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## Culinary Satisfaction in Jakarta's Old Town: The Roles of Product Quality and Administrative Service Innovation

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Andi Nuralim Kamal <sup>1</sup>, Retno Kusumastuti <sup>2</sup>

### **Abstract:**

*This research explores the impact of product quality and administrative service innovation on customer satisfaction in the culinary sector of Jakarta's Old Town. Employing a quantitative methodology, the study uses a questionnaire to gather data from a diverse group of customers in the area. The demographic analysis of respondents highlights a predominance of female participants, largely falling within the 21-35 years age group, and primarily students. The study demonstrates that both product quality and administrative service innovation significantly contribute to customer satisfaction, both individually and collectively. These findings suggest that improving product quality and cultivating innovative administrative services can effectively enhance customer satisfaction in the culinary sector. Moreover, the research concludes that a substantial proportion of the variation in customer satisfaction can be explained by these two factors, with the remainder attributed to other variables not examined in this study. These insights are envisaged to guide culinary industry players in Jakarta's Old Town in devising more effective marketing strategies. The research also underscores the need for further studies to explore other potential factors influencing customer satisfaction in the culinary sector.*

**Keywords:** *Product Quality, Administrative Service Innovation, Customer Satisfaction, Old Town.*

### **1. Introduction**

In the face of increasing competition in the business world, companies are required to prioritize understanding customer needs, wants, and expectations in order to create customer satisfaction. The phenomenon of increasingly intense competition encourages business owners to consistently pay attention to key aspects, such as administrative services and product quality, as a strategy to maintain existing customer satisfaction (YuSheng & Ibrahim 2019). Winning the competition not only involves attracting new customers, but also focusing on retaining existing customers, given that finding new customers can be costly. Customer satisfaction results from company performance that can meet or even exceed customer expectations (Napitupulu, 2019). Factors such as good and reliable service for products are key in creating comfort for customers. This trust is very instrumental in maintaining loyalty, where customers tend not to easily switch to other companies if the trust and services

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<sup>1</sup> Faculty of Administrative Sciences, Universitas Indonesia, Depok, West Java, Indonesia, [alimkamal2000@gmail.com](mailto:alimkamal2000@gmail.com)

<sup>2</sup> Faculty of Administrative Sciences, Universitas Indonesia, Depok, West Java, Indonesia, [r.kusumastuti@ui.ac.id](mailto:r.kusumastuti@ui.ac.id)

provided have met their needs. Repeated purchases from customers who are satisfied with the first purchase are an important indicator that customer satisfaction is not just a business transaction, but also provides important meaning in daily use (Yeh et al., 2019). Thus, companies that can understand, respond to, and fulfill customer needs effectively have a greater chance of winning the competition and building long-term relationships with customers (Lee et al., 2022).

In the face of intense business competition, the top priority is to achieve customer satisfaction, because this will be the key to attracting customer interest in repurchasing certain products. Customer satisfaction has a significant impact on a company's ability to survive, compete, and gain market share (Chang & Lee 2020). Repurchase intention is influenced by the level of customer satisfaction with the brand which, over time, can build customer loyalty and encourage future repurchases. Innovation is often considered an indicator of the value of a product or service. Its relationship with the benefits perceived by customers determines the value of an item or service at a certain level of administrative services (Alzoubi et al., 2022). With the increase in benefits perceived by customers, the value of a product will also increase. Therefore, in marketing efforts, companies need to ensure that innovation and quality are in accordance with the benefits provided by their products or services.

The importance of innovation and quality as purchasing considerations by customers shows that companies need to organize service strategies wisely. The quality of a product affects the customer's perception of the product's value. Changes in quality can also have an impact on the behavior of quality-sensitive customers, who may switch to other brands that offer better quality (Al-Omari 2020). Apart from quality, service innovation also plays an important role. Service innovation includes the ability to serve consumers to carry out their functions, such as durability, reliability, ease of operation, repair, and other valuable attributes. Good service innovation will increase customer satisfaction and strengthen the company's brand image, help the company retain customers and support competitive strategies in a competitive market (Laila, 2018). Thus, companies need to maintain the right balance between service innovation and product quality that satisfies customers.

