

The Effect Of Product Quality And Price On Customer Satisfaction at Love Tempe, Sempali Village

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Abstrak

This study aims to examine the influence of product quality and price on customer satisfaction at Love Tempe in Desa Sempali. A quantitative approach was applied, using multiple linear regression as the analytical method. A total of 50 respondents were selected through purposive sampling, targeting customers who had purchased Love Tempe products more than once. Data were collected using a Likert-scale questionnaire and analyzed with SPSS version 25. The findings indicate that product quality has a positive and significant effect on customer satisfaction. Price also shows a positive and significant influence on customer satisfaction. Together, both variables contribute 68.4 percent to the level of customer satisfaction. These results highlight the importance of maintaining product quality and setting prices that reflect customer perceptions of value. The study provides insights that can help business owners improve product consistency and develop more effective pricing strategies.

Kata Kunci: *product quality, price, customer satisfaction, Love Tempe*

INTRODUCTION

Customer satisfaction is an important factor that determines the sustainability of a business, both on a large and small scale. (Philip & Kevin, 2016) Customer satisfaction is a feeling of pleasure or disappointment that arises after someone compares the performance of a product received with their expectations (Errico et al., 2022). If the product performance meets or exceeds expectations, the customer will be satisfied; conversely, if the product performance is lower than expectations, the customer will be dissatisfied. (Tjiptono, 2019) added that customer satisfaction reflects a comprehensive evaluation of the experience of purchasing and consuming a product. Satisfied customers usually show loyal behavior, make repeat purchases, and provide positive recommendations to others. In the context of small and medium enterprises (SMEs), maintaining customer satisfaction is a challenge in itself because business actors must be able to adjust product quality and price to the needs and capabilities of consumers (Lores & Siregar, 2019).

Product quality is a key aspect influencing customer satisfaction. (Kotler & Armstrong, 2012) defines product quality as the ability of a product to meet consumer needs and desires. Quality is not only measured in terms of the physical product, but also includes reliability, durability, and appearance that can provide added value to consumers (Riyad & Rois, 2019). Garvin in (Tjiptono, 2019) explains that product quality can be viewed from various dimensions, including performance, reliability, conformance, durability, and aesthetics. Good quality products will provide a positive experience for customers, increase trust, and ultimately form brand loyalty (Taqdirul Alim et al., 2025).

As a local tempeh producer, Love Tempe strives to maintain the quality of its product by using organic, non-GMO soybeans, free of chemical additives. The resulting tempeh has a soft texture, a distinctive aroma, and is safe to consume even when raw (Mustary et al., 2021). The production process is natural, without preservatives or soybean hulls, resulting in tempeh with a pure, traditional flavor. However, its downside is its relatively short shelf life, around two to three days. Nevertheless, its natural quality and safety are added values that increase customer trust and satisfaction with Love Tempe (Farahdiba et al., 2023).

In addition to product quality, price also has a significant impact on customer satisfaction. Price is the amount of money a customer must pay to obtain the benefits of a product or service (Philip & Kevin, 2016) . In small and medium businesses, pricing not only serves as a means of generating profits but also becomes an important strategy in attracting and retaining customers. (Tjiptono, 2019) states that price perception encompasses four main dimensions: affordability, price-quality congruence, competitive pricing, and value for money. If the price set is in accordance with the perceived value and quality of the product, customers will feel satisfied because they consider the price fair and commensurate with the benefits received (Otoluwa et al., 2019).

Love Tempe implements a tiered pricing system based on customer segments: Rp13,000 for general buyers, Rp11,000 for resellers I, Rp10,000 for resellers II, and Rp9,000 for resellers III. This system strikes a balance between affordability for end consumers and profitability for sales partners. This strategy is expected to increase market reach while maintaining customer satisfaction amidst increasingly fierce competition (Miskam et al., 2013).

The challenge facing Love Tempe is the increasing number of tempeh producers in Sempali Village, each offering similar products at varying prices and quality levels. This competition requires Love Tempe to maintain consistent quality, adjust prices, and ensure customer satisfaction. A decline in customer satisfaction could impact loyalty and business sustainability (Suriansyah & Agusta, 2021).

Several previous studies support the importance of the relationship between product quality, price, and customer satisfaction. (Sari & Nurcahyo, 2020) found that improving product quality perceptions and price appropriateness can increase customer satisfaction in home-based food businesses. (Putri & Nugroho, 2021) confirmed that good product quality significantly influences customer satisfaction in organic food businesses. Furthermore, (Lestari & Hidayat, 2022) stated that the perception of fair prices strengthens positive relationships between producers and consumers, especially in the food SME sector. Research (Rahmawati, 2022) also shows that product taste and freshness are key determinants in shaping customer satisfaction with local tempeh products. (Anderson et al., 1994) found that

