

THE INFLUENCE OF SERVICE QUALITY AND PHYSICAL ENVIRONMENT TOWARDS CUSTOMER SATISFACTION WITH PRICE AS MODERATOR IN COFFEE SHOP IN MEDAN

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ABSTRACT

The food and beverage industry are continually evolving. To acquire competitive advantages such as customer satisfaction, it is critical to provide the best service quality and physical environment. Meanwhile price sometimes will moderate the perception of both factor towards customer satisfaction. Conducted at Warung Kopi Srikandi Medan, this research is aimed to describe how the price moderate relationship between service quality, physical environment, and customer satisfaction. In this research, the writer is using the quantitative method, descriptive, and causal techniques. Choosing customers of Warung Kopi Srikandi Medan become the sample with the convenience sampling method. The findings of this research show that service quality and physical environment had a significant influence and simultaneous influence on customer satisfaction. Meanwhile Price become a moderator of relationship between service quality and physical environment towards customer satisfaction. However, physical environment does not influence customer satisfaction partially.

Keywords: Price, Service Quality, Physical Environment, Customer Satisfaction

1. INTRODUCTION

Business development is accelerating in the current era of globalization, owing to increased competition among businesses, despite the pandemic. Every business is now driven to provide the best possible service to its customers. People's lifestyles are increasing with the habit of buying food in restaurants to be more efficient and as a means of refreshing, for meeting with business associates, holding special events with family, relatives, girlfriends, and friends and others (Siagian et al., 2020). Besides, culinary or food is one of the basic human needs that must be met for survival.

After comparing the customer's impressions or expectations with the results acquired from a product, satisfaction is a feeling of happiness and disappointment (Kotler in Putra & Sulistyawati (2018)). If the customer is satisfied, the service provider and the customer will form an emotional bond. This factor is also a supporting factor in increasing customer satisfaction. Starting with the way in terms of communicating well, understand all the needs and customer expectations, also pay attention in the slightest (Mamesah, 2020).

According to Cristo et al. (2017) in their research, it shows that simultaneous price, service quality and physical environment have a significant influence on customer satisfaction. Researchers tested

that price, service quality, and physical environment have a significant influence on customer satisfaction (Pane et al., 2018; Hartanto & Andreani, 2019; Hanaysha, 2016).

Warung Kopi Srikandi Cemara Asri, Medan as this research object, is a modern coffee shop that serves Sidikalang brewed coffee and is also known as a satay restaurant which offers various Indonesian specialities menus such as *lontong sayur*, chicken satay, fried chicken, *soto*, fried noodles, martabak and others. Warung Kopi Srikandi, Medan was established in 2012 and they committed to providing the best service for customers. It is located at Komplek Cemara Asri Boulevard Timur street number 80. On the same street, several restaurants offer similar menus such as Kalasan, Habitat Coffee, and Fountain Ice Cream Cafe & Restaurant.

Due to the presence of other restaurants on the same street, it is important for Warung Kopi Srikandi Cemara Asri, Medan to maintain a high level of client satisfaction because satisfied consumers are more likely to become loyal customers and have a higher likelihood of returning. Besides, the number of Warung Kopi Srikandi Cemara Asri’s customers has decreased in the last 6 months which is shown in the table below. It shows that there was a decrease in the number of customers. This might be caused by the disappointment of the customer that arises from the price, service quality, and physical environment. The reduction of the number of customers also might be affected by the pandemic Covid-19 scenario. In fact, not only the restaurant industry was impacted by the pandemic, but other industries such as hotels, travel, bridal and others were also impacted.

Table 1.1 Number of Customers at Warung Kopi Srikandi Cemara Asri, Medan

Month	Number of Customer	Percentage
January	506	
February	476	5,929% decrease
March	392	17,647% decrease
April	363	7,398% decrease
May	335	7,713% decrease
June	291	13,134% decrease

Source: Warung Kopi Srikandi Cemara Asri, Medan Report (2021)

Table 1.2 Comments from the Customers about Warung Kopi Srikandi Cemara Asri, Medan

