

The Effect of Product Quality and Pricing on Customer Satisfaction and Loyalty: A Study of Momoyo Beverage Consumers in Ujungberung

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Abstract

This study aims to examine: (1) the effect of product quality on customer satisfaction among Momoyo beverage consumers in Ujungberung, (2) the impact of pricing on customer satisfaction, (3) the influence of product quality on customer loyalty, (4) the effect of price on customer loyalty, (5) the role of customer satisfaction in influencing customer loyalty, (6) the indirect effect of product quality on loyalty through customer satisfaction, and (7) the indirect effect of pricing on loyalty through customer satisfaction. The research employs a quantitative associative approach, with a demographic focus on consumers who have purchased and consumed Momoyo beverages more than once and are aged 15 or older. A total of 88 respondents from the Ujungberung area were selected using purposive sampling. The data were analyzed using path analysis. The results indicate that both product quality and price have a positive and significant effect on customer satisfaction. Furthermore, customer satisfaction has a positive and significant influence on customer loyalty. Additionally, product quality and pricing also indirectly influence loyalty through the mediation of customer satisfaction. These findings suggest that maintaining product quality and implementing appropriate pricing strategies are essential for enhancing both customer satisfaction and long-term loyalty in the highly competitive beverage industry.

Keywords: Product Quality, Cost, Client Contentment, Client Loyalty, Momoyo

Introduction

The industrialization process is expanding quickly in the contemporary globalized era, and market competition is intense. The way businesses compete in the marketplace is impacted by the business world's rapid development. Businesses in the same industry cannot overlook this circumstance. The strategy needs to compete to draw in, win over, and keep customers if it hopes to maintain its market dominance. This is seen in the growing number of businesses producing identical goods at varying price points and quality levels.

Along with the times, the needs of today's society are also increasing and developing, especially in the need for food and beverages. The current technological advances cannot be denied, affecting the increasing number of packaged drinks on the market. This makes business

people also see a new market share in Indonesia which is quite interesting. Changes in people's lifestyles today also affect the drinks on the market in Indonesia. Currently, the most popular drinks are coffee and tea, because they have many benefits for the body. The more years, the more fans of tea drinks. The trend of tea drinks in Indonesia has also developed, the bubble tea trend is well received by the wider community. Bubble tea drinks have now become a lifestyle. More and more businesspeople are getting involved in the tea drink industry as a result of the growing number of tea beverages available, and bubble tea will also keep evolving to suit consumer preferences.

High-quality milk tea-based products are sold by Momoyo, a food and beverage company from Taiwan that was founded in 2003 and operates through a franchise structure. Over 2,500 locations of the multinational franchise company Momoyo may be found in 38 countries, including Indonesia. Momoyo first opened in Indonesia in 2011 and presently operates 389 locations across 58 cities. Momoyo is credited with being the first to produce tapioca pearl drinks, also referred to as bubble or boba (Momoyo.co.id, 2022).

The good quality of the products and the affordable costs are the reasons for the great consumption of Momoyo products. Furthermore, Momoyo persists in creating innovative items to ensure consumer satisfaction and loyalty. According to Marsoyo (2023), a number of research contend that keeping current consumers is less expensive than bringing in new ones. The circumstance drives Momoyo to work on deepening its comprehension of customer behavior in order to better serve their needs.

Price is the second most essential factor that Momoyo needs to consider after product quality. According to Kotler and Armstrong, price is the entire sum that customers pay for goods or services (2022). Price typically has an impact on customers' perceptions of product quality; for the most part, in the food and beverage sector, consumers believe that high costs are indicative of good quality. Because Momoyo drinks are reasonably priced, anyone from middle-class to lower-class backgrounds can easily purchase them.

Customer loyalty represents the next crucial element. Loyalty, according to (Marsoyo et al., 2022), is the strong desire to continue using a favored service or product even when external factors and the results of subsequent marketing campaigns may lead to customers switching. Tjiptono and Diana (2019: 298) define customer loyalty as a favorable and persistent inclination toward repeat purchases, as well as a commitment to a certain brand and retailer.

If Momoyo wants to keep its customers happy and loyal, it needs to be able to produce high-quality goods at reasonable costs. Because they have a strong sense of trust in the firm, devoted customers who are happy and feel loyal to them tend to bid less when making purchases. This will have an impact on consumers' loyalty to Momoyo beverage goods.

Methods

Due to the need for numbers or numbers to handle data in this research activity, an associative type and quantitative technique are used. In this research activity, variables are measured using a Likert scale. The participants in this study are those who regularly drink Momoyo drinks in the Ujung Berung region. Customers of Momoyo drinks in the Ujung Berung region make up the population of this study project, which includes 88 respondents in total. This study use non-probability sampling as its method of sampling. Purposive sampling will be used in the interim to determine the sample. Primary data make up the majority of the data used in this research project. The research item, specifically Momoyo customers, provides data sources directly to this activity. A Google Forms questionnaire is the primary data collection instrument used in this research project. Statistical Program for Social Science, or SPSS, version 29 is the computer program used to process data for this research project.

