020) price is the amount of money or other elements that provide a certain value considered by consumers to obtain certain services.

### Customer satisfaction

As per Philip Kotler also Kevin Lane Keller (2021), customer satisfaction is influenced by the degree to in which the functionality of a product or service corresponds to the anticipations of the consumer. Satisfaction is achieved when customers perceive that a product or service not only meets but possibly surpasses their expectations, leading to a high level of contentment or even happiness. Conversely, when a product or service falls short of customer expectations, dissatisfaction may ensue.

### Customer loyalty

As per Sudarsono, n.d. (2020) consumer loyalty includes a series of actions, such as repeat purchases, rejection of competitors, lack of influence on the interest of other products, also frequently recommending them to others. Customer loyalty to a product is greatly influenced by the superiority of the product, especially in terms of quality, which includes aspects such as reliability, responsiveness, certainty also empathy.

### The Relationship between Product Quality and Customer Satisfaction

As per Jennifer & Buntu Laulita, (2023) attention to product quality is essential for entrepreneurs in creating goods that will be sold by the company. Product quality covers all aspects of the product proposed to the market, with the aim of meeting customer needs also desires for quality products.

### The Relationship between Price and Customer Satisfaction

As per Nurfauzi et al., (2023) price not only determines the value of a product, but also has a direct impact on company profits. The set price level influences sales quantity, which in turn influences production costs also production efficiency. Price can also be thought of as the amount of money paid by customers in exchange for having or using a product or service.

### The Relationship between Product Quality and Customer Loyalty

As per Febriatu Sholikhah & Hadita, (2023) The quality of a product plays a crucial role in the decision-making process for purchases. In addition to pricing considerations, product quality stands out as a pivotal aspect that demands careful attention. It significantly impacts whether customers will engage in repeat purchases also exhibit loyalty towards the product. From a corporate perspective, products assume a paramount role, as the viability of a company hinges on the presence of a satisfactory product. Therefore, it is important to direct product development as per market interests, tastes also needs.

### The Relationship between Price and Customer Loyalty

As per Arie Supangkat, (2020) in a service or product, there is a small label containing a nominal amount that is attached or

hanging near the product. By adopting this understanding, price can be explained as the total value provided to customers to gain benefits from the use or ownership of the product. In other words, Price refers to the monetary value necessary to acquire a specific combination of goods also services.

#### **The Relationship between Customer Satisfaction and Customer Loyalty**

In accordance with Promise Raja Sitinjak also Andrew (2020), customer satisfaction can be elucidated as the evaluation of performance after a purchase in relation to the expectations or anticipations held prior to the transaction. It entails a sense of contentment or dissatisfaction that emerges from the comparison of pre-purchase expectations with the actual received experience. A high level of satisfaction or happiness can create an emotional bond with the brand or company in question. Customer satisfaction has a key role in forming customer loyalty. Without being able to meet consumer needs also desires, a company will have difficulty maintaining also creating loyal customers.

#### **The Relationship between Product Quality and Customer Loyalty through Customer Satisfaction**

As per Chrisnaya et al., (2023) Product quality not only has a direct impact on customer satisfaction but also influences the level of customer loyalty through this satisfaction. If product quality is high, Customers are prone to experience satisfaction. This customer satisfaction then becomes a key factor in building loyalty, because customers will tend to return also choose products from brands that have met or exceeded their expectations.

#### **The Relationship between Price and Customer Loyalty through Customer Satisfaction**

As per Ika Yandini & Rangkuti, (2023) the relationship between price also customer loyalty can be influenced through the satisfaction of customers. If customers feel the price matches the value they receive, customer satisfaction can increase, which can then lead to higher levels of loyalty.

#### **Methods**

The employed study methodology is descriptive quantitative, representing a systematic approach to data collection with specific objectives also advantages. This study adopts a causality concept, indicating its concentration on establishing relationships among two or more variables. The study incorporates independent, dependent, also intervening variables. The sampling method utilized is non-probability, more precisely of the purposive sampling category, involving a sample size of 200 respondents drawn from the overall population. The criteria for inclusion in the sample are consumers who have made multiple purchases of J.CO Donuts & Coffee products in Bandung City.

In this research, each variable is measured using an ordinal measurement scale which explains that the ordinal scale not only groups data, but also provides a ranking of the construct being measured. The measurement tool used is a Likert scale which is useful in assessing the behavior, ideas also perceptions of individuals or groups regarding a social problem.

Data processing was carried out using SmartPLS 3.0 with the aim of predicting the influence of variable X on variable Y also explaining the theoretical relationship between the two.