Numb.	Comments
1	Wi-Fi is always broken; the price is higher than average.
2	Requests for chicken parts are subject to additional fees... emm...
3	Quite expensive.
4	The food and drink menu is a lot but a bit expensive.
5	A comfortable place to hang out... unfortunately, the price is a bit expensive.
6	Bad service, waiting for too long. Some order is missing, waiters memorize order not taking notes. Requesting bills also takes ages. Bad, will not visit here again.
7	The waiter is not friendly at all. Especially the maidservant put on an unpleasant face all day long.
8	The place is quite comfortable and clean, the bathroom is small, there is only 1 toilet for men's toilet. The price of the food is relative, it is just that the taste of the food is too ordinary for the price. But it is quite worth it to eat here.
9	The waiter's face is annoying!! like being forced to work!! The rude parking attendant parked my car until it was close to the driver's door, so I did not enter.

	Even asked the parking attendant who also spoke in a rude tone. The workers there need to be rearranged. For a long time, customers are lazy to come there.
10	Bad. I am an online driver, I can order at this restaurant, but the service is not satisfactory. While waiting for the order to be ready, I offer the employee how to drink tea, hot or cold, sir? I replied that it was just warm but until my order was ready 45 minutes The tea that was offered did not come. Not that I expect, but do not offer if you cannot... If it is just tea, we can still buy it as a driver.

Source: Google review and prepared by the writer (2021)

It is easy to obtain information thanks to technological advancements nowadays. Google, the world's most popular search engine, can supply any information, including ratings and reviews for restaurants. Warung Kopi Srikandi Cemara Asri, Medan has a 4.4-star rating on Google Reviews, with 739 reviews. Despite the great feedback that Warung Kopi Srikandi Cemara Asri, Medan has received, client satisfaction has fallen as it can be seen that several complaints received. From Google reviews, below are 10 comments from the customers about Warung Kopi Srikandi Cemara Asri, Medan regarding price, service quality, and physical environment.

Warung Kopi Srikandi Cemara Asri, Medan has been visited by the writer multiple times. The food and beverages were good but according to the writer's perspective, the writer concurs with the customers' comments above about the food could take longer to arrive at times. Also, the available parking space is quite limited when visiting in the evening.

Furthermore, the writer conducted a preliminary interview with some of Warung Kopi Srikandi Cemara Asri's customers. With all the answers collected, the writer concludes that most of them said the same thing about the service which is too slow. They need to wait for a long time to get their food. Some of them also stated that the cuisine was good, but it is quite expensive. Moreover, the yellowish interior lightning and the temperature is also being mentioned by some of the customers.

Based on the comments above, Warung Kopi Srikandi Cemara Asri, Medan has been doing well, yet there have been some critical comments about price, service quality, and physical environment. According to the writer, Warung Kopi Srikandi Cemara Asri, Medan will be able to gain higher customer satisfaction and compete with nearby eateries, by increasing their qualities. As a result, the writer is eager to know the relationship of service quality toward customer satisfaction with physical environment become the mediating variable and price as the moderating variable for both relationships.

2. LITERATURE REVIEW

Price

According to Alma in Marpaung et al. (2021), a price is the monetary worth of a thing. Meanwhile, Harman Malau in Ningtiyas (2019) mentioned that a price is a basic measuring tool for an economic system because prices affect the allocation of production factors. Moreover, price is the seller's estimate of the meaning of value expansion concerning the usability and quality of the product, the image formed through advertising and promotion, the availability of the product through the distribution network and the services that accompany a product (Kartajaya in Pane et al. 2018). Price is not just a calculation of costs plus a certain percentage as the expected level of profit. (Alma in Pane et al. 2018). Producers must be skilled at determining pricing strategies; the high or low prices used must be influenced by the following factors (1) The condition or quality of the items; (2) The target customers, whether they are wealthy, middle-class, or low-income, urban, or rural; and (3) Market environment, if the product is new to the market or currently dominates it, whether the product has a strong emotional attachment or there are numerous rivals.

To conclude, because prices affect the allocation of production factors, price is a basic measurement instrument for an economic system. Price is the seller's estimate of the meaning of value expansion in terms of product usability and quality, the image produced via advertising and marketing, product availability through the distribution network, and accompanying services. Producers must be skilled at determining pricing policies; the high or low prices used must be guided by the target consumers, whether they are high, medium, or low income, shopping, or rural. According to Kotler in [Amilia & Nst \(2017\)](#), there are four indicators to measure price are as follows:

1. Price Affordability

Consumers anticipate affordable costs before they make a purchase. Consumers, overall, will seek out items whose prices they can afford. Besides, the variation of price offered is important to give the customer a flavour to choose.

