Influence of Price, Promotion, and Product Quality on Customer Purchase Decisions through Customer Satisfaction as an Intervening Variable at Café Mursida Jember

Saiful Amin[1*], Wike Melviana[2], Nely Supeni[3],

[1,2,3] Faculty of Economics and Business, Institut Teknologi dan Sains Mandala, Indonesia
Corresponding Author: saifulamin@itsm.ac.id

Abstract

This study aims to determine the influence of Price, Promotion, and Product Quality on Purchase Decisions through Customer Satisfaction as an Intervening Variable at Café Mursida Jember." The primary objective of this research is to analyze both the direct and indirect effects of price, promotion, and product quality on consumers' purchase decisions, with customer satisfaction serving as an intervening variable. The research adopts a quantitative approach involving a sample population of 50 respondents. The sampling technique used is accidental sampling, where participants are selected based on their availability and relevance to the study criteria. Data analysis was conducted using the Structural Equation Modeling (SEM) method with the aid of AMOS version 20 software. The findings reveal that price, promotion, and product quality do not have a significant direct impact on customer satisfaction. However, price and product quality were found to have a direct influence on purchase decisions, whereas promotion did not exhibit a significant direct effect. Furthermore, the results indicate that price, promotion, and product quality do not indirectly influence purchase decisions through customer satisfaction.

Keywords: Price, Promotion, Product Quality, Purchase Decision, Customer Satisfaction, Café Mursida Jember.

1. Introduction

In the era of globalization and technology, the business world is growing rapidly with increasingly fierce competition. Boone & Kurtz (2012) define business as an organization that conducts economic activities to generate profit and survive. Businesses are required to innovate to remain competitive.

The culinary sector is one of the fields that continues to grow because food is a basic necessity. However, to attract consumer interest, businesses must consider factors such as price, promotion, product quality, and customer satisfaction.

Price is a crucial element in the marketing mix, namely the value offered by consumers for a product. According to Indrasari (2019), price not only reflects production costs but also shapes consumer perceptions and differentiates a product from competitors. Prices are flexible and can be adjusted to market conditions.

Promotion is a company's communication method to introduce and attract consumer interest in a product. According to Kotler & Keller (2016), promotion includes advertising, direct selling, sales promotions, and public relations, which aim to build brand awareness, enhance image, and drive sales.

Product quality indicates the extent to which a product meets or exceeds consumer expectations. According to Harjadi & Arraniri (2021), quality encompasses a product's features and characteristics that determine its ability to meet needs. Kotler & Armstrong (2012) add that quality relates to the product's durability, precision, ease of use, and overall functionality.

Purchasing decisions are a process in which consumers consider various options before making a purchase. Indrasari (2019) states that this process includes identifying needs, searching for information, evaluating alternatives, making a purchase decision, and post-purchase actions. This

decision is influenced by internal factors such as motivation, as well as external factors such as price, promotion, and quality.

Consumer satisfaction arises from comparing expectations and experiences when using a product. Indrasari (2019) states that satisfaction is a primary business goal because it encourages repeat purchases and recommendations from consumers. Tjiptono (2020) adds that satisfaction occurs when a product exceeds expectations, while dissatisfaction arises when it falls short.

Satisfaction is also an important indicator in assessing business success. Satisfied consumers tend to be loyal and promote the product. Therefore, maintaining customer satisfaction is a key marketing strategy.

However, there is little research examining the relationship between price, promotion, and product quality on purchasing decisions, with satisfaction as an intermediary variable, particularly in local businesses like Cafe Mursida Jember, which carries the One Piece theme.

This study aims to fill this gap by analyzing the key factors influencing purchasing decisions through consumer satisfaction. The results are expected to provide theoretical contributions and practical strategies for retail businesses in Jember.

Theoritical Review
Marketing Management
According to Safitri (2023:1), marketing management is a process that encompasses the analysis, planning, implementation, and control of programs aimed at creating, building, and maintaining profitable exchange relationships with target consumers, in order to achieve organizational goals.

Marketing strategy, according to David W. Cravens & Nigel F. Piercy (2021), is a series of actions designed to create and maintain a competitive advantage through the optimal utilization of company resources to meet market needs.

Price: According to Kotler and Keller (2020), price is not simply a figure determined by the company but also a reflection of customers' perceived value for the products or services offered.