customer satisfaction has a direct relationship with profitability and loyalty. The more satisfied customers are, the more likely they are to repurchase. (Fornell, 1992) explains that satisfaction is influenced by perceptions of product quality and value. As quality increases, satisfaction and loyalty also increase. (Ariani, 2018) This shows that the taste, texture, and durability of MSME food products significantly influence consumer satisfaction. (Indrawati, 2020) stated that the quality and price of processed soybean products significantly influence purchasing decisions. (Mulyani, 2021) emphasized that the aroma, color, and freshness of tempeh significantly influence consumer satisfaction. (Wulandari, 2019) found that perceived quality and appropriate price significantly determine consumer loyalty to local food products. (Wijayanti & Santoso, 2021) showed that the price and quality of traditional food products significantly influence customer satisfaction. (Zeithaml, 1988) explained that perceived value is formed from a comparison between product quality and the price paid. (Oliver, 1999) stated that satisfaction is the foundation for consumer loyalty. Griffin (2010) emphasized that consistent product quality builds long-term customer loyalty. Parasuraman et al. (1988) stated that service and product quality significantly influence consumer satisfaction and evaluation. Jr. & Taylor (1992) found that product quality and perceived value directly influence satisfaction. Kim & Kim (2001) emphasized the importance of sensory attributes (taste, aroma, texture) in determining consumer satisfaction with food.

Based on this background, this study aims to analyze the influence of product quality and price on customer satisfaction at Love Tempe in Sempali Village. The results are expected to contribute to business owners' development of strategies to improve product quality and appropriate pricing policies to maintain and enhance customer satisfaction

RESEARCH METHODS

This study uses a quantitative approach with an associative method, which aims to determine the relationship and influence between two independent variables, namely product quality (X_1) and price (X_2) on the dependent variable, namely customer satisfaction (Y) at Love Tempe in Sempali Village. This method was chosen because it can explain the causal relationship between research variables in a measurable manner through statistical analysis.

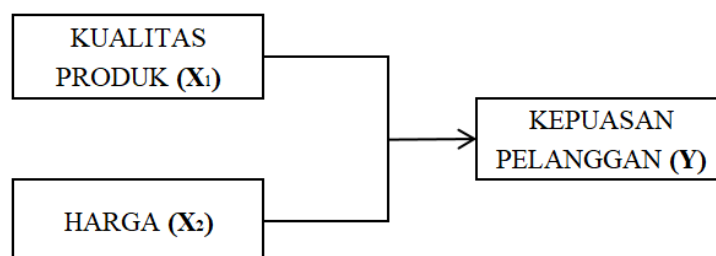


Figure 1. Research Variables

1. Location and Time of Research

The research was conducted at Love Tempe in Sempali Village, a small business operating in the production of organic soybean-based tempeh. The study, conducted from

July to September 2025 , included observation, questionnaire distribution, data collection, and analysis.

2. Population and Sample

The population in this study was all Love Tempe customers who regularly purchase products. Given the relatively small number of customers, the sampling technique used was non-probability sampling. Using a purposive sampling approach , respondents were selected based on certain criteria, such as having purchased Love Tempe products at least twice in the last three months. The number of respondents in this study was 50 people .

3. Data Types and Sources

The data used consists of two types:

1. **Primary data** , obtained directly by distributing questionnaires to customers.
2. **Secondary data** , obtained from literature, previous journals, and documentation relevant to the research variables.

4. Data collection technique

Data collection methods are carried out through:

1. **Observation** , to find out the conditions and production process of Love Tempe directly.
2. **The questionnaire** , containing statements on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree) to measure respondents' perceptions of product quality, price, and customer satisfaction.
3. **Documentation** , used as supporting data regarding business profiles, price lists, and number of customers.

Table 1. Operational Definition of Variables

Variables	Definition	Indicator
Product Quality (X₁)	The product's ability to meet customer needs and expectations (Kotler & Armstrong, 2018).	1. Product taste 2. Texture and aroma 3. Consumption safety 4. Product durability 5. Compliance with production standards
Price (X₂)	The exchange rate paid by customers to obtain benefits from the product (Tjiptono, 2019).	1. Price affordability 2. Price fairness 3. Price appropriateness to quality 4. Price competitiveness
Customer Satisfaction (Y)	The level of customer pleasure or satisfaction with product performance (Kotler & Keller, 2016).	1. Conformity between expectations and reality 2. Interest in repurchasing 3. Recommendations to others 4. Satisfaction with price and quality

6. Data Analysis Techniques

SPSS software version 25 with the following stages:

Validity and Reliability Test to ensure that each statement item is suitable for use.

Normality test to determine data distribution.

Multiple Linear Regression Analysis to test the effect of product quality (X_1) and price (X_2) on customer satisfaction (Y).

Partial t-test to test the influence of each independent variable individually on the dependent variable.

F test (Simultaneous) to determine the influence of both independent variables together on customer satisfaction.

The coefficient of determination (R^2) measures how much the independent variable contributes to the dependent variable.

RESULTS AND DISCUSSION

Validity and Reliability Test Results

Validity testing was conducted to determine the extent to which each question item in the questionnaire was able to measure the intended variable. Based on the results of data processing using SPSS version 25, all statement items had a calculated r value $> r$ table (0.279) at a significance level of 5%, so all items were declared valid .