Product quality is a very crucial aspect for any company that wishes to remain competitive in the market and satisfy customer needs and wants. In an era where consumer thinking is maturing, considering the quality and service innovation of a product is becoming increasingly important. This encourages companies to continuously improve their product quality and service innovation. Products can be interpreted as customer perceptions conveyed by producers through their products (Bali, 2022). Therefore, the level of customer satisfaction with a product is closely related to product quality and service innovation itself. The increasingly fierce competition between companies in creating and marketing their products reinforces the view that companies need to be active in informing and introducing their products to the public. Products are considered as everything that a producer can offer for the market to consider, look for, and buy as a fulfillment of customer needs or desires.

This study aims to analyze the effect of product quality and administrative service innovation on culinary customer satisfaction in Jakarta's Old Town. Product quality is the main focus in determining customer satisfaction because it relates to the taste, consistency, and presentation of the food served. This aspect contributes significantly to the customer's culinary experience (Tajeddini et al., 2020). In addition, administrative service innovation also has an important role in influencing customer satisfaction. The application of technology and efficiency in the administrative process can increase customer comfort in enjoying food at the venue (Sulaeman, 2018). Jakarta's Old Town, as the research location, has special characteristics that affect the dynamics of the culinary business. The existence of historical and cultural heritage around the area creates a unique culinary experience. Therefore, product quality and administrative service innovation must be adapted to the context of this environment to meet customer expectations (Iannou et al., 2023).

The Kota Tua area, which is rich in history and historical buildings, has received special attention from the Government in an effort to improve the quality of tourism and the number of visitors. One of the steps taken is the establishment of a culinary tourism facility at the Taman Intan assisted location in Kota Tua. Taman Intan, which was built in 2017, is a facility that aims to relocate illegal street vendors and organize the area (Lie et al., 2023). This location consists of kiosks with 1.5-meter-high walls and tarpaulin roofs supported by iron poles. Supporting facilities such as performance stages, public toilets, prayer rooms, and sinks are also provided to support visitor comfort. Through this step, it is hoped that the Kota Tua area can become an attractive culinary destination, with well-organized facilities to enhance the tourist experience and advance tourism in this historic area.

Based on research by Mappesona et al. (2020) of 100 respondents at Kopi Benteng 2 Banyumanik, the results show that the quality of the products offered by this cafe is in the satisfactory category, with the majority of respondents stating that the taste of coffee drinks there is better than other places. The product quality variable positively influences consumer purchasing decisions, indicating that the more satisfying the product quality, the higher the purchasing decision, even though there are competitors or other alternative choices. Service quality at Kopi Benteng 2 Banyumanik is also considered satisfactory, with consumers stating that the thoroughness, responsiveness, and friendliness of employees are at a satisfactory level. Service quality positively influences purchasing decisions, indicating that the more satisfactory the service, the higher the purchasing decision. Overall, purchasing decisions at Kopi Benteng 2 Banyumanik are high, positively influenced by product quality, service quality, with quality variables playing an important role in purchasing decisions.

The research conducted shows that product quality and innovation have a positive influence on customer satisfaction. High product quality along with satisfying service innovation simultaneously increases the level of customer satisfaction (Lee et al., 2019). Although both have a positive impact, product quality proves to be a more dominant factor in influencing culinary customer satisfaction in Jakarta's Old Town. The high product quality of some culinary delights provides a significant attraction for customers, creating a continuous positive experience and strengthening customer

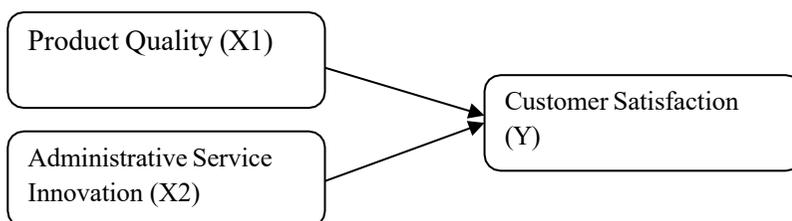
loyalty to the store (Pooya et al., 2020). Thus, focusing on maintaining and improving product quality, along with maintaining service innovation, is a key strategy to ensure sustainable culinary customer satisfaction in Jakarta's Old Town.