## Results and Discussion

### Convergent Validity

**Table 1. Outer Loading**

| Number | Variable              | Indicator | Loading Factor | Rule of Thumb | Conclusion |
|--------|-----------------------|-----------|----------------|---------------|------------|
| 1      | Product Quality       | X1.1      | 0.836          | 0.700         | Valid      |
|        |                       | X1.2      | 0.833          |               | Valid      |
|        |                       | X1.3      | 0.827          |               | Valid      |
|        |                       | X1.4      | 0.808          |               | Valid      |
|        |                       | X1.5      | 0.757          |               | Valid      |
|        |                       | X1.6      | 0.776          |               | Valid      |
|        |                       | X1.7      | 0.746          |               | Valid      |
|        |                       | X1.8      | 0.763          |               | Valid      |
|        |                       | X1.9      | 0.785          |               | Valid      |
|        |                       | X1.10     | 0.704          |               | Valid      |
|        |                       | X1.11     | 0.811          |               | Valid      |
|        |                       | X1.12     | 0.720          |               | Valid      |
| 2      | Price                 | X2.1      | 0.753          |               | Valid      |
|        |                       | X2.2      | 0.772          |               | Valid      |
|        |                       | X2.3      | 0.737          |               | Valid      |
|        |                       | X2.4      | 0.788          |               | Valid      |
|        |                       | X2.5      | 0.730          |               | Valid      |
|        |                       | X2.6      | 0.764          |               | Valid      |
|        |                       | X2.7      | 0.793          |               | Valid      |
|        |                       | X2.8      | 0.756          |               | Valid      |
| 3      | Customer Satisfaction | Z1.1      | 0.784          |               | Valid      |
|        |                       | Z1.2      | 0.735          |               | Valid      |
|        |                       | Z1.3      | 0.767          |               | Valid      |
|        |                       | Z1.4      | 0.778          |               | Valid      |
|        |                       | Z1.5      | 0.708          |               | Valid      |
|        |                       | Z1.6      | 0.746          |               | Valid      |
|        |                       | Z1.7      | 0.758          |               | Valid      |
|        |                       | Z1.8      | 0.760          |               | Valid      |
| 4      | Customer Loyalty      | Y1.1      | 0.746          |               | Valid      |
|        |                       | Y1.2      | 0.786          |               | Valid      |
|        |                       | Y1.3      | 0.776          |               | Valid      |
|        |                       | Y1.4      | 0.848          |               | Valid      |
|        |                       | Y1.5      | 0.756          |               | Valid      |
|        |                       | Y1.6      | 0.800          |               | Valid      |

Source: SmartPLS 3.0, 2023

The outcomes of the outer loading of each indicator have a value exceeding 0.7, which causes it to be declared valid. After all indicators have appropriate values, further analysis can be carried out, which is as follows:

**Table 2. Average Variated Extracted**

| Variable              | AVE   | Coclusion |
|-----------------------|-------|-----------|
| Product Quality       | 0.611 | Valid     |
| Price                 | 0.581 | Valid     |
| Customer Satisfaction | 0.570 | Valid     |
| Customer Loyalty      | 0.618 | Valid     |

Source: SmartPLS 3.0, 2023

The Average Variated Extracted (AVE) outcome have a value exceeding 0.5, which outcome in the variable outcome being declared valid.

