THE INFLUENCE OF SERVICE QUALITY, PRODUCT QUALITY, LOCATION, AND STORE ATMOSPHERE ON CUSTOMER SATISFACTION AT COFFEE SHOP OPUS EX ANIMO SIDOARJO

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ABSTRACT

Aim: This study aims to investigate the impact of four key marketing variables—service quality, product quality, location, and store atmosphere—on customer satisfaction at Coffee Shop Opus Ex Animo in Sidoarjo. The research is grounded in the growing competition among coffee shops in East Java and the urgent need to identify the most influential drivers of customer loyalty in the sector.

Methods: A quantitative survey method was employed, targeting customers who had made dine-in purchases. Fifty respondents were selected through incidental sampling. Data were collected via structured questionnaires and analyzed using multiple linear regression with SPSS 22.0. Prior to regression, classical assumption tests such as validity, reliability, normality, multicollinearity, and heteroscedasticity were conducted to ensure robustness.

Findings: The results revealed that all four independent variables significantly influenced customer satisfaction, both partially and simultaneously. Among them, location had the most dominant effect ($\beta = 0.480$, $p < 0.001$), followed by product quality, store atmosphere, and service quality. The adjusted R^2 value of 0.798 indicates that 79.8% of the variance in customer satisfaction could be explained by the model.

Significance: The findings highlight the importance of strategic location as a competitive advantage in the café business. Furthermore, they underscore the necessity of managing service and product quality alongside the physical ambiance to sustain customer satisfaction. These insights provide actionable implications for retail entrepreneurs and marketers aiming to optimize customer experiences and business performance in a highly saturated marketplace.

INTRODUCTION

In recent years, the rapid growth of coffee shops across Java Island, particularly in Sidoarjo Regency, has intensified business competition in the food and beverage sector. One prominent player in this market is Coffee Shop Opus Ex Animo, which has attracted significant consumer attention since its establishment in 2018. Adopting a modern tropical concept and strategically located at Jl. Kavling DPR IV 15, Sidoarjo, the café competes with numerous others in close proximity. With increasing customer expectations, businesses must prioritize strategies that enhance satisfaction to maintain sustainability. Kotler and Keller in Setiawan (2019), and Kosasih et al. (2024) emphasize that customer satisfaction is vital to ensure customer loyalty, which is a key driver of business continuity. In competitive environments, satisfied customers are more likely to return and recommend the business to others. Hence, the ability to identify factors influencing customer satisfaction is essential. This dynamic forms the basis for the present study's relevance and timeliness.

Moreover, the decision to explore this research topic is driven by the increasing importance of quality-driven experiences in consumer behavior. As Supranto (2006) in Simaike (2021) notes, service quality plays a central role in shaping a company's image and long-term profitability. Likewise, product quality and alignment with customer expectations—as highlighted by Kotler and Armstrong (2014) in

Rosnaini (2017)—significantly determine post-purchase satisfaction. Furthermore, location, according to Tjiptono (2008) in Firmanda (2023), can reduce operational costs and improve customer accessibility. Kristina. (2017), Calvo-Porral & Lévy-Mangin. (2021) and Elmashhara & Soares. (2022) also emphasizes that a pleasant store atmosphere can influence customer satisfaction by encouraging longer stays. Given the competitive nature of the coffee shop industry, understanding how these four variables contribute to satisfaction is both urgent and practical. Therefore, this study not only addresses a relevant managerial concern but also contributes to academic discourse. It is a compelling topic for research due to its applicability in real-world business strategy and consumer psychology.

The rationale behind this study stems from the increasing pressure on small and medium-sized enterprises, such as local coffee shops, to innovate in response to evolving customer expectations. In a service-dominated industry, intangible factors like ambiance and customer experience have become as critical as tangible products. Businesses that neglect these aspects risk losing their market share to more adaptive competitors. The integration of service quality, product excellence, location accessibility, and store atmosphere plays a significant role in creating a holistic customer experience. As indicated by past research (e.g., Chelviani, 2017 and Herlina, 2014), these factors have been investigated individually, but comprehensive studies examining their combined influence remain limited. Therefore, understanding their simultaneous impact provides a richer analysis of what drives customer satisfaction. Additionally, the outcomes of this study may serve as a strategic reference for café managers aiming to enhance customer retention. This makes the investigation both academically significant and managerially actionable.

