

**THE EFFECT OF INNOVATION AND PRODUCT QUALITY OF MR. ALI'S SPICY COFFEE
IN SUMBERANYAR MLANDINGAN ON CONSUMER SATISFACTION**

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ABSTRACT

The coffee industry, especially in Indonesia, is growing rapidly in line with public interest in local products with distinctive flavors and aromas. The purpose of this study is to examine the interaction between innovation and product quality in influencing consumer satisfaction with spice coffee products. This study employs a qualitative approach to understand consumers' experiences, perceptions, and views on innovation and product quality of Mr. Ali's spice coffee. The qualitative approach was chosen because it allows for in-depth exploration of social and cultural phenomena involving consumers. From the discussion, it was concluded that there is a mutually reinforcing relationship between product innovation, product quality, and consumer satisfaction levels. Mr. Ali's spice coffee products have succeeded in meeting customer expectations through relevant innovation, good quality raw materials, and responsive and personalized service.

Keywords: Innovation; Product Quality; Consumer Satisfaction.

INTRODUCTION

The coffee industry, especially in Indonesia, is growing rapidly in line with the public's interest in local products with distinctive flavors and aromas. Coffee is one of the oldest cultivated crops and has high economic value (Putra & Prasetyawati, 2021). Coffee beans are typically processed into coffee powder. This coffee product is enhanced with spices, resulting in a coffee rich in antioxidants. Coffee offers numerous health benefits. One such product is Mr. Ali's Spiced Coffee, originating from Sumberanyar Village, specifically in Ranon Hamlet, Mlandingan District, Situbondo. This coffee is renowned for its innovative recipe and high quality, attracting consumers both locally and from other regions. Mr. Ali's coffee is rich in health benefits, and the product has been tested and proven safe for long-term consumption. Innovation in the production process of spice-infused coffee is one of the main factors distinguishing Bapak Ali's spice-infused coffee from other coffee products (Dianamurti & Damayanti, 2023). This innovation includes the use of various types of spices and selected grains, giving the coffee a unique and distinctive flavor. This coffee is not only appreciated for its taste but also for its numerous health benefits, such as alleviating menstrual cramps, knee pain, improving blood circulation, and many more. Currently, low-caffeine coffee is widely produced, resulting in a higher economic value for low-caffeine coffee compared to coffee with high caffeine content.

The addition of spices to coffee is believed to neutralize the caffeine content in coffee. The innovation of combining spices with coffee aims to create new aromas and flavors while enhancing the health benefits of coffee, making it a functional beverage for the body. Mr. Ali's spice-infused coffee product innovation is not only in the selection of spices used but also in the processing and presentation methods, which provide a unique experience for consumers (Tirtayasa, Lubis, & Khair, 2021). Mr. Ali, as the owner of the spice-infused coffee business, continues to innovate in developing new flavors and using high-quality raw materials sourced from local farmers as well as those from other regions. This innovation adds value, making the product increasingly popular among consumers (Fadhilah & Cahya, 2022). Additionally, the consistent quality of Mr. Ali's spice-infused coffee plays a crucial role in creating customer satisfaction. Customer satisfaction is the top priority in determining the success of a product. Customers who are satisfied with the product tend to become loyal customers and give positive recommendations to others, thereby enhancing the product's reputation (Soetanto, Septina, & Febry, 2020).

In addition to innovation and product quality, marketing also plays a very important role in the success of this spice coffee. Product quality is not only related to taste but also includes factors such as cleanliness, freshness of raw materials, product consistency, and attractive and practical packaging. However, the influence of innovation and product quality on consumer satisfaction has not been fully understood, especially in the context of Mr. Ali's spice coffee (Nurlaela & ..., 2020). Therefore, it is crucial to conduct further research on Mr. Ali's spice coffee product to identify the factors influencing consumer satisfaction with this product. This study aims to analyze the influence of innovation and product quality of Mr. Ali's spice coffee on consumer satisfaction in Sumberanyar Village, Mlandingan, as well as how these two factors interact in shaping consumers' perceptions of their experience. Consumer satisfaction is one of the key indicators in determining the success of a product (Anggia, Wijayanti, & Ariyetti, 2023). This satisfaction is not only influenced by factors such as price and taste but also by factors like product quality, service, and the innovations offered by Mr. Ali. Consumers who are satisfied with the unique taste of Mr. Ali's spice coffee and the quality of the raw materials used are likely to repurchase the product and recommend it to their family members and people from other regions. Although Mr. Ali's spice coffee already has many loyal customers, there has been no specific research examining the relationship between product innovation and product quality on consumer satisfaction. Therefore, this study aims to identify and analyze the influence of these two factors, namely innovation and quality, on consumer satisfaction. With a better understanding of the factors influencing consumer satisfaction, it is hoped that Mr. Ali, as the owner of the spice coffee business, can be more effective in designing marketing strategies, product development, and improving service quality (Woen & Santoso, 2021).