**Table 3. Cross Loading**

|       | Product Quality | Price | Customer Satisfaction | Customer Loyalty |
|-------|-----------------|-------|-----------------------|------------------|
| X1.1  | 0.836           | 0.756 | 0.819                 | 0.738            |
| X1.2  | 0.833           | 0.751 | 0.723                 | 0.709            |
| X1.3  | 0.827           | 0.738 | 0.742                 | 0.701            |
| X1.4  | 0.808           | 0.759 | 0.744                 | 0.731            |
| X1.5  | 0.757           | 0.691 | 0.718                 | 0.669            |
| X1.6  | 0.776           | 0.703 | 0.664                 | 0.672            |
| X1.7  | 0.746           | 0.679 | 0.767                 | 0.652            |
| X1.8  | 0.763           | 0.689 | 0.688                 | 0.661            |
| X1.9  | 0.785           | 0.712 | 0.688                 | 0.654            |
| X1.10 | 0.704           | 0.685 | 0.663                 | 0.659            |
| X1.11 | 0.811           | 0.729 | 0.729                 | 0.724            |
| X1.12 | 0.720           | 0.685 | 0.678                 | 0.663            |
| X2.1  | 0.645           | 0.753 | 0.717                 | 0.676            |
| X2.2  | 0.740           | 0.772 | 0.692                 | 0.708            |
| X2.3  | 0.668           | 0.737 | 0.681                 | 0.714            |
| X2.4  | 0.698           | 0.788 | 0.680                 | 0.659            |
| X2.5  | 0.673           | 0.730 | 0.671                 | 0.651            |
| X2.6  | 0.726           | 0.764 | 0.673                 | 0.640            |
| X2.7  | 0.701           | 0.793 | 0.728                 | 0.705            |
| X2.8  | 0.732           | 0.756 | 0.696                 | 0.614            |
| Z1.1  | 0.796           | 0.706 | 0.784                 | 0.687            |
| Z1.2  | 0.691           | 0.663 | 0.735                 | 0.660            |
| Z1.3  | 0.684           | 0.698 | 0.767                 | 0.784            |
| Z1.4  | 0.758           | 0.696 | 0.778                 | 0.669            |
| Z1.5  | 0.629           | 0.738 | 0.708                 | 0.658            |
| Z1.6  | 0.683           | 0.687 | 0.746                 | 0.671            |
| Z1.7  | 0.665           | 0.639 | 0.758                 | 0.631            |
| Z1.8  | 0.650           | 0.661 | 0.760                 | 0.713            |
| Y1.1  | 0.659           | 0.683 | 0.684                 | 0.746            |
| Y1.2  | 0.675           | 0.669 | 0.693                 | 0.786            |
| Y1.3  | 0.705           | 0.686 | 0.698                 | 0.776            |
| Y1.4  | 0.715           | 0.738 | 0.744                 | 0.848            |
| Y1.5  | 0.690           | 0.666 | 0.679                 | 0.756            |
| Y1.6  | 0.698           | 0.713 | 0.776                 | 0.800            |

Source: SmartPLS 3.0, 2023

Cross Loading outcome show that the performance of each indicator is in accordance with certain criteria. In this way, it can be asserted that the indicators used provide good outcome.

**Table 4. Fornell-Larcker Crietion**

|                      | Price | Customer Satisfaction | Product Quality | Customer Loyalty |
|----------------------|-------|-----------------------|-----------------|------------------|
| Price                | 0.762 |                       |                 |                  |
| CustomerSatisfaction | 0.909 | 0.755                 |                 |                  |
| Product Quality      | 0.915 | 0.921                 | 0.782           |                  |
| Customer Loyalty     | 0.879 | 0.882                 | 0.908           | 0.786            |

Source: SmartPLS 3.0, 2023

The Fornell-Larcker outcome above have outcome with the value of the variable itself exceeding the other variables, so it can be said that Fornell-Larkcer has had good outcome.

### Reliability Test

**Table 5. Construct Reliability**

|                       | Cronbach's Alpha | Conclusion | Composite Reliability |
|-----------------------|------------------|------------|-----------------------|
| Product Quality       | 0.942            | Reliabel   | 0.949                 |
| Price                 | 0.897            | Reliabel   | 0.917                 |
| Customer Satisfaction | 0.892            | Reliabel   | 0.914                 |
| Customer Loyalty      | 0.876            | Reliabel   | 0.906                 |

Source: SmartPLS 3.0, 2023

The outcome of construct reliability indicated that both Cronbach's Alpha also Composite Reliability for each variable surpassed 0.7, affirming the reliability of the measurement variables in the study.

### R-Square

**Table 6. R-Square**

|                       | R-Square |
|-----------------------|----------|
| Customer Satisfaction | 0.891    |
| Customer Loyalty      | 0.848    |

Source: SmartPLS 3.0, 2023

The R-Square analysis indicates that the Customer Satisfaction variable possesses a coefficient of 0.891, indicating a robust correlation. This suggests that the combined impact of product quality, price, also service quality on customer satisfaction accounts for 89.1%, while the remaining 10.9% is attributed to external variables. Similarly, the Customer Loyalty variable has a coefficient of 0.848, denoting a substantial level of correlation. Of course, stating that Product Quality also Price also together have an implication of 84.8% on Customer Loyalty, while the other 15.2% is caused by other external variables.

### Predictive Relevance

**Table 7. Predictive Relevance**

|                      | SSO      | SSE      | Q <sup>2</sup> (=1-SSE/SSO) |
|----------------------|----------|----------|-----------------------------|
| Product Quality      | 2400.000 | 2400.000 |                             |
| Price                | 1600.000 | 1600.000 |                             |
| CustomerSatisfaction | 1600.000 | 804.791  | 0.497                       |
| Customer Loyalty     | 1200.000 | 584.003  | 0.513                       |

The Predictive Relevance outcome for the Customer Satisfaction variable are 0.497 also the Customer Loyalty variable is 0.513. Therefore, the model states a noteworthy also strong prediction, because it has a value exceeding 0 also above 0.35.