2. Price Compatibility with Product Quality

When it comes to specific items, people typically don't mind paying a higher price if the product quality is good. Consumers, on the other hand, want items that are both inexpensive and of excellent quality.

3. Price Competitiveness

To ensure that its products can compete in the market, the firm decides the selling price of a product by comparing it to the price of similar items offered by rivals.

4. Price Compatibility with Benefits

Consumers are occasionally unconcerned about a product's price, preferring to focus on its advantages.

Service Quality

According to [Tjiptono in Nurharyati \(2018\)](#), service quality refers to the anticipated degree of perfection and the ability to regulate that level of excellence in order to fulfil customer needs. In essence, service quality is a customer evaluation of the degree of service obtained in comparison to the level of service expected. The importance of providing clients with high-quality service is demonstrated through giving convenience, speed, attitude, action, and friendliness to customers. This will lead to a good perception of the company's image. While according to [Arianto & Kurniawan \(2021\)](#), service quality is an interrelated element of quality that can affect performance in meeting customer expectations and can build long-term and mutually beneficial cooperation.

Service quality is a level of excellence that is felt by a person towards a service that is expected from the comparison between the desires and the perceived performance of consumers after performing the service. If the service is as expected, the quality of the service is considered acceptable and satisfying. ([Harfika & Abdullah, 2017](#)).

From the definition above, the writer concludes that service quality is a way for consumers to rate the degree of service they receive, and it's an interconnected aspect of quality that can determine how well a company meets its customers' expectations. The importance of customer service quality is demonstrated by giving convenience, quickness, attitude, action, and friendliness to clients, all of which contribute to a positive impression of a company.

In the journal done by [Marpaung et al. \(2021\)](#), it is mentioned about the purposed of service which is cited from William B. Martin. The purpose of service according to William B. Martin is as follows (1) Convey a positive attitude; (2)Defining customer needs ; (3) preparing customer needs.

The company should be able to meet customer needs so that customers are satisfied with the existing services. With the satisfaction obtained, customers are expected to return, it will even become a

running advertisement that can increase the number of customers. To evaluate service quality, Parasuraman et al. in Harfika & Abdullah (2017) stated that the attributes can be seen from five main dimensions, namely:

1. Tangible evidence

The ability of a company to demonstrate its existence to outside parties is known as tangible evidence. The company's look and capabilities, as well as its dependable physical facilities and infrastructure, are visible proof of the service provider's services. This covers the physical buildings, the equipment used, and the personnel' look.

2. Reliability

Reliability refers to a company's capacity to deliver on its promises while also being accurate and dependable. Customer expectations must be met in terms of timeliness, service that is consistent for all clients without faults, a compassionate attitude, and high accuracy.

3. Responsiveness

Responsiveness is a philosophy of assisting clients and providing prompt and suitable service by conveying clear information regarding to the response to make the customer understand easily.

4. Assurance

Assurance, or the capacity of corporate workers to create consumer trust via their expertise, politeness, and skill. Communication, credibility, security, expertise, and civility are all part of this.

5. Empathy

Empathy, namely providing honest and unique or personal attention to consumers while attempting to understand their needs.

Physical Environment

Lovelock and Wirtz in Hartanto & Andreani (2019) stated that several business actors in the service sector require customers to enter the business. Therefore, business actors need to take the time to design the physical environment so that customers are comfortable and satisfied in that place. According to Azim et al. in Cristo et al. (2017), a restaurant's physical environment is another area where it may gain a competitive edge. The physical environment is made up of all the tangible and intangible elements that exist inside and outside a restaurant. Restaurant owners should spend a significant amount of money on interior design, floor cleanliness, decorations, and other accessories to improve the physical environment since they are the most essential investments to attract consumers. Temperature, illumination, fragrance, noise, air quality, and music are examples of intangible characteristics (Bitner in Cristo et al. (2017)).

Therefore, the writer concludes that interior design, decorations, floor cleaning, and other accessories including lighting, temperature, scent, noise, air quality, and music are all aspects of a restaurant's physical environment that make it more comfortable for guests to at the restaurant.