Previous studies have shown that each of the variables in this study—service quality, product quality, location, and store atmosphere—has a measurable impact on customer behavior and satisfaction. Supranto (2006) noted that service quality, especially in terms of responsiveness and empathy, enhances a business's image and leads to higher satisfaction. Similarly, Kotler and Armstrong (2014) emphasized the importance of delivering products that match customer expectations to foster loyalty. According to Tjiptono (2008), location has direct implications for a business's ability to attract and retain customers through convenience and visibility. Kristina (2017) highlighted the influence of environmental factors such as lighting, music, and layout in determining the duration of customer visits. Chelviani (2017) and Herlina (2014) also supported the idea that store atmosphere and location influence purchasing decisions. However, most studies tend to isolate these variables rather than consider them holistically. The current research aims to integrate these elements into a single model of customer satisfaction. This approach allows for a comprehensive understanding of which factors are most dominant and how they interact.

Although previous studies have explored the effects of individual factors on customer satisfaction, there is a notable gap in integrated models that examine their simultaneous influence within a specific, real-world setting. focused mainly on either atmosphere or location, without assessing how these interact with product and service quality. Furthermore, much of the literature addresses urban contexts with generalizations that may not fully reflect the consumer behavior patterns in second-tier cities like Sidoarjo. Existing models also tend to overlook the dynamic relationship between intangible service elements and tangible product features. Another critical gap is the limited use of quantitative approaches that test the strength of each variable's contribution in a comparative framework. This study addresses these limitations by employing a comprehensive regression analysis to identify the most dominant factors. By doing so, it contributes to both theoretical development and practical application. Hence, it fills a research void that merges theoretical significance with managerial relevance.

The primary objective of this study is to evaluate the influence of service quality, product quality, location, and store atmosphere on customer satisfaction at Coffee Shop Opus Ex Animo Sidoarjo. The study hypothesizes that each of these variables has a significant partial and simultaneous impact on customer satisfaction. Additionally, it aims to determine which among the four variables is the most dominant. Based on existing literature, it is expected that location will have the strongest influence due

to its direct link to customer access and visibility. The research also seeks to confirm the reliability and validity of the measurement instruments through classical assumption tests. By employing multiple linear regression, the study tests the robustness of the proposed model. The findings will provide insights that can be generalized to similar retail settings in developing regions. In this way, the study serves both academic inquiry and business strategy development.

METHOD

Research Design

This research employed a quantitative approach using a survey method to analyze the relationship between multiple independent variables and customer satisfaction. The design aimed to measure how service quality, product quality, location, and store atmosphere influence the satisfaction of customers in a real-world coffee shop setting. The rationale for using a quantitative survey lies in its ability to capture measurable data across multiple respondents efficiently. This design allowed the researchers to establish correlations and determine the strength of the relationships between variables. It was selected due to its suitability for hypothesis testing and generalization across a defined population. According to Sugiyono (2016), Coleman. (2022), Duckett. (2021), quantitative methods offer systematic, structured, and replicable procedures that enhance research validity. The structured design ensures that all aspects of the study—from data collection to analysis—follow a predetermined framework. Ultimately, this methodological choice provides a robust foundation for drawing reliable conclusions regarding the variables' impact on customer satisfaction.

Population and Sample

The population in this study consisted of all dine-in customers at Coffee Shop Opus Ex Animo in Sidoarjo, East Java, Indonesia. The coffee shop was chosen due to its growing popularity and strategic location in a competitive area, which makes it an ideal case for studying customer satisfaction dynamics. The sampling technique used was incidental sampling, targeting customers who were available and willing to participate during the data collection period. A total of 50 respondents were selected, which is considered adequate for regression analysis according to (Ghozali. 2011 and Chiang et al. 2023). Although the sample size is relatively small, the characteristics of the respondents were considered representative of the café's typical customer base. The choice of sample allowed for the collection of primary data directly from the customers' perspective. By focusing on dine-in customers, the study ensured that respondents had a comprehensive experience of the service, product, atmosphere, and location. This targeted sampling enhanced the relevance and validity of the findings.

