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# The Effect of Product Quality and Price on Purchase Decisions with Consumer Satisfaction as An Intervening Variable at 28cafe Medan

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## Abstrak

Persaingan bisnis di antara kafe-kafe di Medan semakin ketat. Hal ini sejalan dengan perubahan gaya hidup masyarakat, yang telah menjadikan kafe sebagai tempat untuk beristirahat dan bersosialisasi. 28Cafe Medan mengalami penurunan jumlah pelanggan yang berkunjung ke tempat tersebut, yang diyakini disebabkan oleh kualitas produk dan harga yang tidak memenuhi standar yang diharapkan. Dengan kebahagiaan konsumen sebagai variabel perantara, tujuan penelitian ini adalah untuk menyelidiki hubungan antara kualitas produk dan harga dengan keputusan pembelian. Teknik penelitian menggunakan pendekatan kuantitatif bersama dengan penelitian yang bertujuan untuk menjelaskan. Setelah mengumpulkan data dari seratus responden melalui kuesioner, data dianalisis menggunakan Structural Equation Modeling (SEM) yang didasarkan pada Partial Least Square (PLS). Hasil penelitian menunjukkan bahwa kepuasan konsumen dipengaruhi secara positif dan signifikan oleh kualitas produk dan harga barang. Pilihan pembelian juga dipengaruhi secara signifikan oleh tingkat kepuasan yang dirasakan oleh pelanggan. Selain itu, telah terbukti bahwa kualitas produk dan harga yang bersangkutan memiliki dampak yang cukup besar terhadap pilihan yang dibuat pelanggan dalam pembelian mereka. Temuan penelitian ini menyoroti pentingnya meningkatkan kualitas produk dan mengubah strategi penetapan harga guna meningkatkan tingkat kepuasan dan loyalitas konsumen.

**Kata Kunci:** kualitas produk; harga; kepuasan konsumen; keputusan pembelian; kafe; Partial Least Square (PLS)

## Abstract

The rivalry within the café sector in Medan City has escalated as lifestyle transformations have redefined cafés as venues for dining and drinking, as well as for social interaction and recreational pursuits. 28Cafe Medan has seen a reduction in patron visits, perhaps due to the inadequacy of product quality and cost in fulfilling consumer expectations. This study aims to explore how product quality and price affect purchasing decisions, with customer satisfaction serving as a mediating factor. An explanatory research design employing a quantitative methodology was utilized. Data collection involved 100 participants through a structured questionnaire, which was subsequently analyzed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) approach. The findings indicated that both product quality and pricing had a positive and substantial influence on customer satisfaction. Furthermore, customer happiness profoundly impacts purchase choices. Moreover, product quality and pricing were shown to strongly influence purchase choices indirectly via customer satisfaction. The results underscore the need of augmenting product quality and establishing suitable pricing strategies to elevate consumer happiness and cultivate client loyalty.

**Keywords:** Product Quality; Price; Consumer Satisfaction; Purchase Decision; Café Industry; Medan

## 1. Introduction

The culinary industry, particularly cafes, is experiencing rapid growth in Medan. According to data from the Central Bureau of Statistic (BPS) of North Sumatra (2024), the number of café and restaurant businesses in Medan has increased by more than 25% over the past five years. This growth reflects the changing lifestyle of urban residents, where cafes are no longer merely places to eat and drink but have evolved into multifunctional space for socializing, working, and relaxation, especially among young professionals and student.

With this growth, competition among cafes is intensifying, requiring management to continuously improve product quality and pricing strategies. 28Cafe Medan is a cafe quite popular among young people, but in recent years, customer numbers have declined.

A pre-survey of 50 consumers showed that 60% of respondents felt the taste and consistency of the product did not meet expectations, while 55% considered the price to be inadequate for the benefits received. This has resulted in low levels of customer satisfaction and decreased purchasing decisions.

Price and product quality are two of the many elements that affect purchasing choices. Good product quality will provide a positive experience and increase satisfaction, while a price that matches the product's value will strengthen customer loyalty (Bhowmick & Seetharaman, 2023). In the context of 28Cafe Medan, the quality of the product and the pricing are significant concerns that call for an explanation based on scientific principles.

This study aims to: (1) analyze the influence of product quality on consumer satisfaction, (2) assess the effect of price on consumer satisfaction, (3) investigate the correlation between consumer satisfaction and purchasing decisions, and (4) evaluate the function of consumer satisfaction as a mediating variable in the relationship between product quality and price concerning purchasing decisions.