Ryu in Wilianto et al. (2017) mentions that the physical environment is the same as atmospherics. According to Marthianus et al. (2016), the store atmosphere includes several parts, including the following:

1. Exterior

Exterior features have a significant impact on the store's image; therefore they should be carefully prepared. The mix of these exteriors may make the store's exterior seem distinctive, appealing, and inviting to customers.

2. General Interior

After the customer enters the store, the display is the most crucial factor in making a purchase. A store's interior design should be optimized for visual merchandising. A good display attracts customers' attention and allows them to readily view, inspect, and choose items before making a purchase. Consumer impressions of the shop will be influenced by several factors.

3. Room Layout (Store Layout)

When it comes to choosing the site and shop amenities, the store manager must have a strategy. Store managers must also make the most of the available retail area.

4. Interior Point of Interest Displays

Interior point of interest displays has two purposes, namely providing information to consumers and increasing store atmosphere, this can increase sales and store profits.

According to Ryu & Jang in Wilianto et al. (2017), the physical environment can be measured by DINESCAPE, and it consists of 6 scale factors that measure aspects of:

1. Facility Aesthetics

Aesthetics in a facility is defined as a function of architectural design, interior design, and decorating. Paintings or photographs, wall decorations, colours, and furniture are examples of aesthetic components that may be used to create a pleasing image or environment.

2. Ambience

The ambience is an intangible element such as music, scent, cleanliness, and temperature as a background that aims to influence the senses in a non-visual way that can indirectly affect consumers.

3. Lighting

There is a relationship between the level of lighting on the emotional response of a person. Lighting that is calm, shady, and comfortable for the eyes of consumers will lead to the perception that the restaurant has good service and has a high price.

4. Layout

The layout refers to the layout of a space, as well as the size and form of furniture, tables, machinery, and equipment that have the potential to be used to facilitate transaction activities in the environmental area.

5. Table Settings

In restaurants, especially middle to high-end restaurants, the table settings aspect is very important in the role of forming an atmosphere that will attract the attention of customers to come to the restaurant. Implementation of table settings such as paying attention to the use and quality of flatware, glassware, chinaware, and linens can make consumers feel in a classy and prestigious environment.

6. Service Staff

Service staff refers to employees in a service establishment. This refers to the appearance of employees such as employee uniforms, as well as the appearance of employees when

operating. It is very important to distinguish between the actual interaction of employees with consumers and the physical condition of employees visually. The interaction between employees and consumers is not included in the physical environment because it is not part of the tangible quality attribute. Employee uniforms that seem professional can show the company's image and become an important value for employees. A neat appearance of employees will positively affect consumer emotions such as consumers feel more interested.

Customer Satisfaction

The term satisfaction is derived from the Latin words "*satis*" and "*facio*," which imply "doing" or "creating." In simple words, contentment may be defined as an attempt to meet a sufficient need. There are two factors that impact consumer satisfaction, which are expectations and performance. The consumer's opinion of what they get after ingesting a product is called performance. Consumer expectations are estimations of what they will obtain if they purchase things, whether they be goods or services (Haryanti & Baqi, 2019).

According to Arianto & Kurniawan (2021), consumer satisfaction refers to a person's sentiments after obtaining a product or service and comparing the performance of that product or service to their expectations. Moreover, customer satisfaction can be interpreted behavioural response of service users in the form of after-purchase evaluation of the perceived service compared to consumer expectations (Ningtiyas, 2019).

Therefore, the writer concludes that customer satisfaction refers to how satisfied a customer is after obtaining a product or service and comparing it to their expectations where consumer expectations are estimations of what they will obtain if they purchase things, whether they be goods or services.

Zeithaml and Bitner in Haryanti & Baqi (2019) mentioned that there are five major aspects that the firm must evaluate when assessing the degree of customer satisfaction:

1. Product quality: customers would be pleased if the evaluation reveals that the items they love, or use are of high quality.
2. Service quality: customers will be happy if they receive good service or what they anticipate.
3. Price: products with similar quality but a lower price will give greater value to their customers.
4. Personal aspects, such as emotional customer satisfaction, in which the consumer feels proud and certain that other people would be impressed by him if he can utilize specific items or services that have a greater degree of satisfaction.
5. Situational considerations, such as inclement weather, or the fact that consumers do not need to pay more expenditures or waste additional time to obtain a product.