Data Collection

Data were collected through structured questionnaires distributed to the selected respondents during their visit to the café. The questionnaire was designed to assess perceptions of service quality, product quality, location, store atmosphere, and overall customer satisfaction. Prior to distribution, the instrument was tested for clarity and appropriateness through a small-scale pilot test. Each item on the questionnaire used a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), allowing for quantitative analysis. In addition to questionnaires, informal interviews were conducted with some customers to cross-check responses and increase contextual understanding. The use of both questionnaire and interview methods ensured data triangulation, enhancing the reliability of the results. Data were collected over a span of two weeks to accommodate customer traffic variation and ensure diverse respondent inclusion. All responses were recorded anonymously to ensure the integrity and honesty of the participants' feedback.

Measurement and Variables

The study measured five primary variables: four independent variables and one dependent variable. The independent variables included Service Quality (X_1), Product Quality (X_2), Location (X_3), and Store Atmosphere (X_4), while the dependent variable was Customer Satisfaction (Y). Each variable

was measured using multiple indicators based on established constructs from previous literature. For example, Service Quality indicators included responsiveness, assurance, and empathy, adapted from Supranto (2006) and Simaike (2021). Product Quality was assessed through attributes such as freshness, consistency, and presentation, drawing from Kotler and Armstrong (2014) in Rosnaini (2017). Location indicators included accessibility, visibility, and proximity to urban hubs as explained by Tjiptono (2008). Store Atmosphere included ambiance, lighting, and interior design, consistent with Kristina (2017:125). All items were validated through a validity test using Pearson's correlation and reliability test using Cronbach's Alpha, which showed a value of 0.936—indicating strong internal consistency (Ghozali, 2011:98).

Data Analysis

The collected data were analyzed using IBM SPSS 22.0 for Windows, applying multiple linear regression to examine the relationships between variables. Prior to the regression analysis, classical assumption tests were performed to ensure the data met the requirements for valid linear modeling. These tests included normality testing using the Kolmogorov-Smirnov method, which showed a significance value of 0.064 (> 0.05), indicating normal distribution. Multicollinearity was checked through tolerance and VIF values, with all variables meeting the thresholds (Tolerance > 0.1, VIF < 10), confirming the absence of multicollinearity. Heteroscedasticity was assessed using the Glejser test, and all significance values were > 0.05, indicating homoscedastic data. The regression model showed an adjusted R^2 of 0.798, meaning 79.8% of the variation in customer satisfaction could be explained by the independent variables. F-test results (F = 49.504, p < 0.001) confirmed that the model was statistically significant overall. In addition, the t-test indicated that all four independent variables had significant partial effects on the dependent variable.

Tabel 1. Summary of Regression Analysis

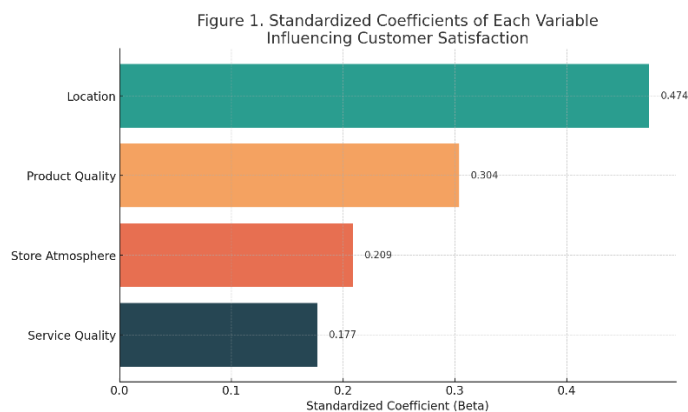| Variable	Coefficient (B)	Std. Error	Beta	t-value	Sig.
Service Quality (X1)	0.120	0.051	0.177	2.377	0.022
Product Quality (X2)	0.344	0.103	0.304	3.353	0.002
Location (X3)	0.480	0.098	0.474	4.925	0.000
Store Atmosphere(X4)	0.135	0.079	0.209	2.709	0.014

The table above shows the results of multiple linear regression between four independent variables and customer satisfaction. All variables have a significance value <0.05, indicating a partially significant effect. The highest beta coefficient value was found for the Location variable, indicating that location has the most dominant influence on customer satisfaction. A VIF below 10 and a tolerance above 0.1 also indicate no multicollinearity between the variables. A positive coefficient indicates that improvements in service quality, product quality, location, and store atmosphere will significantly increase customer satisfaction.

