Journal of Gastro Tourism

https://www.shmpublisher.com/index.php/jogasto

The influence of service quality, product quality, and product price on consumer satisfaction at teras malioboro 1 yogyakarta

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Article Info

ABSTRACT

This research aims to determine the effect of service quality, product quality, and product price on consumer satisfaction at Teras Malioboro 1 Yogyakarta. Teras Malioboro 1 Yogyakarta is located on Jalan Margo Mulyo, Ngupasan, Gondomanan, Yogyakarta City. This study uses primary data with a questionnaire method where the number of respondents is 100 respondents selected using purposive sampling technique with a quantitative approach carried out using multiple linear regression analysis with normality test, multicollinearity test, heteroscedasticity test, determination coefficient test (R^2), t-Test, and f-Test. The results of the tests carried out indicate that service quality has a significant effect (α = 5%), product quality does not have a significant effect (α = 5%) and product price has a significant effect (α= 5%) on consumer satisfaction at Teras Malioboro 1 Yogyakarta with a significant (α = 5%). With the percentage obtained from the determination coefficient test is 80.2% and proven by the researcher's observation with the existence of good service quality, product quality, and product prices in a purchase, it will create satisfaction for its consumers and play an important role in forming consumer satisfaction.

1. Introduction

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Tourism is an important economic sector in Indonesia. There are many types of tourism in Indonesia, one of which is souvenirs and culinary tourism. Teras Malioboro 1 Yogyakarta is a new place for street vendors. It is located in the former Indra cinema building, right across from Bring Harjo Market. The street vendors at Teras Malioboro 1 Yogyakarta offer a variety of souvenirs and culinary delights. Malioboro Terrace 1 in Yogyakarta provides quite good service; when customers arrive, they are guided by the vendors to find what they want to buy, such as clothing or food. The Malioboro 1 Terrace in Yogyakarta is certainly influenced by the nature of the products and services provided to its consumers. The quality of these products and services will affect customer satisfaction, which ultimately impacts the increase in income for street vendors. Malioboro Terrace 1 Yogyakarta is a type of service business that falls under the second classification, where the services provided cater to the needs and desires of consumers. Here is the data on the number of tourist visits to Teras Malioboro for the year 2022-2023:

Table 1. Visitor Count

Visitor Count	
Year 2022	Year 2023
2.766.753	2.880.796

Source: terasmalioboro.jogjaprov.go.id

Based on the data in the table above, it is known that the number of tourist visits to Teras Malioboro 1 in the year 2022-2023 experienced a decrease of approximately 299,785 people. Several factors contributed to the increase and the decline in tourist visits to Teras Malioboro 1 is partly due to the quality of service, product quality, pricing, and consumer satisfaction when purchasing a product. According to [1], service quality influences customer satisfaction, and customer satisfaction affects the intention to purchase or reorder in the future and to inform others about the performance of products or services, providing value and satisfaction to consumers or buyers. The product concept emphasizes that consumers will prefer products that offer the highest quality features, performance, or innovation. Consumers estimate which offer will suggest the highest value, and they will form an expectation of value and act according to that expectation. The way a proposal meets expectations will influence satisfaction and the likelihood of repurchase [2]. Consumer expectations refer to the level of alignment between the goods and services desired and the reality of the goods and services received. This level of alignment is the result of research conducted by consumers based on their knowledge and experience. To understand how consumer expectations and desires are met, it is essential to know the meaning of service quality, which consists of five dimensions: reliability, responsiveness, assurance, empathy, and tangibles or impact [3]. Customer satisfaction is a function of performance and expectations. If performance is below expectations, then consumers will not be satisfied. However, performance exceeds. The hope is that consumers will be satisfied. Malioboro Terrace 1 Yogyakarta focuses on the satisfaction experienced by visiting consumers. Because if consumers are not satisfied with the service provided, it is easy for them to change their minds and choices if they find a better option. Meanwhile, those who are very satisfied find it hard to change their choice. High satisfaction creates an emotional attachment to the brand, not just national references; the result is high customer loyalty. In addition, satisfied consumers are likely to recommend the company

to potential customers; in other words, the company can promote itself indirectly through the satisfaction of the consumers it serves [4].

