

The Influence of Product Quality and Price on Customer Satisfaction of Jumbo Iced Tea Selling MSMEs in Kedung Baruk Subdistrict, Surabaya City

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Abstract : The development of fast food beverage businesses has led to increased competition among MSMEs, so that product quality and price have become important factors in creating customer satisfaction. This study aims to analyze the effect of product quality and price on customer satisfaction in MSMEs selling Jumbo Ice Tea in Kedung Baruk Village, Surabaya City. The study used a quantitative approach with a causal associative research design. The sample consisted of 100 respondents selected using an accidental sampling technique based on the Lemeshow formula. Data were collected through a four-level Likert scale questionnaire and analyzed using descriptive statistics, classical assumption tests, multiple linear regression, t-tests, F-tests, and coefficients of determination with the help of SPSS. The results showed that price (X1) and product quality (X2) had positive and significant relationships with customer satisfaction, with significance values of <0.001 for both variables and an Adjusted R Square value of 0.574, indicating that the model explains 57.4% of the variation in customer satisfaction. These findings indicate that price and product quality are statistically associated with customer satisfaction in the studied MSMEs.

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Introduction

The culinary industry, particularly the fast-food beverage sector, is experiencing rapid growth in Indonesia. One notable phenomenon is the increasing popularity of Jumbo Iced Tea businesses, many of which are run by micro, small, and medium enterprises (MSMEs). This product is sought after by the public because it offers affordable prices and drink sizes that meet consumer needs. This situation is also evident in Kedung Baruk Village, Surabaya City, which is a densely populated area with community and student activity, making it a location for the development of various Jumbo Iced Tea MSMEs. The

high number of businesses in this area has led to increasingly fierce competition, requiring each business to offer better value to maintain consumer interest.

In such a competitive environment, product quality and price are two key factors determining business sustainability. Product quality is not only related to taste, but also encompasses the cleanliness, freshness, and consistency of the tea aroma perceived by consumers. Meanwhile, price is a crucial consideration because Jumbo Ice Tea is a low-involvement product, so even a small price difference can influence a consumer's decision to switch to another seller. Therefore, the ability of MSMEs to maintain consistent product quality and set competitive prices is a factor that has the potential to create customer satisfaction and encourage repeat purchases.

Previous research has shown that product quality, including taste, aroma, and cleanliness, directly influences consumers' subjective assessments. The more consistent the product quality provided by MSMEs, the higher the level of customer satisfaction achieved (Sari & Hidayat, 2022). However, several issues remain, such as taste instability due to a lack of product standardization. Significant differences in taste at different purchase times can lead to consumer dissatisfaction and diminish trust in the product. Furthermore, hygiene, particularly the quality of the ice cubes used, is also a concern as it can influence customer perceptions of overall product quality.

Besides product quality, price is also a factor that influences customer satisfaction. Consumers not only consider the price of a product, but also assess the suitability of the price to the quality and benefits obtained. A price that is considered appropriate will provide a positive perception of value for consumers, while a price that is not commensurate with product quality can decrease satisfaction levels. Therefore, balancing product quality and price is a challenge that MSMEs selling Jumbo Ice Tea in Kedung Baruk Village must face to maintain customer satisfaction amidst increasingly intense business competition.

Based on these conditions, this study aims to analyze the effect of product quality on customer satisfaction, the effect of price on customer satisfaction, and the effect of product quality and price simultaneously on customer satisfaction in MSMEs selling Jumbo Ice Tea in Kedung Baruk Village, Surabaya City. This study is important because it can provide an empirical picture of the factors that influence customer satisfaction in MSME-scale fast food beverage businesses, as well as being a consideration for business actors in improving product quality and setting prices that are in accordance with consumer expectations. The novelty of this study lies in the research object which specifically focuses on MSMEs selling Jumbo Ice Tea in Kedung Baruk Village, Surabaya City, by examining the effect of product quality and price on customer satisfaction in the characteristics of a local market that has a high level of competition.

Research methods

This study uses a quantitative approach with a causal associative research type to analyze the effect of product quality and price on customer satisfaction at MSMEs selling Jumbo Ice Tea in Kedung Baruk Village, Surabaya City. The quantitative approach was chosen because the study aims to test the relationship between variables through numerical data obtained from distributing questionnaires to respondents. This approach is based on the philosophy of positivism which is used to test hypotheses through statistical analysis to produce objective and measurable findings (Sugiyono, 2019). Creswell (2018) explains that quantitative research is used to test theories objectively by analyzing relationships between measurable variables, while Siyoto and Sodik (2015) state that a quantitative approach is appropriate for determining the relationship and influence between variables based on statistically analyzed numerical data. In this study, product quality acts as the first independent variable (X1), price as the second independent variable (X2), while customer satisfaction is the dependent variable (Y).