RESULTS AND DISCUSSION

Results

The results of the data analysis reveal that all four independent variables—Service Quality (X1), Product Quality (X2), Location (X3), and Store Atmosphere (X4)—significantly influence Customer Satisfaction (Y), both simultaneously and partially. The F-test shows an F-count value of 49.504 with a significance value of 0.000, indicating that the regression model is statistically significant. The adjusted R^2 value of 0.798 suggests that 79.8% of the variation in customer satisfaction can be explained by the four predictors. In terms of partial effects, the t-test shows that each variable contributes significantly to the model, with p-values below the 0.05 threshold. Among all the predictors, Location (X3) has the highest standardized coefficient (β = 0.474) and t-value (4.925), making it the most dominant factor. Reliability testing yielded a Cronbach's Alpha of 0.936, exceeding the 0.60 threshold, confirming strong internal consistency of the questionnaire items (Ghozali, 2011:98). Normality testing via the Kolmogorov-Smirnov test resulted in a significance value of 0.064, indicating that the data are normally distributed.

Furthermore, multicollinearity and heteroscedasticity tests confirm that the regression assumptions are met, making the results robust and valid.

Figure 1. Standardized Coefficients (Beta Values) of Each Variable

Figure 1 illustrate the comparative influence of each independent variable on customer satisfaction. Location has the highest beta coefficient, confirming its dominant role in shaping customer perceptions. This is followed by Product Quality, Store Atmosphere, and Service Quality. The statistical significance of each predictor underscores the importance of managing all four variables to enhance satisfaction levels.

Discussion

The results confirm that service quality has a positive and statistically significant effect on customer satisfaction, aligning with the findings of (Supranto. 2006, Simaike. 2021 and Rasheed & Rashid. 2023). Customers value fast response times, courteous behavior, and the availability of supporting facilities like Wi-Fi and electrical outlets. Although some respondents noted room for improvement in the staff's empathy and responsiveness, the general perception remains favorable. Providing consistent and reliable service contributes to increased customer trust and loyalty. As competition intensifies in the café industry, service quality remains a fundamental component of long-term business strategy. These findings indicate that investments in staff training and service delivery protocols can yield tangible improvements in customer satisfaction. Service excellence, therefore, should be institutionalized as part of the café's operational standard. Enhancing soft skills among employees may further boost the perceived service quality and reinforce positive customer experiences.

Product quality also significantly contributes to customer satisfaction, supporting the conclusions of (Kotler and Armstrong. 2014, in Rosnaini. 2017). Customers expressed satisfaction with the use of fresh ingredients, taste consistency, and appealing presentation of food and beverages. These aspects play a crucial role in shaping a customer's perception of value for money. As cafés become lifestyle destinations rather than mere food outlets, product excellence becomes a key competitive differentiator. Consistency in product delivery builds consumer trust and enhances brand equity. When customers receive what they expect—or better—they are more likely to return and recommend the café to others. This reinforces the notion that quality assurance should be maintained from the supply chain to the service counter. Culinary innovation and product standardization are equally critical to maintaining customer loyalty.

Location emerged as the most influential variable, echoing the insights of (Tjiptono. 2008, Firmanda. 2023 and Chen & Schintler. 2023). Customers are highly responsive to factors such as accessibility, visibility, and strategic positioning near popular urban areas. Coffee Shop Opus Ex Animo benefits from its proximity to key traffic points like the town square and shopping malls, enhancing walk-in potential. Clear signage and easy navigation also contribute to the location's effectiveness. In retail and hospitality, location not only drives foot traffic but also affects the brand image and perceived convenience. An excellent product or service may still struggle if the location is difficult to reach. Therefore, businesses must integrate geographic strategy into their marketing plans. The findings imply that future expansions should prioritize site selection as a key success factor.