In the journal with Augustinus & Iona (2020) as authors, the indicators to explain customer satisfaction referring to Kotler and Keller in the context of hospitality interest in repurchasing, willingness to recommend, pay less attention to other brands or competitors, buy another product from the same company, and propose ideas of products and services to the company.

1. Interest in repurchasing

Individuals or groups that decide to make a purchase and return to the restaurant are said to be interested in repurchasing. It indicates that consumers are eager to return to the business and are loyal. In a restaurant, having a loyal client signifies that the establishment has succeeded in pleasing the customer with its cuisine or service. Repurchase interest can be identified through transactional interest where people tend to repurchase products that have been consumed and

through explorative interest where people are always seeking information regarding the product they are interested in, as well as facts to support the product's good features.

2. Willingness to recommend

A restaurant must be able to please its customers to gain a loyal consumer. Because word-of-mouth is one of the most important components of a business, it can only be done by devoted consumers. The willingness of a client to suggest a restaurant may aid in the business's survival. Consumers' readiness to suggest items and services that they have experienced to friends and family and invites other people to use the service or product is a picture of satisfaction.

3. Pay less attention to other brands or competitors

Every business has its own set of rivals. When a client pays less attention to other brands or the restaurant's competitors, it implies the customer is loyal. It may also be said that the client is devoted to the restaurant and has no desire to visit a competitor's establishment.

4. Buy another product from the same company

The growth of a restaurant may be regarded as a barometer of its success. A restaurant's performance in the sector is determined by the number of branches it has. Purchasing additional from the same firm indicates that the client is interested in dining at the restaurant's other location.

5. Propose ideas of products and services to the company

A restaurant's goal is to make its customers happy. A restaurant's cuisine and services, as well as the restaurant itself, must be constantly improved and developed. A restaurant should make improvements and solicit consumer recommendations to please customers.

Hypothesis that are being tested will be:

H₁ : There is relationship between service quality and customer satisfaction at Srikandi Coffee Shop Medan

H₂ : Physical Environment become the mediating variable between service quality and customer satisfaction at Srikandi Coffee Shop Medan

H₃ : Price become the moderating variable of relationship between service quality and customer satisfaction and also between service quality and physical environment

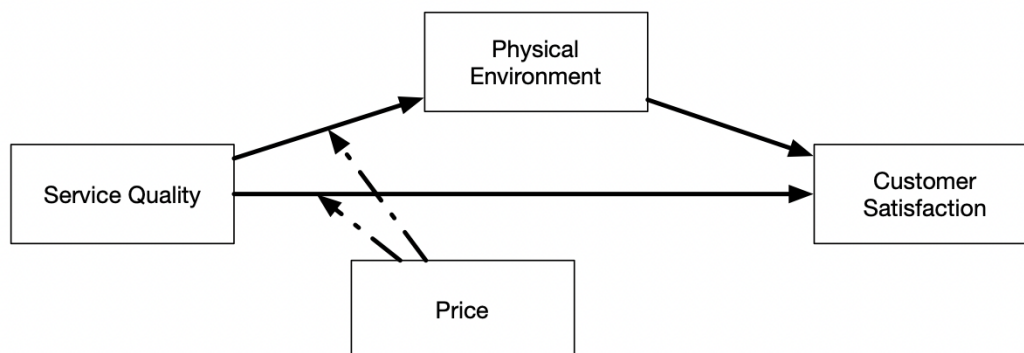


Figure 11 Research Model

3. METHODOLOGY

This research was conducted using a survey method, where this method is a quantitative research method used to obtain data that occurred in the past or present, about beliefs, opinions, characteristics, behaviour, variable relationships and to test several hypotheses from samples taken from certain populations, data collection techniques with observations (interviews or questionnaires) and research results tend to be generalized (Sugiono in Agustia et al. (2019)).

According to Dr. Wahidmurni (2017), population can be interpreted as the number of all people or non-people who have the same characteristics and meet certain requirements related to research problems and can be used as a source of sampling. In this research, the population is all the customers of Warung Kopi Srikandi Cemara Asri, Medan.