2. Literature Review

Service Quality, [5], service quality is a measure of how well the level of service provided meets customer expectations. Product Quality, according to [6], product quality is the ability of a product to perform its functions, including durability, reliability, accuracy, ease of operation, and repair, as well as other attributes. Product Price, according to [2], the definition of price is the amount of money charged for a product or service or the value exchanged by consumers for the benefits derived from owning or using that product or service. Customer Satisfaction, according to [4], customer satisfaction is the level of a person's feelings after comparing the performance (results) they experience with their expectations. According to [5] there are five dimensions of service quality that can be used to measure service quality as follows:

1. Reliability, which is the ability to provide services that meet the promised expectations.
2. Responsiveness, which refers to the employees' promptness in assisting customers and providing quick and responsive service. This includes the employees' readiness to serve customers, the speed of handling transactions, and addressing customer complaints.
3. Assurance, which encompasses the employees' knowledge of the products, friendliness, attentiveness, and politeness in ensuring security while utilizing the offered services, as well as their ability in instilling customer trust in the company. This dimension is a combination of the sub-dimensions of competence, courtesy, and credibility. (Credibility).
4. Empathy, which refers to the individual attention given by the company to customers, such as ease of contacting the company and the ability of employees to communicate with customers, as well as efforts to understand the desires and needs of its customers.

3. Method

The research method used is a causal quantitative method with sampling techniques employing purposive sampling. The data collection techniques used are questionnaires and documentation. Test the instrument using validity and reliability tests. Hypothesis testing using multiple linear analysis, simultaneous test (f-Test), partial test (t-Test), coefficient of determination R^2 test. And the normality test using multicollinearity test and heteroscedasticity test. According to [7], quantitative methods are techniques for researching a specific population or sample, using instruments for data collection, and analyzing data statistically with the aim of testing established hypotheses.

4. Results and Discussion

The validity test in this study uses the Pearson Product Moment method. The calculated r-Value from the test results is compared with the r-Table value. If the calculated r is greater than the r-Table, then the instrument is declared valid; however, if the calculated r is less than the r-Table, then the instrument is declared invalid. With a value of n = 30, the value of r-Table is df = n – 2 = 30 – 2 = 28, and looking at the distribution of r-Table values in the

5% error degree, the r-Table value obtained is 0.361. The results of the validity test in this study are as follows:

Table 2. Validity Test Results

Variable	Item	r-Value	r-Table 5% (df=28)	Description
Service quality	X1.1	0.896	0.361	Valid
	X1.2	0.933	0.361	Valid
	X1.3	0.887	0.361	Valid
	X1.4	0.905	0.361	Valid
	X1.5	0.880	0.361	Valid
Product quality	X2.1	0.909	0.361	Valid
	X2.2	0.828	0.361	Valid
	X2.3	0.915	0.361	Valid
	X2.4	0.844	0.361	Valid
	X2.5	0.920	0.361	Valid
Product price	X3.1	0.917	0.361	Valid
	X3.2	0.900	0.361	Valid
	X3.3	0.851	0.361	Valid
	X3.4	0.919	0.361	Valid
Customer satisfaction	Y1	0.876	0.361	Valid
	Y2	0.956	0.361	Valid
	Y3	0.949	0.361	Valid
	Y4	0.912	0.361	Valid
	Y5	0.947	0.361	Valid

Source: Author, 2024

Based on the table above, it can be concluded that the calculated r for all statement items on the variables of service quality, product quality, product price, and consumer satisfaction is considered valid, because the calculated r is greater than the r-Table (0.361).

According to [8], Cronbach's alpha is considered acceptable if it is greater than 0.60. The results of the realibility test in this study are as follows:

Table 3. Result the Reability Test

Variable	Cronbach's Alpha	Alpha Standar	Description
Quality service	0.942	0.60	Reliable
Quality product	0.928	0.60	Reliable
Price product	0.919	0.60	Reliable
Customer satisfaction	0.959	0.60	Reliable

Source: Author, 2024

Based on the table above, it can be seen that the results of the reliability test indicate that the variables of service quality, product quality, product price, and customer satisfaction have a Cronbach's Alpha value greater than 0.60, thus it can be concluded that all these variables are considered reliable.

Table 4. The Normality Result

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			100
Normal Parameters*,**	Mean		.0000000
	Std. Deviation		1.71783736
Most Extreme Differences	Absolute		.087
	Positive		.087
	Negative		-.075
Test Statistic			.087
Asymp. Sig. (2-tailed)***			.062
Monte Carlo Sig. (2-tailed)****	Sig.		.063
	99% Confidence Interval	Lower Bound	.057
		Upper Bound	.070
*Test distribution is normal.			
**Calculated from data.			
***Lilliefors Significance Correction.			
****Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.			