The research instrument used was a questionnaire compiled based on the indicators of each research variable, namely product quality, price, and customer satisfaction. The questionnaire used a four-level Likert scale with the options Strongly Agree, Agree, Disagree, and Strongly Disagree which were scored from 4 to 1. The use of four answer categories was intended to avoid neutral options so that the responses obtained were more assertive (Sugiyono, 2019; Widoyoko, 2018). In addition to the



questionnaire, the research was also supported by field observations to observe the conditions of MSMEs selling Jumbo Ice Tea and literature studies that utilized reference books, scientific journals, and previous research as a theoretical basis. Data analysis was carried out using SPSS software through the stages of descriptive statistical analysis, validity tests with Pearson Product Moment correlation, reliability tests using Cronbach Alpha, classical assumption tests including the Kolmogorov Smirnov normality test, multicollinearity tests, and Glejser method heteroscedasticity tests. Next, multiple linear regression analysis was carried out to determine the effect of product quality and price on customer satisfaction, then hypothesis testing was carried out through the t test, F test, and coefficient of determination (R^2) (Sugiyono, 2019).

The population in this study was all customers who had purchased Jumbo Iced Tea from a Jumbo Iced Tea MSME in Kedung Baruk Village, Surabaya City. Because the number of customers cannot be known with certainty and is fluctuating, the population is categorized as an unlimited population. The determination of the sample size used the Lemeshow formula cited in Riduwan and Akdon (2018) with a 95 percent confidence level and a 10 percent margin of error, resulting in a minimum sample size of 96 respondents and rounded up to 100 respondents. The determination of this number also took into account the opinion of Hair et al. (2019) who stated that a minimum sample size of 100 respondents was sufficient for multiple regression analysis. The sampling technique used accidental sampling because respondents were selected based on chance encounters with the researcher at the research location and met the criteria as customers who had purchased Jumbo Iced Tea, were at least 15 years old, and were willing to complete the questionnaire completely (Sugiyono, 2019).

The research procedure began with population determination and respondent selection criteria based on the research objectives. The researcher then employed an accidental sampling technique and visited Jumbo Ice Tea (Iced Tea) SMEs in the Kedung Baruk sub-district to distribute questionnaires directly to customers who met the research criteria. After all questionnaires were collected, data were checked for completeness and accuracy, eliminating any data that did not meet the requirements. The data that had been deemed suitable were then processed and analyzed using SPSS according to the established analysis stages to examine the effect of product quality and price on customer satisfaction and to address all research problem formulations (Sugiyono, 2019).

Results and Discussion

Respondent Characteristics

Table 1. Respondent Characteristics Based on Gender

No.	Gender	Amount	Percentage (%)
1	Man	48	48.0%
2	Woman	52	52.0%
Total		100	100%

Source: Primary data processed by researchers, 2026

Based on Table 1 above, it can be seen that of the 100 respondents in this study, 48 people, or 48.0%, were male, and 52 people, or 52.0%, were female. These results indicate that the customers of the MSME selling jumbo iced tea in Kedung Baruk Village (Surabaya City) are predominantly female. This is quite reasonable, considering that women generally tend to be more active in beverage consumption and pay more attention to the satisfaction aspect of the products they consume.

Table 2. Respondent Characteristics Based on Age

No.	Age	Amount	Percentage (%)
1	15 - 20 years	31	31.0%
2	21 - 25 years old	44	44.0%
3	26 - 30 years old	17	17.0%
4	> 30 years	8	8.0%
Total		100	100%

Source: Primary data processed by researchers, 2026

Based on Table 2, the most dominant age group of respondents is the 21-25 year old range with 44 people or 44.0%, followed by the 15-20 year old group with 31 people or 31.0%, then the 26-30 year



old group with 17 people or 17.0%, and above 30 years with 8 people or 8.0%. This composition shows that the main segment of jumbo iced tea customers at the Kedung Baruk Village MSME (Surabaya City) is young people and students. This is in line with the characteristics of the Kedung Baruk area which is known as an area with many young people.

Table 3. Respondent Characteristics Based on Occupation

No.	Work	Amount	Percentage (%)
1	Students	51	51.0%
2	Private sector employee	25	25.0%
3	Self-employed	15	15.0%
4	Other	9	9.0%
Total		100	100%

Source: Primary data processed by researchers, 2026

Based on Table 3, the majority of respondents were students, 56 people (50.9%), and 16 were students. This further emphasizes that the jumbo iced tea product at the Kedung Baruk Village MSME (Surabaya City) is highly identified with young consumers, particularly students who need refreshing and affordable drinks on a daily basis. Private sector employees came in second with 28 people (25.5%), followed by self-employed individuals (16 people, 14.5%), and others (10 people, 9.1%).

Table 4. Respondent Characteristics Based on Purchase Frequency

No.	Purchase Frequency	Amount	Percentage (%)
1	1-2 times per month	20	20.0%
2	3-4 times per month	41	41.0%
3	5-6 times per month	28	28.0%
4	> 6 times per month	11	11.0%
Total		100	100%

Source: Primary data processed by researchers, 2026

The respondents' purchasing frequency was dominated by the group that purchased 3-4 times per month as many as 41 people or 41.0%, followed by 5-6 times per month as many as 28 people or 28.0%, 1-2 times per month as many as 20 people or 20.0%, and more than 6 times per month as many as 11 people or 11.0%. This data indicates that the customers of the Jumbo Ice Tea MSME in Kedung Baruk Village (Surabaya City) are classified as quite loyal customers because their purchasing frequency is relatively high, namely an average of 3-4 times a month.