## 2. Literature Review

In consumer behavior studies, purchasing decisions are often explained through the Expectancy-Disconfirmation Theory (Oliver, 1980) and the Customer Value Theory (Zeithaml, 1988). These theories emphasize that consumers evaluate products based on their expectations and the perceived value derived from the exchange between quality and price. When product performance meets or exceeds expectations, satisfaction occurs, influencing the likelihood of repeat purchases and brand loyalty. Thus, the relationship among product quality, price, consumer satisfaction, and purchase decision is theoretically consistent and supported by established consumer behavior models.

### 2.1 Product Quality

The quality of a product is a paramount aspect influencing customer satisfaction and purchasing behavior. Kotler and Keller (2016) define product quality as the aggregate of qualities and attributes of a product that ascertain its capacity to fulfill demands. Factors like performance, dependability, durability, and aesthetics are fundamental in influencing customers' perceived value. Garvin (1987) identifies conformance, simplicity of use, and visual appeal as essential quality measures. In the context of cafés, consistent product taste, presentation, and hygiene are quality determinants influencing customer retention. According to Parasuraman, Zeithaml, and Berry (1988), the perception of quality is also linked to service encounters, suggesting that café product quality includes both tangible and experiential aspects.

### 2.2 Price

Price represents the monetary value consumers are willing to exchange for perceived benefits. Kotler and Armstrong (2018) highlight price as a crucial marketing mix element affecting consumer perception and competitiveness. According to Monroe (1990), consumers use price as a cognitive cue to infer product quality, affordable pricing relative to perceived benefits enhances satisfaction. Empirical studies (Bhowmick & Seetharaman, 2023) have confirmed that price fairness and affordability significantly affect both satisfaction and purchase intention. In café businesses, pricing must reflect product value while maintaining competitiveness, especially given the growing number of coffee shops targeting similar market segments.

### 2.3 Consumer Satisfaction

Tjiptono (2018) describes consumer satisfaction as an evaluative judgment resulting from comparing product performance to prior expectations. Similarly, Oliver (1997) defines satisfaction as an affective response to perceived performance. The Expectancy-Disconfirmation Theory. Theory asserts that pleasure occurs when perceived performance surpasses expectations, and dissatisfaction results from disconfirmation. Satisfaction serves as a crucial intermediary between product characteristics (quality and price) and behavioral consequences (e.g., repeat purchases and loyalty). Anderson and Srinivasan (2003) discovered that satisfaction plays a crucial role in enhancing the connection between perceived value and repurchase intentions within service-based industries.

### 2.4 Purchasing Decision

The purchase decision process, as delineated by Kotler and Armstrong (2008), encompasses multiple stages: identification of issues, information retrieval, evaluation of options, purchasing decision, and post-purchase conduct. Decisions are influenced by both logical factors (price, usefulness) and emotional ones (trust, satisfaction). In café settings, choices are often influenced by experience elements such as ambiance, product uniformity, and perceived price equity. Prior research, such as that conducted by Windarti and Ibrahim (2017), demonstrates that product quality and price have an indirect influence on purchase choices via customer satisfaction, hence validating the mediating function of satisfaction.

Empirical studies on product quality, price, and satisfaction frequently employ Structural Equation Modeling (SEM) to test causal relationships. Hair et al. (2019) emphasize that SEM-PLS is suitable for exploratory research with limited samples and complex models, as it accommodates non-normal data. Studies such as Widodo (2021) used SEM-PLS to analyze similar

constructs in café and service industries, validating its appropriateness for behavioral research in marketing contexts. Hence, the use of SEM-PLS in this study aligns with methodological practices in contemporary consumer behavior research.

Previous studies have examined the direct influence of product quality and price on consumer satisfaction and purchasing decisions. However, few have explored the integrative mediation model that places consumer satisfaction as an intervening variable within the café industry in Medan, an urban market with rapidly evolving consumer behavior. This study contributes novelty by empirically testing this mediation effect using SEM-PLS and providing managerial insights specific to the competitive café sector in North Sumatra, an area underexplored in prior literature.

This research finds that product quality and price significantly influence purchase choices, both directly and indirectly via customer happiness as an intervening variable at 28Cafe Medan. Consequently, the following hypothesis is posited:

1) *The Effect of Product Quality on Purchase Decisions*

Product quality reflects a product's ability to meet consumer expectations in terms of performance, durability, and consistency. High-quality products enhance perceived value and consumer confidence, encouraging purchase behavior. Agustina and Prasetyo (2022) found that product quality significantly increases consumers' purchase decisions in the food and beverage sector.