## Hypothesis Testing

**Table 8. Path Coefficient (Direct Impact)**

| Structural | Original Sample | T Statistics | T Table | P Value | Decision |
|------------|-----------------|--------------|---------|---------|----------|
| X1 -> Z    | 0.351           | 3.141        | 1.96    | 0.002   | Accepted |
| X2 -> Z    | 0.281           | 3.456        | 1.96    | 0.001   | Accepted |
| X1 -> Y    | 0.087           | 0.803        | 1.96    | 0.422   | Rejected |
| X2 -> Y    | 0.227           | 2.524        | 1.96    | 0.012   | Accepted |
| Z -> Y     | 0.474           | 5.046        | 1.96    | 0.000   | Accepted |

Source: SmartPLS 3.0, 2023

The outcome of hypothesis testing (Path Coefficient), where T Statistics are compared with the T Table (1.96) at a significance level of 5% (0.05), yield the following conclusions: (1) Product quality has a significant impact on customer satisfaction. (2) Price has a significant impact on customer satisfaction. (3) Product quality does not have a significant impact on customer loyalty. (4) Price significantly influences customer loyalty. (5) Customer satisfaction significantly affects customer loyalty.

**Table 9. Indirect Impact**

| Structural   | Original Sample | T Statistics | T Table | P Value | Decision |
|--------------|-----------------|--------------|---------|---------|----------|
| X1 -> Z -> Y | 0.166           | 3.258        | 1.96    | 0.001   | Accepted |
| X2 -> Z -> Y | 0.133           | 2.572        | 1.96    | 0.010   | Accepted |

Source: SmartPLS 3.0, 2023

The outcomes of hypothesis testing (Path Coefficient) involving a comparison between T Statistics also the T Table (1.96), with a significance level set at 5% (0.05), lead to the following conclusions: (1) Product quality exerts influence on consumer loyalty via customer satisfaction. (2) Price affects loyalty through Customer Satisfaction.

### ***The implications of Product Quality on J.CO Donuts & Coffee Customer Satisfaction in Bandung City***

As per the test outcome, it was observed that the Product Quality variable (X1) exhibited a statistical T value of 3.141, which is greater than 1.96, also a significance value of 0.002, which is less than 0.05, with a coefficient of 0.351. This suggests that product quality has a significant positive impact on customer satisfaction, accounting for 35.1%. Thus, higher product quality leads to a corresponding improvement in customer satisfaction.

Product quality is a crucial aspect that companies must consider so that their production outcome have value in the competitive market also meet consumer needs also desires. Mature customers, who prioritize the quality of their chosen products, pose a challenge for companies as they are compelled to continually enhance the quality of their offerings. Products, in this context, can be interpreted as customer perceptions conveyed by producers of their production outcome. That way, the grade of customer satisfaction for a product really depends on its quality.

This study was supported by (Woen & Santoso, 2021), (Firdausi Ahsan & Lukmandono, n.d.), (Mulady & Sumadi, 2023), (Akmal et al., n.d.), (Santoso et al., 2019), which says product quality has a noteworthy implication on customer satisfaction.

### ***The implications of Price on J.CO Donuts & Coffee Customer Satisfaction in Bandung City***

Derived from the test outcomes, the Price variable (X2) exhibits a statistical T value of 3.456, surpassing 1.96, with a significance value of 0.001, which is less than 0.05, also a

corresponding path coefficient value of 0.281. This signifies that price exerts a statistically noteworthy influence on customer satisfaction, accounting for 28.1%. Consequently, an enhancement in the offered price corresponds to an increase in customer satisfaction.

Price is an element that Affects the grade of consumer satisfaction also also plays a crucial role in the sales process. Pricing is a key element in marketing because it is directly related to the outcomes obtained by the company. In determining prices, companies need to consider the economic conditions of consumers so that the product can be accessed by them. Correspondingly, for consumers, price is a consideration factor in purchasing decisions also reflects perceptions about the product.

This study was also supported by (Woen & Santoso, 2021), (Santoso et al., 2019), (Naini et al., 2022), (Mulady & Sumadi, 2023), (Danish A, M. Alam, & Hazrat B, 2021) which says that price has a noteworthy implication on customer satisfaction.