Research Instrument Testing

1. Validity Test

Table 5. Results of the Validity Test of the Price Variable (X1)

Item	r Count	r Table (n=100)	Sig.	Information
H1	0.714	0.197	< 0.001	Valid
H2	0.686	0.197	< 0.001	Valid
H3	0.685	0.197	< 0.001	Valid
H4	0.701	0.197	< 0.001	Valid
H5	0.765	0.197	< 0.001	Valid
H6	0.792	0.197	< 0.001	Valid
H7	0.808	0.197	< 0.001	Valid
H8	0.829	0.197	< 0.001	Valid

Source: SPSS output, processed by researchers 2026

Based on Table 5 above, all statement items on the price variable (X1) show calculated r values ranging from 0.686 to 0.829. These values are all greater than the table r of 0.197, with a significance value of each item of <0.001. Thus, it can be concluded that all 8 statement items on the price variable are declared valid and suitable for use as data collection instruments in this study.



Table 6. Results of Validity Test of Customer Satisfaction Variable (Y)

Item	r Count	r Table (n=100)	Sig.	Information
KP1	0.747	0.197	< 0.001	Valid
KP2	0.693	0.197	< 0.001	Valid
KP3	0.840	0.197	< 0.001	Valid
KP4	0.751	0.197	< 0.001	Valid
KP5	0.863	0.197	< 0.001	Valid
KP6	0.792	0.197	< 0.001	Valid
KP7	0.865	0.197	< 0.001	Valid
KP8	0.769	0.197	< 0.001	Valid

Source: SPSS output, processed by researchers 2026

Based on Table 6, all items in the customer satisfaction variable (Y) have calculated r values ranging from 0.693 to 0.865, with a significance value of <0.001 for each item. Because all calculated r values are greater than the r table (0.197), all 8 items in the customer satisfaction variable are declared valid.

Table 7. Results of the Validity Test of the Product Quality Variable (X2)

Item	r Count	r Table (n=100)	Sig.	Information
KPD1	0.721	0.197	< 0.001	Valid
KPD2	0.793	0.197	< 0.001	Valid
KPD3	0.653	0.197	< 0.001	Valid
KPD4	0.740	0.197	< 0.001	Valid
KPD5	0.711	0.197	< 0.001	Valid
KPD6	0.734	0.197	< 0.001	Valid
KPD7	0.753	0.197	< 0.001	Valid
KPD8	0.818	0.197	< 0.001	Valid
KPD9	0.741	0.197	< 0.001	Valid
KPD10	0.650	0.197	< 0.001	Valid

Source: SPSS output, processed by researchers 2026

Based on Table 7, all 10 items of the product quality variable (X2) statements show calculated r values ranging from 0.650 to 0.818. All of these values are greater than the r table (0.197) with a significance of <0.001. Thus, all 10 items of the product quality variable statements are declared valid and can be used as research instruments.

2. Reliability Test

Table 8. Reliability Test Results of All Variables

Variables	Cronbach's Alpha	Standard	Information
Price (X1)	0.926	> 0.60	Reliable
Customer Satisfaction (Y)	0.941	> 0.60	Reliable
Product Quality (X2)	0.932	> 0.60	Reliable

Source: SPSS output, processed by researchers 2026

Based on Table 8, it is known that the Cronbach's Alpha value for the price variable (X1) is 0.926, the customer satisfaction variable (Y) is 0.941, and the product quality variable (X2) is 0.932. All three variables have Cronbach's Alpha values that are far above the minimum limit of 0.60, even above 0.90 which is included in the very reliable category. These results prove that the questionnaire instrument used in this study has a very high level of consistency and can be relied upon as a tool for measuring research data.



Classical Assumption Test

1. Normality Test

Table 9. Results of the Normality Test (One-Sample Kolmogorov-Smirnov Test)

Information	Mark
N	100
Mean	0.0000000
Standard Deviation	3.78640426
Test Statistics	0.062
Asymp. Sig. (2-tailed)	0.200
Monte Carlo Sig. (2-tailed)	0.368

Source: SPSS output, processed by researchers 2026

Based on Table 9 above, the Asymp. Sig. (2-tailed) value is 0.200 and the Monte Carlo Sig. (2-tailed) value is 0.368. Both values are much greater than the 0.05 significance level. Thus, it can be concluded that the residuals from the regression model in this study are normally distributed, so the normality assumption is met and the regression model is suitable for use in further analysis.

2. Multicollinearity Test

Table 10. Multicollinearity Test Results

Variables	Tolerance	VIF	Information
Price (X1)	0.947	1,056	There is no multicollinearity
Product Quality (X2)	0.947	1,056	There is no multicollinearity

Source: SPSS output, processed by researchers 2026

Based on Table 10 above, the Tolerance value for the price variable (X1) and product quality (X2) are each 0.947, while the VIF value for both is 1.056. The Tolerance value of $0.947 > 0.10$ and the VIF value of $1.056 < 10$, so it can be stated that there is no multicollinearity problem in the regression model of this study. The two independent variables are not significantly correlated with each other, so the regression model can be used well.

3. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there is unequal variance in the residuals from one observation to another in the regression model. A good regression model is homoscedastic, meaning it does not exhibit heteroscedasticity (Ghozali, 2021). In this study, heteroscedasticity detection was performed by observing a scatterplot between the ZPRED (standardized predicted value) on the X-axis and the ZRESID (standardized residual) on the Y-axis.

The basis for decision making from the scatterplot test is:

1. if the points are spread randomly, both above and below the number 0 on the Y axis, then heteroscedasticity does not occur;
2. If the points form a certain regular pattern such as wavy, widening, or narrowing, it indicates the presence of heteroscedasticity.

Based on the scatterplot graph generated from the SPSS output (attached), it can be seen that the data points are randomly distributed and do not form a clear pattern, either above or below the number 0 on the Y axis. The points are evenly distributed without forming waves, narrowing, or widening systematically. Thus, it can be concluded that the regression model in this study is free from heteroscedasticity problems, and the residual variance is homogeneous (constant) at each predicted value.



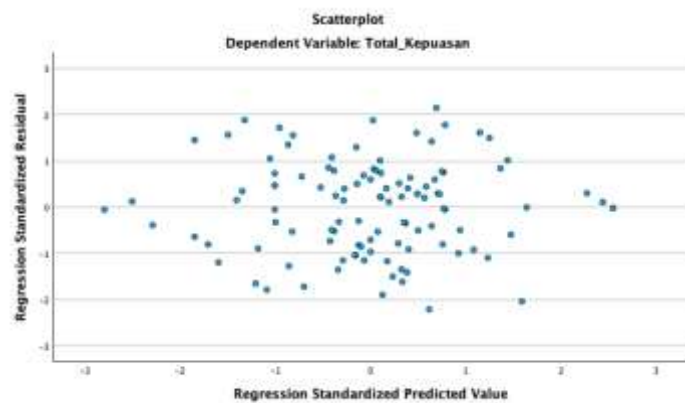


Figure 1. Scatterplot Graph

Multiple Linear Regression Analysis

Table 11. Results of Multiple Linear Regression Analysis

Model	B (Unstandardized)	Std. Error	Beta	t	Sig.
(Constant)	0.269	1,715	-	0.157	0.876
Price (X1)	0.483	0.065	0.479	7,459	< 0.001
Product Quality (X2)	0.409	0.053	0.493	7,664	< 0.001

Source: SPSS output, processed by researchers 2026

Based on Table 11 above, the multiple linear regression equation that can be formulated is as follows:

$$Y = 0,269 + 0,483 X1 + 0,409 X2$$

Information:

Y = Customer Satisfaction

X1 = Price

X2 = Product Quality

The interpretation of the regression equation is as follows. A constant value of 0.269 means that if the price (X1) and product quality (X2) variables are zero, then customer satisfaction (Y) will be worth 0.269. The regression coefficient of the price variable (X1) of 0.483 means that for every one-unit increase in the price variable, customer satisfaction will increase by 0.483 units, assuming other variables are constant. A positive coefficient indicates that price has a positive effect on customer satisfaction. The regression coefficient of the product quality variable (X2) of 0.409 means that for every one-unit increase in the product quality variable, customer satisfaction will increase by 0.409 units, assuming other variables are constant. A positive coefficient indicates that product quality has a positive effect on customer satisfaction.

Coefficient of Determination Test (R Square)

Table 12. Results of the Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error
1	0.763	0.582	0.574	3.82163

Source: SPSS output, processed by researchers 2026

Based on Table 12, the R value is 0.763 which indicates a strong relationship between the price and product quality variables together with the customer satisfaction variable. The R Square value is 0.582 and the Adjusted R Square is 0.574. The Adjusted R Square value of 0.574 means that the price (X1) and product quality (X2) variables together are able to explain the variation in the customer satisfaction variable (Y) by 57.4%, while the remaining 42.6% is explained by other variables outside this research model, such as service quality, location, promotion, or other factors not examined in this study.

F Test (Simultaneous)

Table 13. F Test Results (ANOVA)

Model	Sum of Squares	df	Mean Square	F
Regression	2171,973	2	1085,987	74,358
Residual	1562,717	107	14,605	-
Total	3734,691	109	-	Sig. < 0.001

Source: SPSS output, processed by researchers 2026

Based on Table 13, the calculated F value is 74.358 with a significance value <0.001. When compared with the F table of 3.09, the calculated F value (74.358) >> F table (3.09). In addition, the significance value <0.001 <0.05. This means that the third hypothesis (H3) which states that product quality and price simultaneously influence customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City) is accepted. In other words, the price and product quality variables together have a positive and significant influence on customer satisfaction.

t-test (Partial)

Table 14. Results of the t-Test (Partial)

Variables	t Count	t Table	Sig.	Information
Price (X1)	7,459	1,985	< 0.001	Significant
Product Quality (X2)	7,664	1,985	< 0.001	Significant

Source: SPSS output, processed by researchers 2026

Based on Table 14, the t-test results show that the price variable (X1) has a calculated t-value of 7.459 with a significance of <0.001. The calculated t-value (7.459) > t-table (1.985) and a significance of <0.05, so H1 is accepted. This means that price has a partial and significant effect on customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City).