## 2. Methodology

This study aims to investigate the analysis of the effect of product quality and administrative service innovation on culinary customer satisfaction in Jakarta's Old Town. The research methodology used is a quantitative method with data collection techniques using a questionnaire. The research process involves several stages, including validity and reliability instrument tests, descriptive analysis, classical assumption tests, multiple regression analysis (coefficient of determination), as well as partial tests (t tests) and simultaneous tests (F tests). The development of research instruments is carried out by compiling a questionnaire that includes variables of product quality, administrative service innovation, and customer satisfaction. After that, a validity test is carried out to ensure that the instrument theoretically reflects the construct being measured. Reliability tests are carried out to measure the extent to which the instrument is consistent in measuring the same variable.

After the instrument was proven valid and reliable, the research continued with the distribution of questionnaires to respondents who were culinary customers from Jakarta's Old Town. The collected data will be processed descriptively to provide an overview of the characteristics of respondents and research variables. The classical assumption test will be carried out to ensure that the data meets the statistical requirements before multiple regression analysis is carried out. Classical assumptions are tested with a normality test.

Multiple regression analysis is then carried out to identify the extent to which product quality and administrative service innovation affect customer satisfaction. Partial test (t-test) will be used to evaluate the significance of the effect of each independent variable, while simultaneous test (F-test) will be used to evaluate the significance of the overall model. By using this methodology, it is expected that a deeper understanding of the factors that influence culinary customer satisfaction in Jakarta's Old Town can be obtained, thus contributing to the development of more effective marketing strategies. With reference to the research method and the relationship between variables, the concept or conceptual framework of this research to build hypotheses can be detailed as follows:



**Figure 1. Conceptual Framework**

### 3. Empirical Findings/Result

#### Respondent Characteristics

In this study, data was obtained through the distribution of questionnaires to respondents, which consisted of Culinary customers in Jakarta's Old Town. The questionnaire was distributed to a total of 125 customers in the store environment.

##### a. Characteristics of Respondents Based on Gender

**Table 1. Respondent Group by Gender**

No.	Gender	Quantity (Person)	Persentase
1.	Male	35	28%
2.	Female	90	72%
Total		125 Persons	100%

Source: Processed Questionnaire Data

##### b. Characteristics of Respondents by Age

**Table 2. Respondent Group by Age**

No.	Age (Years)	Quantity (Person)	Persentase
1.	14-20 years	50 Persons	40%
2.	21-35 years	60 Persons	48%
3.	36-48 years	10 Persons	8%
4.	> 49 years	5 Persons	4%
Total		125 Persons	100%

Source: Processed Questionnaire Data

##### c. Characteristics of Respondents Based on Occupation

**Table 3. Respondent Group By Occupation**

No.	Jobs	Quantity (Person)	Persentase
1.	Student	50 Persons	40%
2.	Private Employee	57 Persons	29.6%
3.	Self-employed	18 Persons	14.4%
Total		125 Persons	100%

Source: Processed Questionnaire Data

##### d. Characteristics of Respondents Based on Purchase Frequency

**Table 4. Respondent Group Based On Purchase Frequency**

No.	Frequency	Quantity (Person)	Persentase
1.	1-2 times	55 Persons	44%
2.	3-4 times	45 Persons	36%
3.	> 4 times	25 Persons	20%
Total		125 Persons	100%

Source: Processed Questionnaire Data

#### Validity Test

The validity test carried out in this explanation uses a probability value or significance level of 0.05. To calculate the degree of freedom (df), the formula ( $df = n - 2$ ) is used,

where (n) is the number of samples, in this case 125, so (df = 125 - 2 = 123) with a significance level value of 0.1757. If the correlation value exceeds 0.1757, we can conclude that the relationship between the measured variables is statistically significant and valid.