The reliability test shows that the Cronbach's Alpha value for each variable is greater than 0.70, which means that all research variables are reliable and can be trusted to be used in further analysis.

Table 2. Validity and Reliability Test Results

Variables	Number of Items	Cronbach's Alpha	Information
Product Quality (X_1)	5	0.856	Reliable
Price (X_2)	4	0.812	Reliable
Customer Satisfaction (Y)	4	0.879	Reliable

1. Normality Test

Normality testing was performed using the Kolmogorov-Smirnov method . The analysis results showed a significance value of $0.200 > 0.05$, indicating that the data were normally distributed and met the requirements for regression testing.

2. Multiple Linear Regression Analysis

Regression analysis was used to determine the effect of product quality (X_1) and price (X_2) on customer satisfaction (Y). The results of the data processing are presented in the following table.

Table 3. Multiple Linear Regression Analysis

Variables	Regression Coefficient (B)	t count	Sig.	Information
Constant	3,217	–	–	–
Product Quality (X_1)	0.482	4,326	0.000	Significant
Price (X_2)	0.361	3,478	0.001	Significant
$R^2 = 0.684$	F count = 52.317	Sig. = 0.000		Significant

The resulting regression equation is as follows:

$$Y = 3.217 + 0.482X_1 + 0.361X_2$$

This equation shows that every one unit increase in the product quality (X_1) and price (X_2) variables will increase customer satisfaction (Y) by 0.482 and 0.361 respectively, assuming the other variables are constant.

Partial Test (t-Test)

The t-test results show that product quality (t count = 4.326, sig. = 0.000) and price (t count = 3.478, sig. = 0.001) have a positive and significant influence on customer satisfaction. This means that the better the product quality and the more appropriate the price is to the value received, the higher the level of customer satisfaction with Love Tempe products.

Simultaneous Test (F Test)

The F-test results show a calculated F-value of 52.317 with a significance of $0.000 < 0.05$, which means that product quality and price simultaneously have a significant effect on customer satisfaction. This indicates that both independent variables together are able to explain variations in customer satisfaction.

Coefficient of Determination (R^2)

value of 0.684 shows that 68.4% of the variation in customer satisfaction can be explained by product quality and price, while the remaining 31.6% is explained by other factors outside this study such as service, promotion, or brand image.

Discussion

The research results show that product quality has a positive and significant impact on customer satisfaction. This aligns with research by Putri & Nugroho (2021) and Rahmawati (2022), which states that raw material quality, taste, and product freshness are the main factors determining consumer satisfaction with local food products. In the context of Love Tempe, the use of non-GMO organic soybeans, soft texture, distinctive aroma, and natural production process have been shown to create positive perceptions among customers.

Price has also been shown to significantly influence customer satisfaction. Consumers feel that Love Tempe's prices are commensurate with the benefits and quality they receive. The tiered pricing policy, ranging from Rp9,000 to Rp13,000, is considered fair for both general buyers and resellers. These results support the findings. (Kurniawan, 2020) and (Lestari & Hidayat, 2022) explain that prices that match quality can increase customer satisfaction and loyalty.

Overall, the results of this study indicate that the combination of consistent product quality and appropriate pricing policies are key factors in shaping Love Tempe's customer satisfaction. By maintaining raw material quality standards and offering competitive prices, Love Tempe has been able to maintain its position amidst increasingly fierce competition among food SMEs.

CONCLUSION AND SUGGESTIONS

Based on the results of research conducted on the influence of product quality and price on Love Tempe customer satisfaction in Sempali Village, it can be concluded that both variables have a positive and significant effect on customer satisfaction. Product quality has been proven to have a dominant influence in increasing customer satisfaction. This shows that

the better the product quality offered – including non-GMO organic soybean raw materials, soft texture, distinctive aroma, and consumption safety – the higher the level of customer satisfaction. Customers consider the natural quality and consistency of taste to be the main attractions that distinguish Love Tempe from other producers.

Furthermore, price also has a positive and significant impact on customer satisfaction. Pricing that aligns with product quality makes customers feel that the price they pay is commensurate with the benefits they receive. Love Tempe's tiered pricing policy, ranging from general buyers to resellers, is considered effective in maintaining a balance between affordability for consumers and profitability for businesses. Simultaneous testing shows that product quality and price together contribute 68.4 percent to customer satisfaction, with the remainder influenced by other factors such as service, promotion, and brand image. Therefore, it can be concluded that the balance between product quality and pricing strategy is a crucial factor in building and maintaining customer satisfaction.

Based on the research results, Love Tempe is advised to continue maintaining and improving the quality of its products through the selection of quality raw materials, the implementation of strict hygiene standards, and innovation in packaging to ensure the product has a longer shelf life without reducing its natural quality. Furthermore, regular evaluation of pricing policies is necessary to ensure they remain in line with people's purchasing power and constantly changing market conditions. For further research, it is recommended to add other variables such as service quality, promotion, and brand image to gain a more comprehensive understanding of the factors that influence customer satisfaction, especially for local food products based on small and medium enterprises

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