Because in this research the population at Warung Kopi Srikandi Cemara Asri, Medan is unknown, the writer will use the unknown population formula to calculate the sample size based on what Jaya (2020) stated in his book, by using the formula, the number of samples is 97.

As a sampling technique, the writer will use the convenience sampling method. Dörnyei in Etikan et al. (2016) define that convenience sampling as a form of nonprobability or non-random sampling were individuals of the target population that satisfy specific practical requirements, such as easy accessibility, geographical closeness, availability at a certain time, or the desire to participate are included for the purpose of the research.

Data is collected by distributing questionnaire using online technology. Then it will be processed and analyse by the help of SPSS and PROCESS module (Hayes, 2013). The module PROCESS is used to analyse mediation and moderation variable in the model to strengthen the multi linear analysis. The questionnaire is tested first by deploy into non sample to check its validity and reliability. Data also tested using classic assumption test in order to fulfil requirement before it tested in multi linear regression.

4. FINDINGS AND DISCUSSION

In this survey, 97 responses were chosen from all Warung Kopi Srikandi Cemara Asri customers in Medan. The questionnaire is assisted by Microsoft Form and distributed online by sharing the link with customers who have purchased goods and services from Warung Kopi Srikandi Cemara Asri. The following is a summary of the respondent characteristics based on age, gender, and visited times.

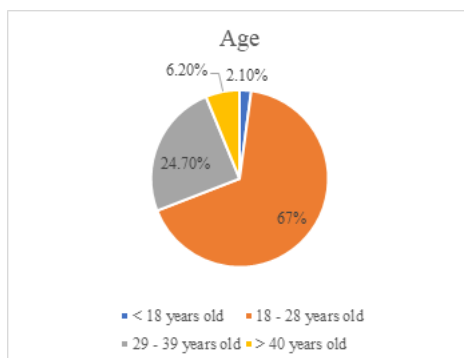


Figure 2 Characteristics of Respondents based on Age

Source: Research Results Data (2021)

The table and figure above shown that the respondents of this survey are mostly 18 - 28 years old with a total of 65 out of 97 respondents (67%). While the total of respondents aged 29 - 39 years old is 24 out of 97 respondents (24,7%) and the total of respondents aged more than 40 years old are 6 out of 97 respondents (6,2%). Then, respondents who are less than 18 years old have the lowest frequency with a total of 2 out of 97 respondents (2,1%).

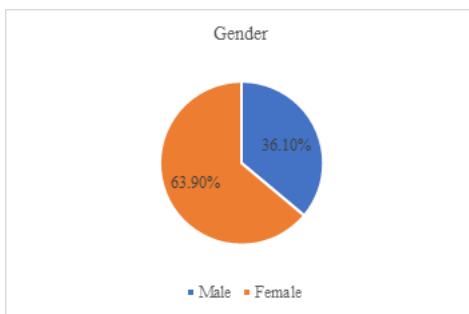


Figure 3. Characteristics of Respondents based on Gender

Source: Research Results Data (2021)

The table and figure above shown that the respondents of this survey are mostly female with a total of 62 out of 97 respondents (63,9%). While the total of male respondents is 35 out of 97 respondents (36,1%).

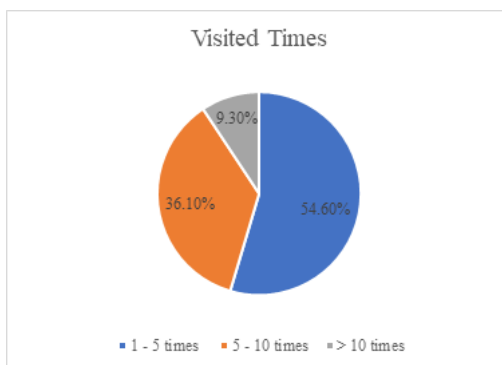


Figure 4 Characteristics of Respondents based on Visited Times

Source: Research Results Data (2021)

The table and figure above shown that the respondents of this survey are mostly 1 – 5 times visited this restaurant with a total of 53 out of 97 respondents (54,6%). While the total of respondents who visited this restaurant 5 – 10 times are 35 out of 97 respondents (36,1%) and the total of respondents who visited this restaurant more than 10 times are 9 out of 97 respondents (9,3%).