**Table 5. Validity Test of Variable X1 Product Quality**

		Correlations					Kualitas Produk (X1)
		P1	P2	P3	P4	P5	
P1	Pearson Correlation	1	-.082	-.071	.281**	-.020	.471**
	Sig. (2-tailed)		.383	.433	.002	.827	.000
	N	125	125	125	125	125	125
P2	Pearson Correlation	-.082	1	-.010	.000	.087	.457**
	Sig. (2-tailed)	.383		.915	1.000	.337	.000
	N	125	125	125	125	125	125
P3	Pearson Correlation	-.071	-.010	1	-.177*	.135	.383**
	Sig. (2-tailed)	.433	.915		.049	.134	.000
	N	125	125	125	125	125	125
P4	Pearson Correlation	.281**	.000	-.177*	1	-.078	.429**
	Sig. (2-tailed)	.002	1.000	.049		.388	.000
	N	125	125	125	125	125	125
P5	Pearson Correlation	-.020	.087	.135	-.078	1	.523**
	Sig. (2-tailed)	.827	.337	.134	.388		.000
	N	125	125	125	125	125	125
Kualitas Produk (X1)	Pearson Correlation	.471**	.457**	.383**	.429**	.523**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	125	125	125	125	125	125

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Data Processing Results

**Table 6. Validity Test Of Variable X2 Administrative Service Innovation**

		Correlations					Inovasi Layanan Administrasi (X2)
		Q1	Q2	Q3	Q4	Q5	
Q1	Pearson Correlation	1	-.071	-.130	.080	-.095	.342**
	Sig. (2-tailed)		.434	.150	.378	.293	.000
	N	125	125	125	125	125	125
Q2	Pearson Correlation	-.071	1	-.172	.006	.157	.445**
	Sig. (2-tailed)	.434		.055	.951	.080	.000
	N	125	125	125	125	125	125
Q3	Pearson Correlation	-.130	-.172	1	-.082	.150	.342**
	Sig. (2-tailed)	.150	.055		.362	.096	.000
	N	125	125	125	125	125	125
Q4	Pearson Correlation	.080	.006	-.082	1	.011	.451**
	Sig. (2-tailed)	.378	.951	.362		.902	.000
	N	125	125	125	125	125	125
Q5	Pearson Correlation	-.095	.157	.150	.011	1	.588**
	Sig. (2-tailed)	.293	.080	.096	.902		.000
	N	125	125	125	125	125	125
Inovasi Layanan Administrasi (X2)	Pearson Correlation	.342**	.445**	.342**	.451**	.588**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	125	125	125	125	125	125

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Data Processing Results

**Table 7. Validity Test of Variable Y Customer Satisfaction**

		Correlations					Kepuasan Pelanggan (Y)
		R1	R2	R3	R4	R5	
R1	Pearson Correlation	1	.039	-.188*	.230**	-.124	.423**
	Sig. (2-tailed)		.669	.036	.010	.167	.000
	N	125	125	125	125	125	125
R2	Pearson Correlation	.039	1	-.112	-.051	.076	.456**
	Sig. (2-tailed)	.669		.215	.570	.401	.000
	N	125	125	125	125	125	125
R3	Pearson Correlation	-.188*	-.112	1	-.094	.111	.321**
	Sig. (2-tailed)	.036	.215		.299	.219	.000
	N	125	125	125	125	125	125
R4	Pearson Correlation	.230**	-.051	-.094	1	-.036	.465**
	Sig. (2-tailed)	.010	.570	.299		.689	.000
	N	125	125	125	125	125	125
R5	Pearson Correlation	-.124	.076	.111	-.036	1	.501**
	Sig. (2-tailed)	.167	.401	.219	.689		.000
	N	125	125	125	125	125	125
Kepuasan Pelanggan (Y)	Pearson Correlation	.423**	.456**	.321**	.465**	.501**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	125	125	125	125	125	125

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Data Processing Results

Based on the results of the validity test, it is found that the variables of Product Quality (X1), Administrative Service Innovation (X2) and Customer Satisfaction (Y) have a correlation that exceeds or is equal to the specified value, which is 0.1757. This statement shows that all 15 statement items tested meet the validity requirements, or in other words, the instruments for measuring these variables can be considered valid.