Promotion is a marketing communication effort undertaken by a company to introduce, persuade, and influence consumers to be interested in and purchase the products and services offered.

Product quality is the totality of the features and characteristics of a product or service related to its ability to satisfy stated or implied needs (Kotler and Keller, 2016:143).

Customer satisfaction is a psychological state that arises as an evaluative response to the experience of consuming a product or service, based on a comparison between initial expectations and perceptions of the product's actual performance.

A purchase decision is the process by which consumers consider, think about, and ultimately choose a product or service to purchase.

Conceptual Framework
The conceptual framework in this study is based on a theoretical review that serves as the primary foundation for the research. The focus of this research analysis is on the influence of price, promotion, and product, which are suspected to have the potential to influence purchasing decisions, with customer satisfaction as an intervening variable at Cafe Mursida Jember. Based on the theoretical review and findings from previous research, a conceptual framework was developed that serves as the basis for this study.
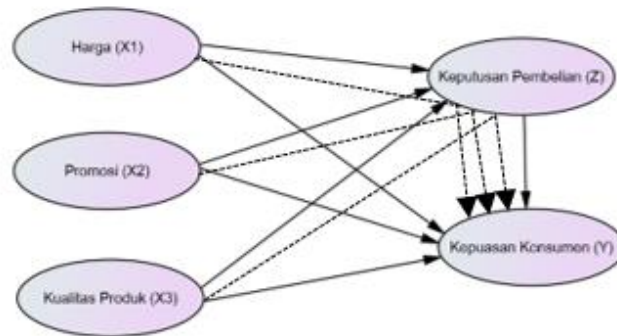
2. Methods

Sugiyono (2018:130) states that a population is the entire generalized area that includes objects or subjects with certain characteristics determined by the researcher, which will then be studied and used as the basis for drawing conclusions. A sample is a portion of the population and its characteristics used as the research object (Sugiyono, 2016:118). Sampling is carried out because the existing population is too large to be studied in its entirety, so representation or representation of the population is necessary. In this study, the sampling technique used was accidental sampling.

According to Sugiyono (2017:11), quantitative descriptive research aims to describe the phenomena or characteristics of a population systematically, factually, and accurately. According to Moleong (2021; 170), observation is a data collection technique conducted by directly observing the behavior and activities of research subjects in their original context. Observation is used to gain an in-depth understanding of social phenomena. A questionnaire is a data collection technique conducted by providing a list of questions to respondents to be answered in writing (Sugiyono 2017; 199). An interview is a data collection method conducted through direct communication between the researcher and the informant to obtain the required information (Sugiyono 2017; 134). This research using Validity Test, Reliability Test, Structural Equation Modeling (SEM), SEM Assumption Test (Data Normality Test, Multicollinearity, Outliers), Hypothesis Test, Sobel Test.

3. Results and Discussion

Results
Validity Test

A validity test is considered valid if it has a significant factor loading of 0.50 and a probability value <0.05 (α = 5%). Based on result analysis describe that all variable have good validity because all indicator have factor loading more than 0.50.

A reliability test is considered reliable if the accepted reliability value is >0.70. Based on result analysis describe that all variable have good reliability because all indicator have factor loading more than 0.70.

Normality Test

The normality test is performed by examining the z-value or Critical Ratio (c.r) of the skewness and kurtosis distributions. If the c.r value exceeds the critical value, it can be concluded that the data is not normally distributed. The critical value for c.r skewness is greater than 2.58, while for c.r kurtosis it is less than 2.58.

Multicollinearity Test

The multicollinearity test aims to identify strong influences between independent variables. Multicollinearity can be detected through the determinant of the covariance matrix. A very small determinant value indicates the presence of multicollinearity and singularity problems. The determinant value is expected to be far from 0 and preferably greater than 1 (Ghozali 2014). The output results are as follows:

9,542 3,020 1,532 1,100 1,008 ,858 ,723 ,698 ,545 ,477 ,383 ,358 ,283 ,214 ,193 ,168 ,137 ,121 ,080 ,073 ,040 ,034
Determinant of sample covariance matrix = ,000

The determinant of sample covariance matrix is 0.000. Because the value is close to 0, it is concluded that multicollinearity occurs. However, it is still acceptable because the other SEM assumptions are met.