H<sub>1</sub>: The quality of the product has a favorable and substantial influence on purchasing choices at 28Cafe Medan.

2) *The Effect of Price on Purchase Decisions*

Price represents consumers' perception of the value received from a product. When the price is fair and aligned with product benefits, it motivates purchasing behavior. Fitriani and Rahmadani (2022) as well as Hasanah and Nugroho (2023) confirmed that perceived price fairness positively influences consumers' purchase decisions.

H<sub>2</sub>: The price has a favorable and substantial influence on purchasing choices at 28Cafe Medan.

*The Effect of Product Quality on Consumer Satisfaction*

Product quality strongly determines satisfaction because consistent taste, presentation, and hygiene meet or exceed consumer expectations. Kurniawati and Lestari (2024) proved that product quality significantly increases consumer satisfaction in café businesses.

H<sub>3</sub>: The quality of the product significantly enhances client happiness at 28Cafe Medan.

3) *The Effect of Price on Consumer Satisfaction*

Perceived price fairness enhances consumers' emotional and evaluative satisfaction. Maulida and Saputra (2023), Fitriani and Rahmadani (2022) found that price suitability with perceived value positively affects consumer satisfaction.

H<sub>4</sub>: Price has a positive and significant effect on consumer satisfaction at 28Cafe Medan.

4) *The Effect of Consumer Satisfaction on Purchase Decisions*

Satisfied consumers tend to repurchase and recommend the brand to others. Studies by Kurniawati and Lestari (2024) and Anderson and Srinivasan (2023) show that consumer satisfaction significantly drives purchase intention and decision-making.

H<sub>5</sub>: Consumer satisfaction has a positive and significant effect on purchase decisions at 28Cafe Medan.

5) *The Effect of Product Quality on Purchase Decisions through Consumer Satisfaction*

High product quality increases satisfaction, which subsequently encourages purchase behavior. Widodo (2021) established that satisfaction mediates the correlation between product quality and purchasing choice.

H<sub>6</sub>: The quality of the product has a favorable and substantial influence on purchasing choices via customer satisfaction at 28Cafe Medan.

6) *The Effect of Price on Purchase Decisions through Consumer Satisfaction*

When consumers perceive prices as fair relative to quality, satisfaction increases and leads to higher purchase decisions. Hasanah and Nugroho (2023) as well as Maulida and Saputra (2023) confirmed the mediating role of satisfaction between price and purchase decisions.

H<sub>7</sub>: Price has a positive and significant effect on purchase decisions through consumer satisfaction at 28Cafe Medan.

### 3. Methods

This study applied quantitative approach. The type of research used is causal research, which seeks to identify cause-and-effect relationships between independent and dependent variables (Sugiyono, 2017). The research was conducted at 28Cafe Medan, located in Medan City, North Sumatra.

Inclusion criteria were:

- 1) Aged 18 years or older
- 2) Having visited and purchased at 28cafe medan at least once in the past six month

### 3) Willing to participate and complete the questionnaire

Respondents under 18 years old were excluded from the main sample to avoid needing parental consent and to maintain homogeneity in purchasing decision context. Respondent characteristics recorded included age, education, occupation, monthly income, frequency of visits, and average spending per visit. These characteristics were used for sample description and for checking sample representativeness in the analysis.

This study employed a five-point Likert scale. This scale includes response levels from 1 to 5, designed to assess each item in the questionnaire. A score of 1 signifies “strongly disagree,” whereas a score of 5 denotes “strongly agree.” This scale was selected for its effectiveness in capturing respondents' attitudes and perceptions regarding the observed phenomena.

Data were collected via a survey using a standardized questionnaire sent to 100 respondents who satisfied the study's inclusion criteria. The sample size of 100 was established according to the guideline provided by Hair et al. (2019) for PLS-SEM, which suggests a ratio of 5-10 times the number of indicators. Given that the instrument has 20 indicators, a minimum sample of 100 respondents was necessary. A purposive sampling approach was used to guarantee that respondents were customers of 28cafe Medan City who had made a purchase at least once in the last six months; hence, the sample calculation is as follows:

$$\begin{aligned} n &= \text{number of indicators} \times 5 \\ n &= 20 \times 5 \\ n &= 100 \end{aligned}$$

This research included both primary and secondary data. Primary data were acquired via direct surveys administered to clients, and secondary data were sourced from corporate records and relevant literature.