### Reliability Test

Reliability tests, such as Cronbach's Alpha, are methods used to assess the extent to which a measurement instrument is consistent and reliable. Reliability is considered acceptable if the calculated r value (alpha coefficient resulting from the calculation) exceeds the r table value at the 5% significance level.

**Table 8. Reliability Test of Variable X1 Product Quality**

Reliability Statistics	
Cronbach's Alpha	N of Items
.235	5

Source: SPSS Data Processing Results

The number of respondents or the N value used in the reliability test of variable X Product Quality is 125 people. When compared to the r table value for a significance level of 5%, which is 0.1743, the Cronbach's Alpha value of 0.235 is considered higher, indicating that the measurement instrument has an acceptable level of reliability.

**Table 9. Reliability Test of Variable X2 Administrative Service Innovation**

Reliability Statistics	
Cronbach's Alpha <sup>a</sup>	N of Items
.365	5

Source: SPSS Data Processing Results

When compared to the r table value for a significance level of 5%, which is 0.1743, the Cronbach's Alpha value of 0.365 is considered higher, indicating that the measurement instrument has an acceptable level of reliability.

**Table 10. Reliability Test of Variable Y Customer Satisfaction**

Reliability Statistics	
Cronbach's Alpha <sup>a</sup>	N of Items
.274	5

Source: SPSS Data Processing Results

When compared to the r table value for a significance level of 5%, which is 0.1743, the Cronbach's Alpha value of 0.274 is considered higher, indicating that the measurement instrument has an acceptable level of reliability.

### Classical Assumption Test

#### Normality Test

By utilizing the statistical software SPSS version 23, a normality output was obtained which illustrates that the data is normally distributed, as shown in the following table.

**Table 11. Normality Test**

One-Sample Kolmogorov-Smirnov Test				
		Product Quality (X1)	Administrative Service Innovation (X2)	Customer Satisfaction (Y)
N		125	125	125
Normal Parameters <sup>a,b</sup>	Mean	22.49	22.36	22.42
	Std. Deviation	1.168	1.125	1.124
Most Extreme Differences	Absolute	.166	.187	.175
	Positive	.166	.154	.175
	Negative	-.165	-.187	-.168
Test Statistic		.166	.187	.175
Asymp. Sig. (2-tailed)		.235 <sup>c</sup>	.086 <sup>c</sup>	.140 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the results of the Kolmogorov Smirnov normality test, the Asymp. Sig. (2-tailed) variable X1 is  $0.235 > 0.05$ , variable X2 is  $0.086 > 0.05$  and variable Y is  $0.140 > 0.05$ . So it can be concluded that each data variable is normally distributed.

## Multiple Regression Analysis Hypothesis Test

### Partial Test (T Test)

The results of the Partial Test obtained through analysis using SPSS statistical software assistance can be presented in the following table:

**Table 12. Partial Test (T Test)**

		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	23.591	2.902		8.130	.000
	Product Quality (X1)	.124	.086	.129	1.433	.005
	Administrative Service Innovation (X2)	.072	.090	.072	.805	.023

a. Dependent Variable: Customer Satisfaction (Y)

The output of the table above can be seen the t-count value obtained by each variable. By using a significance level of 5% and obtained a t-table value of 0.67649. The results of testing the effect of Product Quality and Administrative Service Innovation on Customer Satisfaction are as follows:

#### 1. Product quality (X1) that affects customer satisfaction (Y)

From the analysis results, the t value for the Product Quality variable (X1) is 1.433, compared to the t table value which has a value of 0.67649. Therefore, it can be seen that the t value (1.433) exceeds the t table value (0.67649). Furthermore, note that the significance value (sig) is less than the probability value taken ( $0.005 < 0.05$ ). Based on this finding, the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_a$ ) is accepted. That is, variable X1 has a significant contribution to variable Y. The positive t value indicates that X1 has a positive unidirectional relationship with Y. In conclusion, it can be concluded that the Product Quality variable has a positive and significant effect on Customer Satisfaction.