The product quality variable (X2) has a calculated t value of 7.664 with a significance of <0.001. The calculated t value (7.664) > t table (1.985) and a significance of <0.05, so H2 is accepted. This means that product quality has a partial and significant effect on customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City). When compared between the two variables, the standardized Beta value of product quality (0.493) is slightly higher than price (0.479), indicating that product quality has a slightly more dominant effect on customer satisfaction than price.

Discussion

The Influence of Price on Customer Satisfaction of Jumbo Iced Tea Selling MSMEs in Kedung Baruk Subdistrict (Surabaya City)

Based on the results of the t-test that has been conducted, the price variable (X1) obtained a calculated t value of 7.459 with a significance value <0.001. This value is greater than the t table of 1.985 and the significance value is smaller than 0.05. In addition, the price regression coefficient value of 0.483 is positive. Thus, H1 which states that price has a positive and significant effect on customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City) is proven and accepted.

The positive influence of price on customer satisfaction in the context of this research needs to be understood precisely. In the context of jumbo iced tea, a MSME product with a very affordable price, the positive influence of price on satisfaction is more related to the perception of price appropriateness. This means that when customers perceive the price they pay as appropriate or even lower than the value of the benefits they receive, their satisfaction will increase. This aligns with the concept of price fairness, where customer satisfaction grows when they perceive they receive comparable or greater value for their money.

The results of this study align with the findings of Hasanah (2022), who stated that price significantly influences customer satisfaction in culinary businesses. According to Hasanah (2022), appropriately set prices, namely affordable and in line with the product's benefits, will foster customer

satisfaction. In the context of the jumbo iced tea MSME in Kedung Baruk Village (Surabaya City), customers are generally highly price-sensitive, particularly students. Therefore, appropriate pricing is a crucial factor that directly influences their level of satisfaction.

These results also support the findings of research conducted by Munthe and Panggabean (2023) on the influence of price, product quality, and service quality on customer satisfaction of MSMEs in Palembang, which concluded that price partially has a significant effect on customer satisfaction. Price indicators such as affordability, price-to-benefit ratio, price competitiveness, and price fairness have been shown to be key considerations for customers in assessing their satisfaction. In the context of jumbo iced tea in Kedung Baruk Village (Surabaya City), the prices offered are generally very competitive compared to similar beverages, so customers feel they are getting higher value for what they pay.

This research is further supported by Azmy, Kurriwati, and Yulistiyo (2024), who examined the influence of product quality and price on customer satisfaction among members of KPRI Syariah Al-Ikhlas Sumenep. The results indicate that price has a positive and significant impact on customer satisfaction. When pricing by business actors is perceived as fair and in line with consumer expectations, satisfaction naturally arises. This situation is highly relevant to the situation in the field at the jumbo iced tea MSME in Kedung Baruk Village (Surabaya City), where customers consistently state that the price of the jumbo iced tea sold is very affordable and commensurate with the quantity and quality obtained.

From a theoretical perspective, Kotler and Armstrong (2018) suggest that price is one of the most flexible elements of the marketing mix and has the quickest impact on consumer behavior. When prices are perceived as fair, customers are not only satisfied with the product they receive but also tend to repurchase and recommend the product to others. In the context of MSMEs in beverages such as jumbo iced tea, price sensitivity is very high, so consumer perception of price plays a crucial role in shaping satisfaction (Susetyo, Nurkhasanah, and Jamil, 2022).

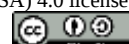
This research finding is also supported by a study conducted by Bessie and Suki (2023) at Waroenk Resto and Cafe in Kupang City, which demonstrated that price has a significant partial effect on customer satisfaction in the culinary sector. These findings, consistent with previous research, reinforce the belief that price is an indispensable factor in efforts to increase customer satisfaction, particularly in the culinary MSME segment operating in a competitive market environment such as Kedung Baruk Village (Surabaya City).

Furthermore, research conducted by Siregar (2021) at Ompu Gende Coffee Medan also showed that price perception influences customer satisfaction in the small-scale beverage business sector. The study emphasized that customers in beverage businesses not only assess prices in absolute terms but also compare them to prevailing local market pricing standards. In other words, customer satisfaction is not solely driven by low prices, but also by perceived price consistency and fairness within the context of local competition. This finding is highly relevant to conditions in Kedung Baruk Village (Surabaya City), where competition among jumbo iced tea vendors is quite high.

From a consumer behavior perspective, Peter and Olson (2010) explain that consumer price perceptions are influenced by internal and external reference prices. Internal reference prices are prices already stored in consumers' minds based on previous purchasing experiences, while external reference prices are prices directly visible in their surroundings, such as prices posted by other sellers. When the actual price paid is lower than or equal to the reference price, consumers will feel satisfied because they feel they are getting a good deal. This condition is very much in line with the behavior of Jumbo Ice Tea customers in Kedung Baruk Village (Surabaya City), who are accustomed to comparing prices between sellers before deciding to buy.