In the inferential analysis, the researcher used the Partial Least Squares (PLS) test tool. Wold (1985) and Ghazali (2022) explain that PLS is a powerful analysis method, often referred to as soft modeling, because it does not require the assumption of multivariate normal distribution and is able to handle complex models with multiple constructs.

This study employed a measurement model (outer model), which indicates that each block of indicators is associated with its respective latent variable. The measurement model was evaluated via confirmatory factor analysis, employing tests for convergent and discriminant validity. Reliability testing was conducted utilizing Cronbach's Alpha and Composite Reliability. (Ghozali, 2020).

Furthermore, to assess the magnitude of indirect effects between variables, the bootstrapping method was applied using SmartPLS 4.0 software. This study incorporated Customer Satisfaction as an intervening variable, mediating the relationship between the exogenous variables (Product Quality and Price) and the endogenous variable (Purchase Decision). The mediation is deemed significant when the T-statistic surpasses the critical T-value and the p-value falls below the specified significance threshold.

## 4. Results and Discussion

This research was analyzed using the Partial Least Squares (PLS) method and assisted by SmartPLS 4.0 software. Partial Least Squares (PLS) is an alternative method of Structural Equation Modeling (SEM) designed to address complex relationships between variables and is based on non-parametric assumptions, meaning the data are not required to follow a specific distribution.

Based on the validity test of the factor loadings presented in the table below, all loading values exceed 0.7, indicating that the validity requirements have been met.