#### 2. Administrative Service Innovation (X2) that affects Customer Satisfaction (Y)

From the results of the analysis, it was revealed that the calculated t value for the Administrative Service Innovation variable (X2) reached 0.805, compared to the t table value of 0.67649. This comparison shows that the calculated t value (0.805) significantly exceeds the table t value (0.67649). Furthermore, note that the significance value (sig) is smaller than the preset probability value ( $0.023 < 0.05$ ). With this result, the null hypothesis ( $H_0$ ) can be rejected and the alternative hypothesis ( $H_a$ ) accepted, indicating that the X2 variable has a significant contribution to the Y variable. The positive t value indicates that X2 has a positive unidirectional relationship with Y. Therefore, it can be concluded that the Administrative Service Innovation variable has a positive and significant effect on Customer Satisfaction.

### Simultaneous Test (Uji F)

The Simultaneous Test results obtained through analysis using SPSS statistical software assistance can be presented in the following table:

**Table 13. Simultaneous Test (F Test)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.636	2	1.818	2.451	.238 <sup>b</sup>
	Residual	152.892	122	1.253		
	Total	156.528	124			

From the table, it can be observed that the calculated f value is 2,451 with a significance level of 0.000. Therefore, the significance value of 0.000 is less than the cut-off value of 0.05. In addition, the calculated f value of 2.451 is also greater than the f table value of 1.757. These results indicate that the null hypothesis (Ho) can be rejected. Thus, it can be concluded that the independent variables X1 and X2 together have a positive and significant effect on the dependent variable Y.

#### **Coefficient of Determination**

The results of the Coefficient of Determination obtained through analysis using the help of SPSS statistical software can be presented in the following table:

**Table 14. Coefficient of Determination**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.152 <sup>a</sup>	.723	.007	1.119	

From the table, it can be concluded that the R square value is 0.723. This indicates that the effect of variables X1 and X2 on variable Y reaches 72.3%. The rest, about 14.7%, is influenced by other variables not included in this study

## **4. Discussion**

### **The Effect of Product Quality (X1) on Customer Satisfaction (Y)**

The analysis results demonstrate a significant contribution of the Product Quality variable to Customer Satisfaction. This is indicated by the t-value for the Product Quality variable surpassing the t-table value. Furthermore, the significance value being less than the chosen probability value leads to the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This highlights that the Product Quality variable has a significant contribution to Customer Satisfaction. The positive t-value signifies a positive unidirectional relationship between Product Quality and Customer Satisfaction. In essence, the Product Quality variable has a significant and positive impact on Customer Satisfaction.

Research by Waluya et al. (2019) and Mappesona et al., (2020) supports this finding, as it revealed a significant positive influence of product quality on purchasing decisions. The t-test analysis in their study showed a positive effect of product quality on purchasing decisions, as the t-value was significantly larger than the t-table value. Furthermore, the coefficient of determination analysis indicated that a substantial

proportion of the variation in purchasing decisions is explained by the product quality variable. These findings underscore that product quality is a major factor influencing purchasing decisions, thus contributing significantly to our understanding of what motivates consumer behavior.

### **The Effect of Administrative Service Innovation (X2) on Customer Satisfaction (Y)**

The analysis results indicate a significant contribution of the Administrative Service Innovation variable to Customer Satisfaction. This is confirmed by the calculated t value for the Administrative Service Innovation variable surpassing the t table value. Furthermore, the significance value being less than the predetermined probability value leads to the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This highlights that the Administrative Service Innovation variable has a significant contribution to Customer Satisfaction. The positive t value signifies a positive unidirectional relationship between Administrative Service Innovation and Customer Satisfaction. In essence, the Administrative Service Innovation variable has a significant and positive impact on Customer Satisfaction.

Research by Dapas et al. (2019) supports this finding, as it revealed a very strong relationship between Service Quality and purchasing decisions. Their coefficient of determination analysis indicated that Service Quality contributes significantly to purchasing decisions, with the remaining influenced by other variables. Service is deemed as the main key to fulfilling customer needs and satisfaction, which in turn encourages repeat purchases. The results of their regression analysis show a significant positive influence between Service Quality and purchasing decisions among Lost In Coffee consumers. Thus, it can be concluded that the hypothesis stating that there is a positive impact of Service Quality on purchasing decisions at Lost In Coffee is accepted.