Store atmosphere has a moderate yet significant impact on customer satisfaction, as supported by (Kristina. 2017, Alzayat & Lee. 2021 and Shahid et al. 2022). Elements such as lighting, background music, seating layout, and interior decoration influence the customer's emotional state and willingness to stay longer. A well-designed environment provides comfort and enhances social experiences, especially

among younger consumers. In the case of Opus Ex Animo, the modern tropical design and aesthetic appeal were repeatedly cited as strengths in customer feedback. While some improvements were suggested regarding temperature control and seating variety, the overall ambiance was positively received. This finding affirms the role of sensory marketing in influencing customer behavior. In a service setting, atmosphere is not merely an aesthetic element but a driver of customer retention. Therefore, continual enhancement of the physical environment should be part of brand development strategy.

Implications

The study offers several implications for café owners and service managers operating in competitive environments. First, location should be treated as a strategic asset, not merely a logistical necessity, as it holds the strongest influence on customer satisfaction. Businesses should prioritize site selection based on accessibility, visibility, and proximity to target customer hubs. Second, maintaining high product quality is essential to meet customer expectations and foster brand loyalty. This requires strict quality control measures and innovation in menu offerings. Third, service quality improvements should focus on enhancing responsiveness and employee soft skills through ongoing training. Fourth, investing in atmospheric elements such as music, lighting, and layout can enrich the customer experience and prolong stay duration. Collectively, these variables must be managed synergistically to maximize satisfaction and competitive advantage. Finally, the findings may inform policymakers and industry stakeholders aiming to standardize customer experience in the food and beverage sector. By translating these insights into actionable strategies, businesses can sustain growth in an increasingly saturated market.

Limitations and Future Research

Despite its valuable findings, the study has certain limitations that should be acknowledged. The sample size was limited to 50 respondents, which may affect the generalizability of the results to a broader population. Additionally, the study focused solely on dine-in customers at a single coffee shop, limiting the contextual diversity of the data. Variables such as customer demographics, visit frequency, and brand perception were not controlled, which could influence the outcomes. The cross-sectional design also restricts the ability to observe changes in satisfaction over time. Future research could expand the sample size and include multiple locations to enhance external validity. Longitudinal studies may also help capture shifts in customer satisfaction due to seasonal or operational changes. Furthermore, qualitative methods like focus group discussions or in-depth interviews could provide richer insights into customer preferences. Integrating digital service elements such as mobile ordering or online reviews might also be considered in subsequent studies.

CONCLUSION

This study provides empirical evidence on the influence of service quality, product quality, location, and store atmosphere on customer satisfaction in the context of a modern coffee shop in Indonesia. Using a quantitative approach and multiple linear regression analysis, the research confirmed that all four variables significantly contribute to customer satisfaction, both individually and collectively. Among these, location emerged as the most influential factor, highlighting the strategic importance of accessibility and visibility in customer decision-making. Product quality followed closely, affirming the role of taste consistency and presentation in shaping positive customer experiences. Service quality and store atmosphere, although less dominant, also exhibited significant effects, underscoring their complementary roles in creating a comprehensive service environment. The high adjusted R^2 value of 0.798 reinforces the robustness of the model and its predictive accuracy. These findings not only align with established marketing theories but also offer actionable insights for practitioners seeking to enhance consumer satisfaction in competitive service industries. Overall, the study enriches the current literature on customer satisfaction and provides a valuable framework for business development and strategic planning in retail hospitality sectors.

AUTHOR CONTRIBUTIONS STATEMENT

Danni Darmawan was responsible for data collection, field observations, and initial data processing. He also contributed to drafting the early version of the manuscript.

Andi Muhammad Ismail, as the corresponding author, conceptualized the research design, supervised the overall study process, and conducted the final review and editing of the manuscript.

Paramita Andini provided methodological guidance, conducted the statistical analysis, and ensured the validity and reliability of the instruments used in the study.

Ridwan Iskandar contributed to the literature review, data interpretation, and the development of theoretical frameworks, as well as cross-checking the consistency of results.

All authors have read and approved the final version of the manuscript and agree to be accountable for all aspects of the work.

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