### ***The implications of Product Quality on J.CO Donuts & Coffee Customer Loyalty in Bandung City***

As per the test outcomes, it was determined that the Product Quality variable (X1) yielded a T-statistic value of 0.803, which is less than 1.96, also a significance value of 0.422, exceeding 0.05, with a coefficient of 0.087. This indicates that product quality does not have a substantial impact on customer loyalty, accounting for only 8.7%.

The correlation between product quality also customer loyalty becomes clear when consumers feel satisfied with the quality of a product purchased, which can then encourage loyalty

to that product. Product quality plays an crucial role in forming a strong bond between consumers also the company. Therefore, companies can increase consumer satisfaction by providing the best products. One of the key steps to achieve company excellence is through providing quality products.

This study aligns with (Akmal et al., n.d.), (Karunia et al., 2022), (Santoso et al., 2019), (Laurene Istiyawari et al., 2021), (Putra Palilati et al., 2022), (Maulida, Uswatun, 2021) who said product quality did not have a noteworthy implication on consumer loyalty.

### **The implications of Price on J.CO Donuts & Coffee Customer Loyalty in Bandung City**

Out of the test outcome, it was found that the Price variable (X2) had a statistical T value of  $2.524 > 1.96$  also a significance value of  $0.012 < 0.05$  with a coefficient representing 0.227. This implies that price has a noteworthy implication on customer loyalty of 22.7%. Therefore, the better the price given, the more consumer loyalty will increase.

Price is related to customer loyalty, also its influence can be seen in consumer purchasing decisions regarding a product. When a product is priced as per its quality, the grade of customer loyalty can increase.

This study was also supported by (Mahanani & Alam, 2022), (Santoso et al., 2019), (Annis Muthia Arifani et al., 2022), (Akmal et al., n.d.), (Studi Magister, n.d.) which says that price has a noteworthy implication on customer loyalty.

### **The implications of Customer Satisfaction on J.CO Donuts & Coffee Customer Loyalty in Bandung City**

As per the test outcome, the result was that the Customer Satisfaction (Z) variable had a T statistic value of  $5.046 > 1.96$  also a sig value of  $0.000 < 0.05$ , with a coefficient representing 0.474. This implies that customer satisfaction has a beneficial noteworthy implication on customer loyalty by 47.4%. Therefore, the higher the customer satisfaction, the greater the customer loyalty.

Customer satisfaction relates to the general sentiment expressed by customers towards a product or service after its acquisition also utilization. This includes the experience of using or feeling the product or service after completion of the purchase procedure. Customers evaluate the extent to which a product meets or does not meet their predictions, experiencing various emotional reactions, whether beneficial, negative, or neutral. This response acts as feedback or input which forms a perception of satisfaction or dissatisfaction.

This study aligns with (Supertini, Telagawathi, Yulianthini, 2020), (Naini et al., 2022), (Firdausi Ahsan & Lukmandono, n.d.), (Nurul F, Sugeng S, dkk, 2022) which says that customer satisfaction has a noteworthy implication on customer loyalty.

### **The Influence of Product Quality also Price on Customer Loyalty Through Customer Satisfaction as an Intervening Variable**

Based on the conducted tests, the outcome indicate that the Product Quality variable significantly also positively influences Customer Loyalty through Customer Satisfaction. This is evident from a statistical T value of 3.258, exceeding 1.96, also a significance value of 0.001, below 0.05, with a path coefficient of 0.166. Consequently, it can be deduced that higher product quality

has a favorable impact on customers, resulting in elevated levels of customer satisfaction.

Similarly, the tests reveal that the Price variable also exerts a positive also significant influence on Customer Loyalty through Customer Satisfaction. The statistical T value is 2.572, surpassing 1.96, also the significance value is 0.010, less than 0.05, with a path coefficient of 0.133. This suggests that price has a positive impact on customers, contributing to heightened levels of customer satisfaction.

Moreover, this study aligns with the findings of a previous research conducted by Chrisnaya et al. (2023), confirming a significant influence of customer satisfaction as an intervening mechanism for product quality also price on customer loyalty.

## **Conclusion and Recommendation**

It can be concluded that product quality and price have a positive and significant effect on customer satisfaction; Price and customer satisfaction have a positive and significant influence on customer loyalty, but product quality do not have a positive influence on customer loyalty; Product quality and price have a positive and significant effect on customer loyalty through customer satisfaction.

Suggestions for Further Researchers (1). Future researchers are expected to conduct research on similar companies so that the results can be used as comparison material. (2). Future researchers should add other independent variables such as promotions, purchasing decisions and brand image which can influence customer loyalty through customer satisfaction. (3). Future researchers can use different assistance software other than SmartPLS, such as SPSS or AMOS. In order to get various results.

## **References**

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