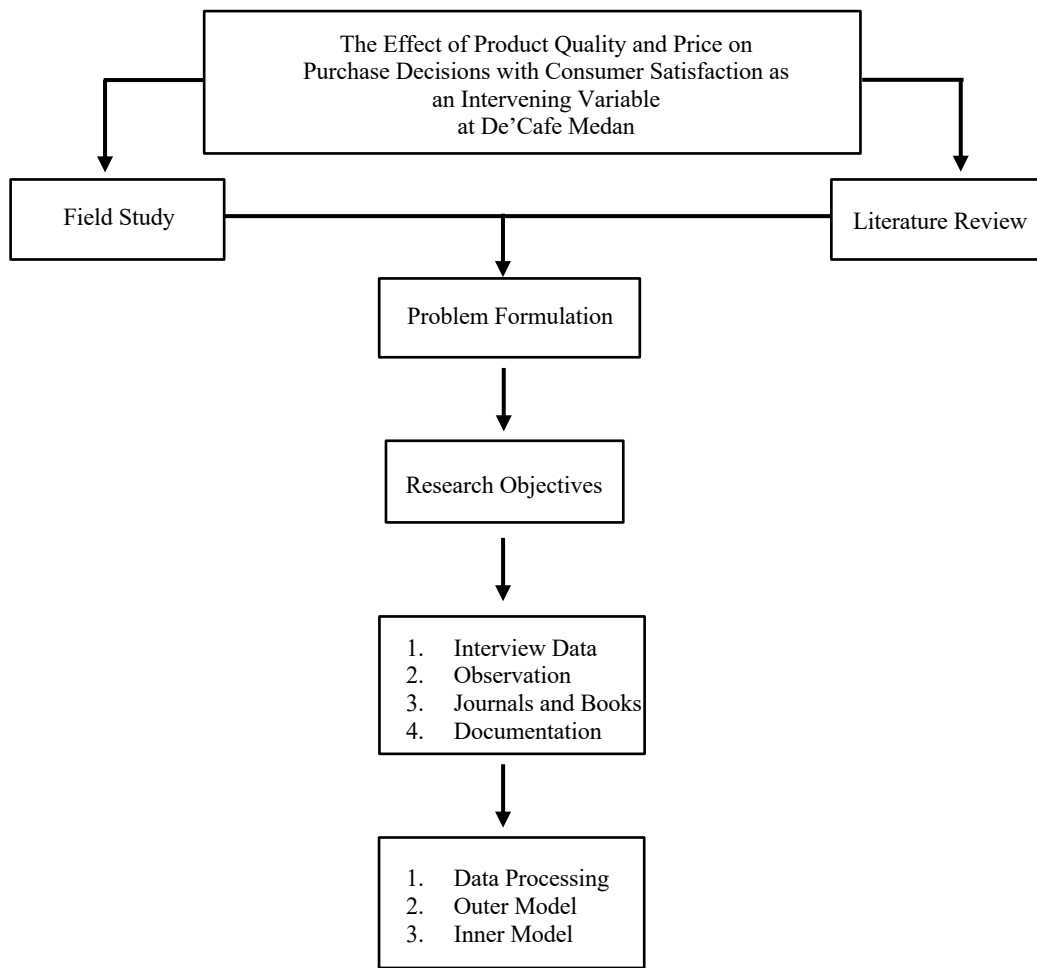


Figure 1. Conceptual Framework

Tabel 1. Outer Model

| Variable        | Indicator         | Outer Loading | Fornell-Larcker Criterion | Composite Reliability |
|-----------------|-------------------|---------------|---------------------------|-----------------------|
| Product Quality | Product Quality 1 | 0,831         | 0,802                     | 0,929                 |
|                 | Product Quality 2 | 0,825         |                           |                       |
|                 | Product Quality 3 | 0,846         |                           |                       |
|                 | Product Quality 4 | 0,843         |                           |                       |
|                 | Product Quality 5 | 0,867         |                           |                       |
|                 | Product Quality 6 | 0,831         |                           |                       |
|                 | Product Quality 7 | 0,835         |                           |                       |
|                 | Product Quality 8 | 0,859         |                           |                       |
| Price           | Price 1           | 0,819         | 0,793                     | 0,954                 |
|                 | Price 2           | 0,828         |                           |                       |
|                 | Price 3           | 0,851         |                           |                       |
|                 | Price 4           | 0,826         |                           |                       |
|                 | Price 5           | 0,781         |                           |                       |
|                 | Price 6           | 0,734         |                           |                       |
|                 | Price 7           | 0,76          |                           |                       |

| Variable              | Indicator               | Outer Loading | Fornell-Larcker Criterion | Composite Reliability |
|-----------------------|-------------------------|---------------|---------------------------|-----------------------|
|                       | Price 8                 | 0,755         |                           |                       |
|                       | Price 9                 | 0,808         |                           |                       |
|                       | Price 10                | 0,832         |                           |                       |
| Customer Satisfaction | Customer Satisfaction 1 | 0,886         | 0,817                     | 0,95                  |
|                       | Customer Satisfaction 2 | 0,893         |                           |                       |
|                       | Customer Satisfaction 3 | 0,835         |                           |                       |
|                       | Customer Satisfaction 4 | 0,905         |                           |                       |
|                       | Customer Satisfaction 5 | 0,885         |                           |                       |
|                       | Customer Satisfaction 6 | 0,879         |                           |                       |
| Purchase Decision     | Purchase Decision 1     | 0,817         | 0,829                     | 0,951                 |
|                       | Purchase Decision 2     | 0,826         |                           |                       |
|                       | Purchase Decision 3     | 0,8           |                           |                       |
|                       | Purchase Decision 4     | 0,787         |                           |                       |
|                       | Purchase Decision 5     | 0,776         |                           |                       |
|                       | Purchase Decision 6     | 0,846         |                           |                       |
|                       | Purchase Decision 7     | 0,768         |                           |                       |
|                       | Purchase Decision 8     | 0,822         |                           |                       |
|                       | Purchase Decision 9     | 0,811         |                           |                       |
|                       | Purchase Decision 10    | 0,838         |                           |                       |