Before the actual research, the validity and reliability of the questionnaires used in this study are tested by distributing them to 30 different respondents. The validity and reliability test results show that every question asked is valid and reliable.

Respondents’ answer on Service Quality (X) questionnaire can be summarized as “disagree”, The indicator with the lowest mean is SQ5 with the question “The employees respond to customer complaints promptly”, meanwhile the highest is SQ7 and SQ8 with the question “Customers do not worry if they eat at the restaurant (clean ingredients)” and “The employees pay attention to customer needs”.

Respondents’ answer on customer satisfaction (Y) questionnaire can be summarized as “disagree”, The indicator with the lowest mean is Y2 and Y3 with the question “The customers always looking for information about the product they are interested in” and “The customers willing to recommend the restaurant to friends or family”, meanwhile the highest is Y7.

Respondents’ answer on restaurant atmosphere (M) questionnaire can be summarized as “neutral”, The indicator with the lowest mean is PE8 with the question “The restaurant layout has a wide range of motion”, meanwhile the highest is PE10 with the question “The dining table arrangement makes consumers feel in a classy and prestigious environment”.

Respondents’ answer on Price (W) questionnaire can be summarized as “disagree”, The indicator with the lowest mean is P5 with the question “The prices offered can compete with other restaurants”, meanwhile the highest is P2 with the question “The prices offered vary according to the type of food or beverage”.

OUTCOME VARIABLE:							
PhyEnv							
Model Summary							
	R	R-sq	MSE	F	df1	df2	p
	.8292	.6876	16.4640	209.1197	1.0000	95.0000	.0000
Model							
	coeff	se	t	p	LLCI	ULCI	
constant	2.7486	2.0147	1.3642	.1757	-1.2512	6.7483	
ServQual	1.1070	.0766	14.4610	.0000	.9550	1.2590	

Figure 5. Outcome of PROCESS about the corellation of Service quality and Physical Environment

Service Quality is having correlation with physical environment. The relationship is positive and significant. This is shown by the coefficient correlation and the partial t test of this relationship. Therefore, as mediator Physical Environment become one of the variables that represent the mediation of relationship between service quality and customer satisfaction. However, the effect must be examined in another table later.

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OUTCOME VARIABLE:
  CusSat

Model Summary
      R      R-sq      MSE      F      df1      df2      p
      .8296    .6883    11.3647   40.1927   5.0000   91.0000   .0000

Model
      coeff      se      t      p      LLCI      ULCI
constant    11.7570    6.9581    1.6897    .0945    -2.0644    25.5785
ServQual     .4874     .6135     .7944    .4290     -.7312     1.7060
PhyEnv      -.2279     .4501    -1.5063    .6139    -1.1220     .6662
Price        .0365     .3327     .1096    .9130     -.6244     .6973
Int_1       -.0007     .0254    -0.0281    .9776     -.0511     .0497
Int_2        .0127     .0198     .6392    .5243     -.0267     .0521

Product terms key:
Int_1      :      ServQual x      Price
Int_2      :      PhyEnv   x      Price

Test(s) of highest order unconditional interaction(s):
      R2-chng      F      df1      df2      p
X*W      .0000      .0008      1.0000      91.0000      .9776
M*W      .0014      .4085      1.0000      91.0000      .5243
    
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Figure 6 All model Correlation

The whole model is representing positive and significant relationship. This is shown by the number of coefficient correlation (0.8296) and the F Test (40.1927). However, when we examine further, we can see that service quality give highest coefficient which are 0.4874. In other perspective, Physical Environment bring negative coefficient which are (-0.2279). Meanwhile price is showing a weak correlation among other variable but still in positive perspective.