Source: Author, 2024

Based on the table above, it can be seen that the significance value in the Asymp. Sig. (2-tailed) section is 0.62, which means 0.62 > 0.05. Thus, it can be concluded that the data from this study is normally distributed.

Table 5. Results of the Multicollinearity Test

Coefficients*			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Quality Service	.367	2.727
	Quality Product	.415	2.409
	Price of Product	.386	2.593
*Dependent Variable: Consumer Satisfaction			

Source: Author, 2024

Based on the table above, it can be seen that there is no multicollinearity among the independent variables. This can be seen from the tolerance values and VIF values: the service quality variable (X_1) has a tolerance value of 0.367 > 0.10 and a VIF of 2.727 < 10, the product quality variable (X_2) has a tolerance value of 0.415 > 0.10 and a VIF of 2.409 < 10, and the product price variable (X_3) has a tolerance value of 0.386 > 0.10 and a VIF of 2.593 < 10. Therefore, in this article, the variables X_1, X_2, and X_3 do not exhibit multicollinearity.

A good regression model does not exhibit heteroscedasticity. The heteroscedasticity test in this study was conducted using IBM SPSS Statistics 29 through the Glejser test method, where the results are considered significant if the significance value is greater than 0.05. The results of the heteroscedasticity test in this article are as follows:

Table 6. Results of the Heteroscedasticity Test

Coefficients*		
Model	t	Sig.
1 (Constant)	3.970	<,001
Quality Service	-.705	.483
Quality Product	-1.235	.220
Price product	.520	.604
*Dependent Variable: ABS_RES		

Source: Author, 2024

Based on the table above, it can be seen that the service quality variable (X_1) has a significance value of 0.483 > 0.05, the product quality variable (X_2) has a significance value of 0.220 > 0.05, and the product price variable (X_3) has a significance value of 0.604 > 0.05. It can be concluded that in the regression model of this article, there is no heteroskedasticity.

Multiple linear regression analysis is used to determine the effect of independent variables on the dependent variable. The results of the multiple linear regression analysis that has been conducted are as follows:

Table 7. Results of Multiple Linear Regression Analysis

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.132	1.078		.122	.903
Service of quality	.391	.081	.365	4.860	<,001
Product of quality	.052	.081	.045	.641	.523
Product of price	.690	.091	.553	7.562	<,001

Source: Author, 2024

Y $= a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$

Y   = 0,132 + 0,391 X1 + 0,052 X2 + 0,690 X3

Se   = (0,081)(0,081)(0,091)

Sig.   = (0,001)(0,523)(0,001)

R^2 = 0,802

Description:
Y   = Customer satisfaction
a   = Constant
b   = Coefficient of regresi variable
X1   = Quality services
X2   = Quality product
X3   = Price of product

From that equation, it can be concluded that:

1. The constant value above of 0.132 means that if the variables of service quality, product quality, and product price are considered constant, the average consumer satisfaction score is 0.132.
2. The regression coefficient for the service quality variable X_1 has a positive value towards consumer satisfaction (Y) with a coefficient value of 0.391, which means that if each service quality variable increases by one point, consumer satisfaction will increase by 0.391, assuming that other variables remain unchanged. This means that the higher the influence of service quality, the higher the consumer satisfaction at Teras Malioboro 1 Yogyakarta.
3. The regression coefficient for the product quality variable X_2 has a positive value regarding consumer satisfaction (Y) with a coefficient value of 0.052, which means that if each point of product quality increases by one, consumer satisfaction will increase by 0.052, assuming that other variables remain constant unchanged. It means that the higher the influence of product quality, the greater the consumer satisfaction at Teras Malioboro 1 Yogyakarta.
4. The standard error (Se) of 1.078 is greater than 0.132, thus it is deemed inadequate. The standard error (Se) of 0.081 is less than 0.391, thus it is deemed adequate. The standard error (Se) of 0.081 is greater than 0.052, therefore it is considered inadequate. The standard error (Se) of 0.091 is less than 0.690, hence it is regarded as adequate.
5. The significance and t for variable X_1 show that the calculated t for X1 is 4.860 > the table t of 1.983, and the significance value for X_1 is 0.001 < 0.05, which means there is a significant effect of service quality on customer satisfaction, thus Ho is rejected and Ha is accepted. The significance and t for variable X_2 indicate that the calculated t is 0.641 > the table t of 1.983, and the significance value for X_2 is 0.523 < 0.05, meaning there is no significant effect of product quality on customer satisfaction, so Ho is accepted and Ha is rejected. Meanwhile, the significance value and t for variable X_3 are 7.562 > 1.983, and the significance value is 0.001, indicating a significant effect of product price on customer satisfaction, thus Ho is rejected and Ha is accepted.6). The coefficient of determination R^2, the square of the correlation coefficient of 0.802, means that variable Y can be explained by variables X_1, X_2, and X_3 by 0.802 or 80.2%, while the remaining portion is explained by other variables.