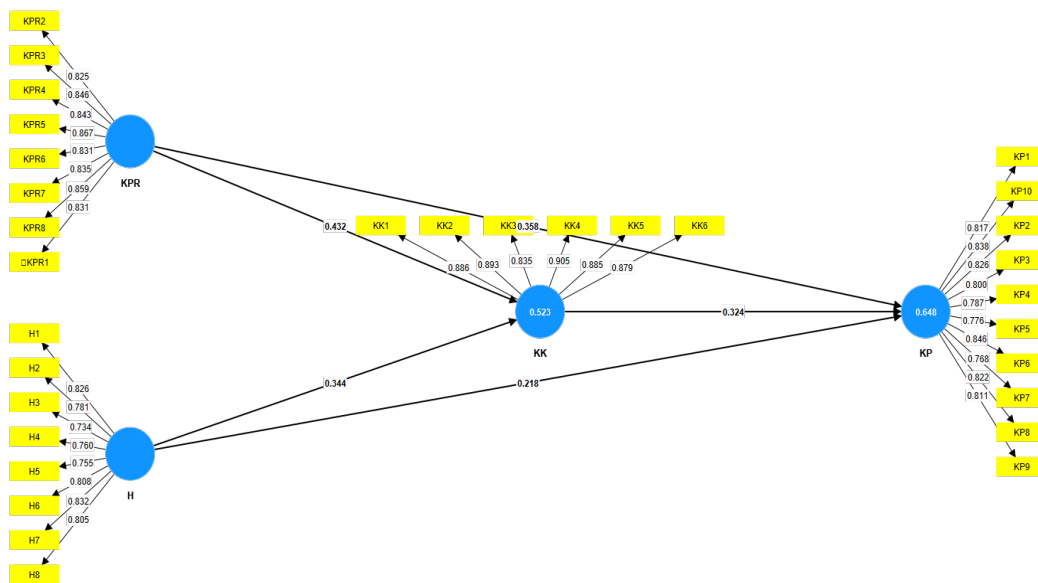


Figure 2. Path Coefficients Test Results

Based on the Fornell-Larcker Criterion results in the table below, each construct shows a higher correlation value with its own indicators compared to those of other constructs. This indicates that all constructs demonstrate good discriminant validity.

4.1 Discriminant Validity

The outer model underwent evaluation through the assessment of convergent and discriminant validity, alongside an examination of the reliability of the constructs or latent variables via Composite Reliability values. A construct is deemed reliable when its Composite Reliability is greater than 0.7. The results for Composite Reliability produced by SmartPLS are displayed in the table below:

4.2 Composite Reliability Values

The R-squared values in the table indicate that Product Quality and Price together account for 63.1% of the variance in

Customer Satisfaction, with the remaining 36.9% attributable to external factors not included in the model, such as service quality, promotion, or brand trust. The interplay of Product Quality, Price, and Customer Satisfaction accounts for 70.2% of the variance in Purchase Decision, demonstrating a significant impact of these factors on customer purchasing behavior. The residual 29.8% is affected by other factors not included in this research, such brand image, emotional connection, or the availability of alternative products.

Table 2. R-Square Values

| Variabel              | R-Square |
|-----------------------|----------|
| Customer Satisfaction | 0,523    |
| Purchase Decision     | 0,648    |

Hypothesis testing is conducted based on the results of the Inner Model (structural model) test. One way to determine whether a hypothesis can be accepted or rejected is by considering the p-value. Hypothesis testing was conducted using SmartPLS (Partial Least Squares) 3.0 software, and the values were obtained through bootstrapping. The results of the hypothesis testing are illustrated in the following figure:

The process of hypothesis testing is carried out in accordance with the outcomes derived from the Inner Model (structural model) assessment. To assess the acceptability or rejection of a hypothesis, one method involves evaluating the p-value. Hypothesis testing was performed utilizing SmartPLS (Partial Least Squares) 3.0 software, with values derived through the bootstrapping method. The outcomes of the hypothesis testing are presented in the subsequent figure:

Table 3. Direct Effect Test Results

| Hipotesis  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV) | P Values |
|--|---------------------|-----------------|----------------------------|-------------------------|----------|
| H <sub>1</sub> Product Quality (X <sub>1</sub> ) → Purchase Decision (Y)     | 0.344               | 0.345           | 0.105                      | 3.287                   | 0.001    |
| H <sub>2</sub> Price (X <sub>2</sub> ) → Purchase Decision (Y)               | 0.218               | 0.227           | 0.101                      | 2.156                   | 0.031    |
| H <sub>3</sub> Product Quality (X <sub>1</sub> ) → Customer Satisfaction (Z) | 0.324               | 0.317           | 0.130                      | 2.492                   | 0.013    |
| H <sub>4</sub> Price (X <sub>2</sub> ) → Customer Satisfaction (Z)           | 0.432               | 0.434           | 0.110                      | 3.932                   | 0.000    |
| H <sub>5</sub> Customer Satisfaction (Z) → Purchase Decision (Y)             | 0.358               | 0.360           | 0.113                      | 3.169                   | 0.002    |