Outliers

Outliers are evident in the Mahalanobis d-squared test. The Mahalanobis distance value, based on the chi-square value at 22 degrees of freedom (number of indicator variables), at the $p<0.01$ level (X2 0.001), is 40.28. Data with a Mahalanobis distance greater than 40.28 are multivariate outliers. Based on the data processing results, it can be seen that the value of 33,850 is less than 40.28, thus concluding that there are no multivariate outliers, or in other words, there are no significant differences between the data and the data groups.

Analisis Structural Equation Modelling (SEM)

Gambar 4. 1 Hasil analisis SEM sebelum Modification indice
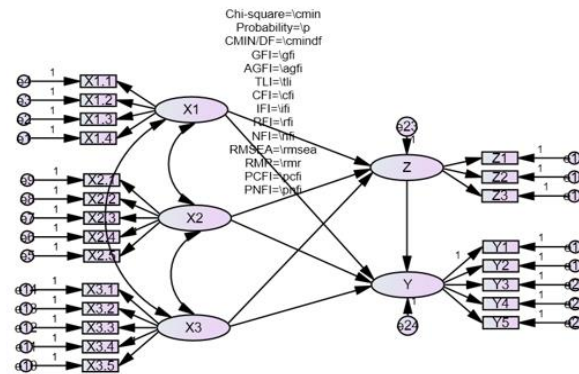
Gambar 4. 2 Hasil analisis SEM setelah modification indice (saturated model)
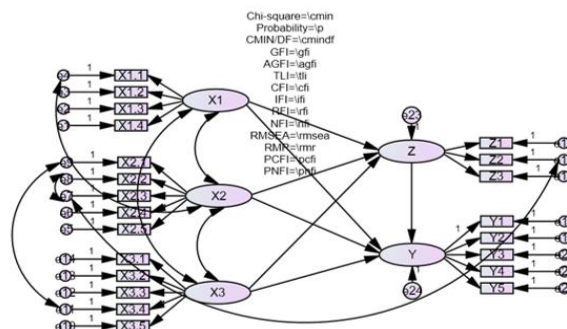
Model Goodness of Fit Index

Before analyzing the hypotheses from the SEM analysis output, an analysis of the overall model must first be conducted to determine whether the resulting model is a good fit. The criteria for the Goodness of Fit Index (GOF) are: chi-square (>0.05), CMIN/DF (<2 or 5), RMSEA (0.08), and GFI, AGFI, CFI, TLI, NFI, IFI, and PNFI (>0.90).

Model fit test table before model improvement

Criteria	Cut off value	Test Results	Information
Chi Square	Diharapkan lebih kecil	457.153	Poor Fit
Sig. Probability	≥ 0,05	0,000	Poor Fit
RMSEA	≤ 0,08	0,121	Poor Fit
CMIN/DF	≤ 2 atau 3	0,68	Good Fit
TLI	≥ 0,95	0,775	Poor Fit
CFI	≥ 0,95	0,820	Poor Fit
PCFI	≥ 0,90	0,657	Poor Fit
IFI	≥ 0,90	0,831	Poor Fit
RFI	≥ 0,90	0,591	Poor Fit
NFI	≥ 0,90	0,673	Poor Fit
PNFI	≥ 0,90	0,539	Poor Fit

Because many of the models above did not meet the criteria, researchers had to refine the models to approximate the specified criteria. This refinement was done by correlating errors based on modification indices. The resulting model refinement produced a saturated SEM model, as shown in Figure 4.2 above:

Model Fit Test Table After Model Improvement

Criteria	Cut Off Value	Test Result	Information
Chi Square	Diharapkan lebih kecil	206.368	Good Fit
Sig. Probability	≥ 0,05	0,275	Good Fit
RMSEA	≤ 0,08	0,034	Good Fit
CMIN/DF	≤ 2 atau 3	1,058	Good Fit
TLI	≥ 0,90	0,912	Good Fit
CFI	≥ 0,90	0,926	Good Fit
PCFI	≥ 0,85	0,782	Marginal Fit
IFI	≥ 0,90	0,940	Good Fit
RFI	≥ 0,90	0,364	Poor Fit
NFI	≥ 0,90	0,463	Poor Fit
PNFI	≥ 0,90	0,391	Poor Fit

As can be seen in the table above, after experiencing changes in the GOF value, it can approach the criterion value or even exceed it. There are 7 GoF criteria that have met the criterion value and the comparison value is said to be good fit. According to Ghozali (2014), overall Goodness of fit can be assessed based on a minimum of 5 criteria.