Zeithaml's research, a classic foundation for price perception studies, states that customers do not always evaluate prices objectively, but rather through the construct of perceived value, namely the overall assessment of the benefits received relative to the sacrifices made. In the context of jumbo iced tea, the customer's sacrifice is not only the money paid, but also the time and effort to come to the sales location. When customers perceive that the overall sacrifice is commensurate with the benefits obtained, including delicious taste, sufficient volume, and affordable price, then overall satisfaction will be formed.

These results are further supported by an empirical study conducted by Tjiptono (2020), which confirmed that in the MSME food and beverage industry, price has a strong positive correlation with



customer satisfaction, particularly among low- to middle-income consumers. This consumer segment closely mirrors the profile of Jumbo Ice Tea customers in Kedung Baruk Village (Surabaya City), who are mostly students, college students, and daily wage workers. Pricing that aligns with the purchasing power of this segment has proven to be a key factor in the success of MSME beverages in retaining loyal customers.

Overall, these findings provide important practical implications for MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City). Setting appropriate, affordable, and fair prices is a key strategy for maintaining and improving customer satisfaction. MSMEs are advised to continuously monitor competitor prices around Kedung Baruk Village (Surabaya City) and set competitive prices while maintaining product quality to ensure customer satisfaction and prevent switching to other sellers. Consistency in pricing policy is also important, as frequent and unpredictable price changes can reduce customer trust and satisfaction.

The Influence of Product Quality on Customer Satisfaction of Jumbo Iced Tea Selling MSMEs in Kedung Baruk Subdistrict (Surabaya City)

Based on the results of the t-test, the product quality variable (X2) obtained a t-value of 7.664 with a significance value of <0.001 . The t-value is greater than the t-table of 1.985 and the significance value is smaller than 0.05. The product quality regression coefficient of 0.409 is positive. Thus, H2 which states that product quality has a positive and significant effect on customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City) is proven and accepted.

Product quality is one of the most fundamental factors influencing customer satisfaction, particularly in the food and beverage industry. In the context of jumbo iced tea, product quality encompasses several key aspects, such as consistent tea flavor, beverage freshness, cleanliness of raw materials, especially ice cubes, the tea's distinctive aroma, and attractive appearance or packaging. All of these aspects are directly perceived by customers upon consumption and form the basis for their satisfaction assessment.

The results of this study are consistent with the findings of Setiyana and Widayarsi (2019) who stated that product quality has a significant influence on the consumer decision-making process. Product quality indicators including product characteristics, conformity to specifications, durability, reliability, and product design have been shown to have a significant impact on consumer assessments. In the context of jumbo iced tea in Kedung Baruk Village (Surabaya City), customers are very concerned about the consistency of taste over time, the cleanliness of the serving process, and the volume of the drink that is appropriate for the price paid.

This finding is further supported by Fahtira's (2020) research, which concluded that quality influences customer satisfaction. Although Fahtira's research focused on service quality, the underlying principle remains the same: when the product or service received meets or even exceeds customer expectations, satisfaction is achieved. This also applies to the quality of jumbo iced tea, where customers who receive a product with a delicious, fresh, clean, and consistent taste experience greater satisfaction.

Furthermore, research from the JR Tea journal by Manuver (2023), which examined the influence of product quality and price on customer satisfaction for similar beverages, demonstrated that product quality partially significantly influences customer satisfaction with beverage products. This finding is directly relevant to the research context of the Jumbo Ice Tea MSME in Kedung Baruk Village (Surabaya City) because the product types are very similar, namely affordable beverages on an MSME scale.

Research by Atep Pahrerozi (2024) also supports this finding, stating that good product quality received by customers will increase customer satisfaction and have a significant impact on loyalty. In the context of MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City), customers who are satisfied with the product quality will not only make repeat purchases but also have the potential to recommend the product to their family or friends, which can ultimately increase the number of new customers for MSME actors.



From a marketing perspective, Kotler and Keller (2016) assert that product quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. The better the quality of the product offered, the higher the chance of customer satisfaction. In the culinary industry, especially beverages, quality standardization is a challenge, especially for MSMEs that still operate traditionally. MSMEs operating in the Kedung Baruk sub-district (Surabaya City) need to pay attention to consistency of taste, cleanliness, and presentation standards to maintain customer satisfaction over time.

Specifically, customers who are predominantly students and university students around Kedung Baruk Village (Surabaya City) have quite high expectations for product quality, especially in terms of cleanliness and taste consistency. With a Beta coefficient value of product quality of 0.493 which is slightly higher than price (0.479), this finding indicates that in the context of jumbo iced tea MSMEs in Kedung Baruk Village (Surabaya City), product quality has a slightly more dominant role in shaping customer satisfaction than the price variable. This emphasizes the importance of product quality standardization as a top priority for MSMEs.