The data presented in the table indicates that Product Quality significantly impacts Purchase Decision, as reflected by a t-statistic of 3.287, surpassing the t-table value of 1.655, along with a p-value of 0.001, which is below the 0.05 threshold. The price demonstrates a significant and favorable impact on the Purchase Decision, evidenced by a t-statistic of 2.156, surpassing the threshold of 1.655, and a p-value of 0.031, which is below the 0.05 level. Furthermore, the analysis indicates that Product Quality significantly impacts Customer Satisfaction, evidenced by a t-statistic of 2.492, surpassing the threshold of 1.655, and a p-value of 0.013, which falls below the 0.05 mark. In a similar vein, Price demonstrates a significant and favorable impact on Customer Satisfaction, evidenced by a t-statistic of 3.932, surpassing 1.655, and a p-value of 0.000, which is below the 0.05 threshold. In conclusion, Customer Satisfaction significantly impacts Purchase Decision, evidenced by a t-statistic of 3.169, exceeding 1.655, and a p-value of 0.002, which is below the 0.05 threshold.

Based on the table above, the result indicate that product quality has a positive and significant effect on purchase decision, with a t-statistic value of  $3.287 > 1.665$  and p value of  $0.001 < 0.05$ . this finding implies that consumers purchasing decisions at 28cafe Medan are strongly influenced by the perceived quality of the product offered. Open ended responses from several participants also revealed that consistency in product taste, attractive presentation, and freshness were major factor encouraging repeat purchases. This align with the finding of Agustina and Prasetyo (2022), who state that perceived product consistency and sensory appeal enhance customers willing to buy again.

Price also has a positive and significant effect on purchase decision ( $t=2.156 > 1.655$ ,  $P=0,031 < 0.05$ ), indicating that fair and competitive pricing shapes consumer perception of value. Respondents noted that price adjustments reflecting portion size

and ingredient quality make them feel the product is worth the cost. This observation is consistent with the study by Hasanah and Nugroho (2023), which found that price fairness strengthens perceived value and motivates purchase intention in café consumer

Furthermore, Product quality significantly affects customer satisfaction ( $t=2.492>1.665$ ,  $P=0.013<0.05$ ). Qualitative responses show that consumers associate satisfaction not only with the taste of food and beverages but also with hygiene and consistency of service. This supports the argument of Kurniawati and Lestari (2024), it was shown that product experience quality is a predominant element influencing satisfaction within the coffee shop market.

Price, has positive and significant effect on customer satisfaction ( $t=3.392>1.665$ ,  $p=0.000,0.05$ ), Respondents perceived the café pricing as acceptable when balanced with product quality and atmosphere. According to Maulida and Saputra (2023), such congruence between perceived price and value contributes to emotional satisfaction and loyalty.

Customer Satisfaction positively and significantly affects Purchase Decision ( $t=3.169>1.655$ ,  $p=0.002<0.05$ ). This suggests that satisfied customers are more likely to revisit and recommend the café to others. Supporting this view, Anderson and Srinivasan (2023) argue that satisfaction acts as a key psychological driver linking post-consumption evaluation and behavioral intention,

The indirect effect between variables was evaluated using the mediation test. The bootstrapping technique was implemented through SmartPLS 4.0 to conduct the testing. The subsequent table illustrates the results of the hypothesis testing for indirect effects:

Tabel 4. Specific Indirect Effects

| Hipotesis  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values |
|--|---------------------|-----------------|----------------------------|------------------------|----------|
| H <sub>6</sub> Product Quality (X <sub>1</sub> ) → Customer Satisfaction (Z) → Purchase Decision (Y) | 0,111               | 0,109           | 0,056                      | 1,999                  | 0,046    |
| H <sub>7</sub> Price (X <sub>2</sub> ) → Customer Satisfaction (Z) → Purchase Decision (Y)           | 0,140               | 0,136           | 0,065                      | 2,142                  | 0,032    |

The mediation test results presented in the table indicate that Product Quality exerts a positive and significant influence on Purchase Decision via Customer Satisfaction, evidenced by a t-value of 1.999, which exceeds 1.655, and a p-value of 0.046, which is less than 0.05. This finding suggests that high product quality enhances consumer satisfaction, which in turn encourages purchase behavior. Open-ended responses indicated that customers often equate product consistency, taste balance, and aesthetic presentation with emotional comfort, leading them to repurchase. This supports the Expectancy Disconfirmation Theory (Oliver, 1997), which posits that satisfaction arises when perceived performance exceeds expectations, driving repurchase intentions. Similarly, Kurniawati and Lestari (2024) emphasize that satisfaction acts as a key mediator translating perceived product excellence into behavioral outcomes such as loyalty and purchase decisions.