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***** DIRECT AND INDIRECT EFFECTS OF X ON Y *****
Conditional direct effect(s) of X on Y:
      Price      Effect      se      t      p      LLCI      ULCI
16.0000      .4759      .2321    2.0502    .0432     .0148     .9371
21.0000      .4724      .1441    3.2784    .0015     .1862     .7586
26.0000      .4688      .1409    3.3283    .0013     .1890     .7486

Conditional indirect effects of X on Y:
INDIRECT EFFECT:
ServQual  ->  PhyEnv  ->  CusSat

      Price      Effect      BootSE      BootLLCI      BootULCI
16.0000     -.0276      .2022     -.3530     .4352
21.0000      .0426      .1624     -.2013     .4116
26.0000      .1128      .2467     -.2576     .6191
    
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Figure 12 Direct and Indirect Effects

To see clearly what happen in mediation and moderation toward the relationship can be seen from the effect. Physical Environment is showing no indirect effect towards relationship between service quality and customer satisfaction. However, Price showing direct effect towards relationship between service quality and customer satisfaction and the relationship between physical environment as mediator toward both dependent and independent variable.

Index of moderated mediation:				
	Index	BootSE	BootLLCI	BootULCI
Price	.0140	.0313	-.0500	.0721

Figure 13. Index of Moderated Mediation

The last insight from this data is about how actually the index of moderated mediation. In this case the index is 0.0140. The data also showing that there is no effect of Price toward strengthening the mediation since zero is lies between BootLLCI and BootULCI.

5. CONCLUSION

In conclusion, at coffeeshop in Medan we can see that Service Quality, Physical Environment and Price become factors that influence customer satisfaction. However, we also must understand that there is relationship between service quality and customer satisfaction at Srikandi Coffee Shop Medan. As the mediating variable, Physical environment has become one of the mediators that potential to be discuss further because it has high correlation with service quality, however the effect it brings is not significant in the case of Srikandi Coffee Shop Medan. Finally, price has become the moderating variable of relationship between service quality and customer satisfaction and between service quality and physical environment. Although the correlation of this moderator is weak, the data has shown that it has positive and significant toward all variable relationship.

LAMPIRAN

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Version 4.0 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com
 Documentation available in Hayes (2022). www.guilford.com/p/hayes3

Model : 15
 Y : CusSat
 X : ServQual
 M : PhyEnv
 W : Price

Sample
 Size: 97

OUTCOME VARIABLE:

PhyEnv

Model Summary

R	R-sq	MSE	F	df1	df2	p
.8292	.6876	16.4640	209.1197	1.0000	95.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	2.7486	2.0147	1.3642	.1757	-1.2512	6.7483
ServQual	1.1070	.0766	14.4610	.0000	.9550	1.2590

OUTCOME VARIABLE:

CusSat

Model Summary

R	R-sq	MSE	F	df1	df2	p
.8296	.6883	11.3647	40.1927	5.0000	91.0000	.0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	11.7570	6.9581	1.6897	.0945	-2.0644	25.5785
ServQual	.4874	.6135	.7944	.4290	-.7312	1.7060
PhyEnv	-.2279	.4501	-.5063	.6139	-1.1220	.6662
Price	.0365	.3327	.1096	.9130	-.6244	.6973
Int_1	-.0007	.0254	-.0281	.9776	-.0511	.0497
Int_2	.0127	.0198	.6392	.5243	-.0267	.0521

Product terms key:

Int_1 : ServQual x Price
 Int_2 : PhyEnv x Price

Test(s) of highest order unconditional interaction(s):

	R2-chng	F	df1	df2	p
X*W	.0000	.0008	1.0000	91.0000	.9776
M*W	.0014	.4085	1.0000	91.0000	.5243

***** DIRECT AND INDIRECT EFFECTS OF X ON Y *****

Conditional direct effect(s) of X on Y:

Price	Effect	se	t	p	LLCI	ULCI
16.0000	.4759	.2321	2.0502	.0432	.0148	.9371
21.0000	.4724	.1441	3.2784	.0015	.1862	.7586
26.0000	.4688	.1409	3.3283	.0013	.1890	.7486

Conditional indirect effects of X on Y:

INDIRECT EFFECT:

ServQual -> PhyEnv -> CusSat

Price	Effect	BootSE	BootLLCI	BootULCI
16.0000	-.0276	.2022	-.3530	.4352
21.0000	.0426	.1624	-.2013	.4116
26.0000	.1128	.2467	-.2576	.6191

Index of moderated mediation:

Price	Index	BootSE	BootLLCI	BootULCI
Price	.0140	.0313	-.0500	.0721

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:

95.0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

W values in conditional tables are the 16th, 50th, and 84th percentiles.

----- END MATRIX -----

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