Garvin, in his famous theory, identified eight dimensions of product quality that can be used as a basis for consumer evaluation, including performance, additional features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. In the context of jumbo iced tea, the most relevant and dominant dimensions perceived by customers are performance (delicious and consistent taste), aesthetics (appealing appearance and color of the drink), and perceived quality (general impression of cleanliness and product standards). The better the MSMEs fulfill these dimensions, the higher the satisfaction felt by customers.

In the context of research on the Indonesian beverage sector, Anggraini and Rachmanita (2020) found that product quality, including taste, aroma, and raw material cleanliness, significantly influences consumer satisfaction with contemporary beverages. The study was conducted on a sample of consumers of tea-based beverage products, similar to jumbo iced tea. The results showed that customers are highly sensitive to changes in taste; even small changes in formula or ingredients can influence perceptions of quality and ultimately impact satisfaction. Therefore, the consistency of raw materials, particularly the type of tea and sugar used, is a critical factor that MSMEs operating in jumbo iced tea need to maintain.

Further empirical support comes from research by Santoso and Widodo (2021), which examined the product quality of local beverage MSMEs in East Java. The study confirmed that customers in East Java, including Surabaya, have specific taste quality standards and tend to compare their products with similar products from other brands or vendors. This means that jumbo iced tea MSMEs in Kedung Baruk Village (Surabaya City) compete not only on price but also on maintaining product quality standards that are equal to or better than those of competitors in the area.

The hygiene dimension of product quality also receives special attention from customers of jumbo iced tea in Kedung Baruk Village (Surabaya City). Research conducted by Sari and Purnomo (2022) on consumer perceptions of street beverage MSME products shows that hygiene aspects, such as the use of hygienic ice cubes, clean glasses or packaging, and sanitation of the sales environment, are among the quality indicators most considered by younger consumers. Considering that the majority of jumbo iced tea customers in Kedung Baruk Village (Surabaya City) are students and university students belonging to the younger generation, this hygiene dimension is an aspect that needs to be given high priority by MSME actors.

These findings provide a clear message that product quality is not merely a supporting factor, but rather a core component that determines the success of MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City) in building long-term customer satisfaction and loyalty. MSMEs should continue to conduct regular evaluations of the quality of the raw materials used, the serving process, and the cleanliness of the equipment used to ensure consistent quality standards are maintained. Investment in product quality, while appearing to increase production costs in the short term, will ultimately provide long-term benefits in the form of customer loyalty and sustainable competitive advantage.



The Simultaneous Effect of Price and Product Quality on Customer Satisfaction of Jumbo Iced Tea Selling MSMEs in Kedung Baruk Subdistrict (Surabaya City)

Based on the results of the F test that has been conducted, the calculated F value is 74.358 with a significance value of <0.001 . The calculated F value (74.358) is much greater than the F table (3.09). These results conclude that H3, which states that price and product quality simultaneously have a positive and significant effect on customer satisfaction in MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City), is proven and accepted.

The results of this simultaneous test clearly show that price and product quality do not work separately in shaping customer satisfaction, but rather complement and reinforce each other. Customers do not only consider price or quality alone, but evaluate both together when assessing their satisfaction with the jumbo iced tea product they consume. The combination of affordable prices and good product quality is the main attraction that can significantly drive customer satisfaction at the jumbo iced tea MSME in Kedung Baruk Village (Surabaya City).

The Adjusted R Square value of 0.574 indicates that simultaneously, the price and product quality variables can explain 57.4% of the variation in customer satisfaction. This figure is quite large, indicating that these two variables are the main factors determining customer satisfaction of the Jumbo Ice Tea MSME in Kedung Baruk Village (Surabaya City). The remaining 42.6% is influenced by other factors not examined in this study.

This finding aligns with Hasanah's (2022) research, which concluded that product quality and selling price together significantly influence customer satisfaction. Hasanah's research analyzed MSMEs operating in the food sector, with a market segment quite similar to the context of this study. When prices are set appropriately and product quality is maintained consistently, customers will perceive the best value for their purchase, and this feeling then translates into satisfaction.

Research by Susetyo, Nurkhasanah, and Jamil (2022), which examined the influence of product quality and price on customer satisfaction in MSMEs, also showed consistent results, namely that both variables simultaneously had a positive and significant effect on customer satisfaction. This confirms that the pattern found in the study in Kedung Baruk Village (Surabaya City) is not an isolated phenomenon, but rather a general pattern that applies to the culinary MSME sector more broadly.

In a marketing study, Kotler and Armstrong (2018) proposed the concept of customer value, which is the customer's perception of the benefits obtained from a product minus the costs incurred to obtain the product. When the customer's perceived value is high, that is, the benefits received from good product quality exceed the costs incurred (affordable price), then satisfaction will be strongly formed. This principle is precisely illustrated in the findings of this study, where the combination of affordable prices and good product quality at the jumbo iced tea MSME in Kedung Baruk Village (Surabaya City) together is able to create significant customer satisfaction.

This is also supported by research from the journal "The Impact of Price and Product Quality on Customer Satisfaction Levels" (2025), which found that product price and quality influence customer satisfaction through value perception. This finding reinforces the argument that satisfaction is formed not by a single factor, but by a combination of price and quality, perceived by customers as a unified whole.