Causality Test

Based on the results of the causality/hypothesis testing above, it can be seen that the significant variables are the Price variable (X1) on purchasing decisions (Z) with a p-value of 0.012 and an estimated value of 1.134. This means that affordable prices can increase purchasing decisions. And the product quality variable (X3) on the Purchase Decision variable (Z) with a p-value of 0.008 and an estimated value of 0.831. This means that product quality that meets consumer expectations can increase purchasing decisions.

Sobel Test

Based on the table above, it shows that there is no mediating influence of the variables Price (X1), Promotion (X2), Product Quality (X3) on customer satisfaction (Y) through purchasing decisions (Z).

Discussion

The results of the hypothesis test using structural equation modeling (SEM) using AMOS 20 software indicate that price (X1) influences Purchase Decisions (Z). This means that price and the benefits consumers receive can influence purchase decisions. Promotion (X2) had no effect on Purchase Decisions (Z). This means that the promotion was not personalized enough and therefore did not increase purchase decisions. This result contradicts previous research by Muhammad Kurniawan (2024), which stated that promotions influence purchase decisions. Product quality (X3) influences purchase decisions (Z). This means that the quality of the product consumed is safe, thus

increasing purchase decisions. This result is supported by previous research by Supriyanto (2020), which stated that product quality has a significant influence on purchase decisions.

The results of hypothesis testing using structural equation modeling (SEM) using AMOS 20 software indicate that price (X1) has no effect on customer satisfaction (Y). This means that high or low prices cannot increase customer satisfaction. These research results contradict previous research by Lita Permata Minullah (2023), which stated that price has a significant effect on customer satisfaction. Promotion (X2) has no effect on customer satisfaction (Y). This means that the presence or absence of promotions or advertising cannot increase customer satisfaction. These results contradict previous research by Wardani (2022), which stated that promotions have a significant effect on customer satisfaction. Product Quality (X3) has no effect on customer satisfaction (Y). This means that whether or not the product meets consumer expectations cannot increase customer satisfaction. These results contradict previous research by Grissella Isabella (2022), which stated that product quality has a significant influence on customer satisfaction. The results of a hypothesis test using structural equation modeling (SEM) using AMOS 20 software indicate that Purchase Decision (Z) has no effect on customer satisfaction (Y). This means that customer satisfaction does not increase purchase decisions. This result contradicts previous research by Kartini Mukuan (2023), which stated that customer satisfaction has a significant influence on purchase decisions.

Price (X1) indirectly does not affect customer satisfaction (Y) through Purchase Decision (Z). These results are supported by previous research by Sherin Regina (2021), which stated that price indirectly has no significant effect on purchasing decisions through customer satisfaction. Indirectly, promotion (X2) has no effect on customer satisfaction (Y) through Purchase Decision (Z). These results are supported by previous research by Joko Utomo (2023), which stated that promotion indirectly has no effect on purchasing decisions through customer satisfaction. Indirectly, product quality (X3) has no effect on customer satisfaction (Y) through Purchase Decision (Z). These results are supported by previous research by Yeni Firmawati (2022), which stated that product quality does not indirectly influence purchasing decisions through customer satisfaction.

4. Conclusion

Based on the research results and discussions conducted by the researcher regarding the influence of price, promotion, and product quality on purchasing decisions through customer satisfaction as an intervening variable at the Mursida Cafe in Jember, the following conclusions can be drawn: Price does not directly influence customer satisfaction. Promotion does not directly influence customer satisfaction. Product quality does not directly influence customer satisfaction. Price directly influences purchasing decisions. Promotion does not directly influence purchasing decisions. Product quality directly influences purchasing decision. Customer satisfaction does not directly influence purchasing decisions. Price does not influence customer satisfaction through purchasing decisions. Promotion does not influence purchasing decisions. Customer satisfaction through purchasing decisions. Product quality has no effect on customer satisfaction through purchasing decisions.

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