The price has a positive and substantial influence on Purchase Decision, mediated by Customer Satisfaction, shown by a t-value of 2.142, which exceeds 1.655, and a p-value of 0.032, which is less than 0.05. This demonstrates that consumers do not base their purchase decisions solely on price levels but rather on perceived price fairness relative to product quality. Qualitative responses revealed that customers feel satisfied when the café's pricing structure reflects the quality and portion of its products. This finding aligns with Equity Theory (Adams, 1965), which states that perceived fairness in exchange relationships enhances emotional satisfaction and promotes positive behavioral intentions. Maulida and Saputra (2023) also confirmed that perceived price-value alignment reinforces satisfaction, which subsequently drives purchasing behavior.

Overall, these results reveal that Customer Satisfaction functions as a psychological bridge linking both Product Quality and Price to Purchase Decision. This implies that improving product performance and ensuring value-based pricing do not directly translate into higher purchases unless consumers first perceive satisfaction and fairness during their consumption experience. Thus, 28Cafe Medan strategic focus should prioritize consistent quality delivery and transparent pricing communication to strengthen satisfaction-driven purchase behavior.

## 5. Conclusion

Several conclusions can be derived as a result of the findings and discussions regarding the impact of product quality and pricing on the purchasing decision, with consumer satisfaction as an intervening variable:

1. The quality of the product has a favorable and substantial influence on buying decisions at 28cafe Medan. This indicates that consumers tend to make purchasing decisions when the products offered consistently meet their expectations in terms of taste, presentation, and freshness. High product quality creates trust and strengthens consumer perception of café credibility.

2. The price has a favorable and substantial influence on buying choices. This finding shows that customers at 28Cafe Medan are highly sensitive to price fairness. When the price is perceived as proportional to benefits received, consumers are more likely to make repeat purchases.
3. The quality of a product significantly and positively influences customer satisfaction. This suggests that consistency in product attributes such as taste, serving temperature, and appearance strongly contributes to emotional satisfaction among customers, encouraging them to revisit the café.
4. Price has a positive and significant effect on consumer satisfaction. Consumers evaluate price not merely as cost but as a reflection of value. A reasonable and transparent pricing strategy increases perceived value and satisfaction levels.
5. Consumer happiness has a favorable and substantial influence on buying choices. Satisfied consumers are more inclined to engage in positive word-of-mouth and exhibit repeat-purchase behavior, demonstrating that satisfaction plays a central role in shaping purchasing decisions.
6. The quality of a product indirectly influences purchase choices via customer satisfaction. High product quality first elevates customer happiness, thereby reinforcing their buy intention. The satisfaction pathway acts as a psychological mechanism linking perceived quality and purchase intention.
7. Price also indirectly influences purchasing decisions through consumer satisfaction. When consumers perceive that the café's pricing aligns with the quality and service received, satisfaction increases, and so does the likelihood of repurchase.

## 6. Suggestions

Based on the research findings, discussion, and conclusions above, several strategic recommendations can be implemented by 28Cafe Medan to strengthen its competitiveness and business sustainability:

1. 28Cafe Medan's management needs to consistently maintain and improve the quality of its products. This includes quality control of raw materials, food and beverage production processes, and the final appearance of the products. Implementing strict operational standards is highly recommended to ensure consistent taste and product appearance to meet customer expectations.
2. Regarding pricing, 28Cafe Medan's management is advised to review and evaluate the pricing structure of its products. The prices set must reflect the value received by customers. Furthermore, a competitive pricing strategy compared to nearby competitors is necessary to ensure customers receive optimal value for their money.
3. To increase customer satisfaction, management is advised to periodically conduct in-depth customer satisfaction surveys. Through these surveys, management can obtain direct information regarding customer expectations, needs, and preferences, which is useful in making decisions regarding product quality improvements and price adjustments.
4. Management also needs to develop a customer loyalty program to increase repeat purchase decisions. This program could take the form of special discounts, reward points, or exclusive offers that will make customers feel valued, thus increasing their satisfaction and loyalty.
5. It is recommended that 28Cafe Medan management strengthen its digital promotional strategy through social media to increase brand awareness and product appeal. Promotional content should emphasize product quality and the added value buyers receive for the price offered.
6. To further leverage customer satisfaction as an intervening variable in purchasing decisions, management needs to pay special attention to handling customer complaints. Each complaint must be handled promptly, professionally, and effectively, thereby increasing customer trust and positive perceptions of 28Cafe Medan.

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