Results and Discussion

The Cronbach Alpha method is the one employed in the dependability test. The Cronbach's Alpha coefficient utilized in this study is α 0.61. If Cronbach's Alpha is greater than 0.61, it is

deemed dependable. The reliability test findings for each indication in the independent, dependent, and intervening variables are as follows:

Table 1. Reliability Test

Reability Test				
No	Variabel	Cronbach's Alpha	Cronbach's Alpha Minimal	Conclusion
1	Product Quality (X1)	0,615	0,61	Reliabel
2	Price (X2)	0,684	0,61	Reliabel
3	Customer Sarisfaction (Z)	0,674	0,61	Reliabel
4	Customer Loyalty (Y)	0,637	0,61	Reliabel

Source: Data Processed (2025)

It is clear from table 3 above that all variables have Cronbach's Alpha Count values that are higher than the Cronbach's Alpha Minimum of 0.61. Therefore, it can be said that the questionnaire used as the measuring tool in this study project is a trustworthy one. Effects of Price Variables on Product Quality

1) How Customer Satisfaction and Product Quality Affect Customer Loyalty

The following indirect impact test model can be created using the findings of the direct effect analysis of each of the aforementioned variables:

$$X1's \text{ direct impact on } Y = 0.304$$

$$\text{Effect of } X1 \text{ through } Z \text{ indirectly on } Y = 0.250 \times 0.258 = 0.0645 \text{ } X1's \text{ overall impact on } Y \text{ is}$$

$$\text{equal to } 0.304 + 0.064 = 0.368.$$

Thus, path analysis can be used to determine whether or not customer satisfaction can influence the relationship between product quality and pricing and customer loyalty. The mediation effect is being tested in this research endeavor utilizing the Sobel test or Sobel test.

2) How Price Affects Customer Satisfaction and Customer Loyalty

An indirect impact testing model can be created using the findings of the direct effect analysis of each of the aforementioned variables, specifically:

X2's direct impact on Y is 0.264.

Effect of X2 indirectly on Z is $Y = 0.411 \times 0.258 = 0.106$.

X2's overall impact on Y is equal to $0.264 + 0.106 = 0.370$.

3) The Impact of Product Quality on Client Contentment

Customer satisfaction is recognized to be positively and significantly impacted by product quality, according to the data analysis results from table 6 above. Product Quality (X1) has a positive and significant effect on Customer Satisfaction (Z) on consumers of Momoyo Beverage Products in Ujung Berung, as indicated by the hypothesis test results, which show that Product Quality has a sig value of 0.002 and t table 3.170 at the 5% coefficient because the sig value is <0.05 and t count > 1.66 .

4) How Price Affects Customer Contentment

It is evident from the data analysis results in Table 6 above that Price significantly and favorably affects Customer Satisfaction. Price has a sig value <0.001 and t table 4.941 at the 5% coefficient, according to the results of the hypothesis test. Since the sig value <0.05 and the t count > 1.66 , Price (X2) has a positive and significant impact on Customer Satisfaction (Z) on Momoyo Drink Product Consumers in Ujung Berung.

5) How Product Quality Affects Client Loyalty

Customer loyalty is known to be positively and significantly impacted by product quality, as indicated by the data analysis from table 6 above. According to the findings of the hypothesis test, Product Quality has a t table of 3.049 and a sig value of <0.05 at the 5% coefficient,

meaning that the t count is greater than 1.66. The outcome shows that Ujung Berung consumers of mixed beverage products have a positive and substantial relationship between Product Quality (X1) and Customer Loyalty (Y).

6) The Impact of Price on Client Loyalty

According to the data analysis from table 8 above, price significantly and favorably affects customer loyalty. The price has a t table of 2.355 and a sig value of <0.005 at the 5% coefficient, according to the results of the hypothesis testing. As a result, Ujung Berung consumers of mixed drink products have a positive and substantial relationship between Price (X2) and Customer Loyalty (Y).

Conclusion

It can be concluded from the findings of research projects on the Effect of Product Quality and Price on Loyalty Through Customer Satisfaction as an Intervening Variable and Price on Loyalty through Customer Satisfaction as an Intervening Variable in Ujung Berung Momoyo Drink Product Consumers that the following conclusions can be made:

- a. Momoyo beverage product customers in Ujung Berung are significantly more satisfied when their products are of high quality.
 - b. Price has a favorable and noteworthy impact on Ujung Berung consumers' satisfaction with Momoyo drink products.
 - c. Consumer loyalty at Momoyo Beverage Products in Ujung Berung is positively and significantly impacted by product quality.
 - d. Price has a major and favorable impact on Ujung Berung 4 consumers' loyalty when it comes to mousse drink products.
 - e. Ujung Berung consumers of Momoyo beverage products exhibit a positive and strong correlation between customer satisfaction and customer loyalty.
 - f. Customers' satisfaction with Momoyo Beverage Products in Ujung Berung is positively correlated with their loyalty, as demonstrated by the product quality.
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- g. Through customer satisfaction, price has a positive and significant impact on client loyalty.

Consumers of Momoyo Beverage Products in Ujung Berung are satisfied.

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