### **The Effect of Product Quality (X1) on Customer Satisfaction (Y)**

From the analysis results, it can be inferred that the Product Quality variable significantly influences Customer Satisfaction. This is confirmed by the t-value for the Product Quality variable surpassing the t-table value. Furthermore, the significance value being less than the predetermined probability value leads to the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This implies that Product Quality has a significant contribution to Customer Satisfaction. The positive t-value signifies a positive unidirectional relationship between Product Quality and Customer Satisfaction. Therefore, it can be concluded that the Product Quality variable has a significant and positive effect on Customer Satisfaction.

Research by Iskuntiati et al. (2020) supports this finding, as it revealed that the product quality variable has a significant positive effect on purchasing decisions. The t-test analysis in their study showed that product quality has a positive effect on purchasing decisions. Furthermore, the coefficient of determination analysis indicated that a substantial proportion of the variation in purchasing decisions is explained by the product quality variable. These findings underscore that product quality is a major

factor influencing purchasing decisions, thus contributing significantly to our understanding of what motivates consumer behavior.

### **The Effect of Administrative Service Innovation (X2) on Customer Satisfaction (Y)**

The analysis results indicate a significant impact of the Administrative Service Innovation variable on Customer Satisfaction. This is signified by the t-value for the Administrative Service Innovation variable surpassing the t-table value. Moreover, the significance value being less than the chosen probability value results in the rejection of the null hypothesis and the acceptance of the alternative hypothesis. This suggests that Administrative Service Innovation has a significant contribution to Customer Satisfaction. The positive t-value reveals a positive unidirectional relationship between Administrative Service Innovation and Customer Satisfaction. Therefore, it can be concluded that the Administrative Service Innovation variable has a significant and positive effect on Customer Satisfaction.

Research by Aras et al. (2023) supports this finding, as it demonstrated that Service Quality has a very strong relationship with purchasing decisions. Their coefficient of determination analysis revealed that Service Quality contributes significantly to purchasing decisions, with the remainder influenced by other variables. Service is deemed as the primary key to fulfilling customer needs and satisfaction, which in turn encourages repeat purchases. The results of their regression analysis show a significant positive influence between Service Quality and purchasing decisions among Lost In Coffee consumers. Thus, it can be concluded that the hypothesis stating that there is a positive impact of Service Quality on purchasing decisions at Lost In Coffee is accepted.

## **5. Conclusions**

Drawing from the presented results and discussions, we can make several key conclusions. Primarily, the respondent demographics reveal that most culinary customers in Jakarta's Old Town are female, predominantly within the age range of 21-35 years, and largely students. Most of these respondents purchase food 3-4 times within a certain period. This demographic portrait is vital in understanding the customer profile in this area.

Additionally, the validity test outcomes affirm a significant correlation between the variables of Product Quality, Administrative Service Innovation, and Customer Satisfaction, thereby validating the measurement tools used in this research. The reliability test further underscores that these variables exhibit an acceptable level of reliability.

Moreover, the multiple regression analysis demonstrates that both Product Quality and Administrative Service Innovation significantly influence Customer Satisfaction in Jakarta's Old Town. This implies that enhancing product quality and innovating

administrative services could enhance customer satisfaction in the culinary sector. The simultaneous test (F test) also verifies that collectively, these two variables significantly impact customer satisfaction.

Lastly, the coefficient of determination (R square) suggests that approximately 72.3% of the variation in customer satisfaction is explicated by the variables of Product Quality and Administrative Service Innovation. The remaining percentage is influenced by other factors not examined in this study. Therefore, the overarching results and analysis indicate that elevating product quality and innovating administrative services can be a potent strategy to augment customer satisfaction in Jakarta's Old Town's culinary scene.

Considering the significant impact of product quality and administrative service innovation on customer satisfaction, future research could delve deeper into these aspects, exploring the specific elements of quality and innovation that customers value most.

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