Table 8. Results of the Coefficient of Determination R

Model Summary[**]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895	.802	.796	1.744

*Predictors: (Constant), Product price, Product quality
**Dependent Variable: Customer satisfaction

Source: Author, 2024

From the results of the coefficient of determination test in the table above, it can be seen that the coefficient of determination (R^2) is 0.802 or 80.2%. This means that consumer satisfaction can be explained by the variables of service quality, product quality, and product price by 80.2%, while the remaining 19.2% is explained by other variables not examined in this article.

Table 9. t-Test Results

Coefficients[*]								
Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.132	1.078		.122	.903		
	Quality of service	.391	.081	.365	4.860	<,001	.367	2.727
	Quality product	.052	.081	.045	.641	.523	.415	2.409
	Price product	.690	.091	.553	7.562	<,001	.386	2.593
[*]Dependent Variable: Customer satisfaction								

Source: Author, 2024

Based on the table above, it can be seen that the service quality variable (X_1) has a t-Test statistic of 4.860 with a significance of 0.001, where the calculated t-Value of 4.860 is greater than the t table value (1.983) and the significance value of 0.001 is less than 0.05. This test indicates that Ho_1 is rejected and Ha_1 is accepted, thus concluding that the service quality variable (X_1) has a significant effect on the consumer satisfaction variable (Y) at Teras Malioboro 1 Yogyakarta. The product quality variable (X_2) has a t-Test statistic of 0.641 with a significance of 0.523, where the calculated t-Value of 0.641 is less than the t table value (1.983) and the significance value of 0.523 is greater than 0.05. This test indicates that Ho_2 is accepted and Ha_2 is rejected, thus It can be concluded that the product quality variable (X_2) does not have a significant effect on the consumer satisfaction variable (Y) at Teras Malioboro 1 Yogyakarta. The product price variable (X_3) has a t-Test statistic of 7.562 with a significance of 0.001, where the calculated t-Value of 7.562 is greater than the table t-Value (1.983) and the significance value of 0.001 is less than 0.05. This test shows that Ho_3 is rejected and Ha_3 is accepted, so it can be concluded that the product price variable (X_3) has a significant effect on the consumer satisfaction variable at Teras Malioboro 1 Yogyakarta.

Table 10. f-Test Results

ANOVA[*]			
Model		F	Sig.
1	Regression	129.371	<,001[**]
	Residual		
	Total		
[*]Dependent variable: Customer satisfaction			
[**]Predictors: (Constant), price product, quality product, quality service			

Source: Author, 2024

Based on the table above, it can be seen that the significance value is 0.001 < 0.05. This test shows that the service quality variable (X_1), product quality (X_2), and product price (X_3) collectively have a significant effect on consumer satisfaction variable. (Y). It can be concluded that the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted.

5. Conclusion

The quality of service provided well in a shopping center will create satisfaction for its consumers. Quality service plays an important role in shaping consumer satisfaction. In addition, it is also closely related to creating profits for the company. The higher the quality of service provided, the greater the satisfaction felt by consumers. Quality products play an important role in shaping consumer satisfaction; the higher the quality provided, the greater the satisfaction felt by consumers. However, the product quality variable at Teras Malioboro 1 Yogyakarta does not influence consumer satisfaction. This may be due to the relatively low prices of the products, making it difficult for traders to find good quality products at relatively low prices. Price also influences customers in deciding whether to purchase a product or not. If the product's price aligns with the quality offered, customer loyalty will be high. The better the price offered by the company, the more it will attract consumers to engage in the purchasing behavior of a product. The variables of service quality, product quality, and product price have a significant impact on consumer satisfaction at Teras Malioboro 1 Yogyakarta. If the price of a product matches the quality provided, customer loyalty will be high; the better the price offered by the company, the more it will attract consumers to engage in purchasing behavior for a product. The acquisition in the coefficient of determination test is 0.802 or 80.2%, which means that consumer satisfaction is determined by these three independent variables by 80.2%, while the remaining 19.8% is influenced by other variables that were not studied.

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