Furthermore, this research is also supported by a study conducted by Maria et al. (2020), which found that the factors shaping customer satisfaction work synergistically. In the context of a jumbo iced tea MSME in Kedung Baruk Village (Surabaya City), the synergy between affordable prices and satisfactory product quality creates a positive consumption experience for customers, ultimately encouraging them to repurchase and even recommend the product to others.

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Furthermore, Feigenbaum's Total Quality Management (TQM) concept emphasizes that product quality and customer-perceived value are two variables that cannot be separated from pricing strategy. When a business is able to consistently deliver quality products at reasonable prices, customer satisfaction is not only transactional but also relational. This means that customers are not simply satisfied with a particular transaction, but also form an emotional bond with the product that encourages long-term loyalty. This condition is particularly relevant for the jumbo iced tea MSME in Kedung Baruk Village (Surabaya City), which operates in a highly competitive market environment.

Research by Lovelock and Wirtz (2016) also reinforces these findings from a service and consumer product management perspective. They argue that customer satisfaction is a function of how well a product or service's actual performance compares to pre-purchase customer expectations. In the context of jumbo iced tea, customer expectations before purchase are typically formed based on previous experiences and word-of-mouth. When the actual experience of consuming the product meets or even exceeds these expectations, satisfaction is strongly established. With an Adjusted R Square value of 0.574, this study indicates that price and product quality are simultaneously the dominant factors determining whether customer expectations are met.

Oliver's expectation-confirmation theory explains that customer satisfaction is formed through a comparison between initial expectations and actual product performance. If actual performance exceeds expectations (positive disconfirmation), customers will feel very satisfied. Conversely, if actual performance is below expectations (negative disconfirmation), dissatisfaction will arise. In this study, the fact that price and product quality simultaneously have a significant effect on customer satisfaction indicates that Jumbo Ice Tea customers in Kedung Baruk Village (Surabaya City) generally experience positive disconfirmation, where the product they receive exceeds their initial expectations.

Wahyudi and Purnama's (2021) study, which examined the simultaneous influence of product quality and price on customer satisfaction in culinary MSMEs in East Java, found that the simultaneous influence of these two variables averaged between 55 and 65 percent, a value very close to the 57.4 percent found in this study. This similarity in influence further strengthens the validity of the research findings in Kedung Baruk Village (Surabaya City) as a general representation of the condition of culinary MSMEs in East Java. This also indicates that there are still approximately 42.6 percent of other variables that have not been studied, such as service quality, location, promotion, or brand image, which contribute to customer satisfaction.

The implication of these findings for MSMEs selling jumbo iced tea in Kedung Baruk Village (Surabaya City) is the importance of maintaining a balance between price and product quality. MSMEs



cannot focus solely on one aspect. Drastically lowering prices without considering quality will negatively impact long-term customer satisfaction. Conversely, increasing quality without considering affordability will also reduce customer perceived value, especially for highly price-sensitive consumer segments such as students and pupils, who dominate the customer base in Kedung Baruk Village (Surabaya City).

Therefore, the most appropriate strategy for jumbo iced tea MSMEs in Kedung Baruk Village (Surabaya City) is to consistently maintain and continuously improve product quality while setting competitive and affordable prices. This way, customers will continue to experience optimal satisfaction, which will ultimately lead to long-term loyalty and sustainable business growth. In the future, further research involving other variables such as service quality, packaging, or mediating variables such as perceived value is needed to provide a more comprehensive picture of the determinants of customer satisfaction of jumbo iced tea MSMEs in Kedung Baruk Village (Surabaya City).

Conclusion

This study proves that price and product quality have a positive and significant effect on customer satisfaction in Jumbo Ice Tea MSMEs in Kedung Baruk Village, Surabaya City, both partially and simultaneously. The partial test results show that price has a t-value of 7.459 with a regression coefficient of 0.483, while product quality has a t-value of 7.664 with a regression coefficient of 0.409, so that both variables are proven to increase customer satisfaction. Simultaneously, the F-test result of 74.358 with a significance of less than 0.001 indicates that both variables together have a significant effect on customer satisfaction. The Adjusted R Square value of 0.574 indicates that price and product quality are able to explain 57.4% of the variation in customer satisfaction, while the remaining 42.6% is influenced by other factors outside the research model. In addition, product quality has a slightly more dominant influence than price based on the standardized beta coefficient value.

This study still has limitations because it only involved respondents from MSMEs selling Jumbo Ice Tea in Kedung Baruk Village using an accidental sampling technique, so the results cannot be generalized to other areas or types of businesses. This study also only tested two independent variables, so there are still other factors that could potentially influence customer satisfaction, such as service quality, promotion, business location, brand image, and customer value perception. Therefore, further research is recommended to expand the research area, use probability sampling techniques, increase the number of respondents, and include mediating or moderating variables to obtain a more comprehensive model. Practically, MSMEs are advised to maintain consistent product quality, especially taste, cleanliness, and freshness of the drink, and set competitive prices that are in accordance with customer perceived value so that customer satisfaction can continue to increase and encourage long-term loyalty.

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