The influence of innovation and quality on consumer satisfaction is also an important factor considering the high level of competition in the coffee industry, both at the local and national levels (Hasbullah & Muchtar, 2022). Currently, various new spice coffee producers are emerging with various product variants that offer similar tastes, posing a challenge for Mr. Ali's Spice Coffee in Sumberanyar to continue innovating and maintaining product quality to satisfy consumers and compete in an increasingly competitive market. This study will examine in depth how innovation in spice coffee production is carried out, from composition, raw materials, processing, to product

presentation. Additionally, this study will explore the extent to which product quality, including taste, freshness, packaging, and consistency, is maintained (Anggraini & Alhempri, 2021). The significance of this research lies in its ability to provide deep insights into the relationship between innovation, quality, and consumer satisfaction in the spice coffee industry, particularly Mr. Ali's spice coffee products in Sumberanyar. The findings of this research are expected to enable Mr. Ali to design products that better align with consumer expectations and strengthen his position in the market.

RESEARCH METHODS

The qualitative approach is an approach that creates a descriptive and narrative picture of the event being studied. Meanwhile, the quantitative approach is a numerical measurement based on the events being studied. This study uses a qualitative approach to understand consumers' experiences, perceptions, and views on the innovation and quality of Mr. Ali's spice coffee products. This qualitative approach was chosen because it allows for in-depth exploration of social and cultural phenomena involving consumers.

RESULTS AND DISCUSSION

Based on interviews with the business owner, regular and new customers, as well as field observations and documentation, it was found that Mr. Ali's spice coffee products have their own appeal in terms of innovation, quality, and customer satisfaction.

Product Innovation

According to Schumpeter (1934), innovation is a renewal carried out by business actors to create added value in products or processes. Innovation can take the form of improvements in composition, packaging, presentation, and marketing strategies. Mr. Ali actively innovates his products, especially in terms of spice composition, presentation, and packaging.

This innovation is not limited to taste, but also extends to packaging design and presentation tailored to consumer needs. One example of innovation is the combination of spices tailored to enhance health benefits, such as boosting immunity, relieving muscle aches, and warming the body.

Interview results indicate that consumers directly feel the benefits of the unique taste and strong aroma of the spices. This innovation enhances the product's competitiveness in the face of numerous coffee options available in the market. Both new and loyal customers acknowledge that the innovation offers a distinct experience compared to ordinary coffee products, thereby increasing their interest in repurchasing. This aligns with Kotler & Keller (2016), who state that product innovations focused on consumer needs can enhance satisfaction and expand the market sustainably.

Product Quality

According to Garvin (1987), product quality can be seen from various dimensions, such as performance, features, reliability, and suitability. In the context of Rempah Bapak Ali coffee, product quality is determined by the quality of raw materials, selected spices and coffee beans, a traditional production process that is consistently maintained, and a distinctive taste and strong aroma of spices.

In terms of quality, Bapak Ali emphasizes the importance of selecting high-quality raw materials, especially coffee beans and local spices that are processed hygienically. The manual yet consistent production process is one of the main factors influencing the stability of the product's taste and aroma.

Consumers have given positive feedback on the quality of this spice coffee. Some of the things consumers appreciate include its distinctive taste, not too bitter, and the soothing spice aroma. However, there have also been criticisms from some customers regarding inconsistent flavor variations, especially when production is done in large quantities.

Customer Satisfaction

According to Oliver's (1980) theory of customer satisfaction, customer satisfaction is the result of a consumer's evaluation after using a product, where the product is perceived as meeting or exceeding expectations.

Interviews with regular customers indicate that most are satisfied with Mr. Ali's spice coffee. This satisfaction stems from the quality of taste, affordable price, health benefits, and friendly service. New customers also show a high interest in repurchasing after trying the product for the first time. In terms of service, the personal approach taken by Mr. Ali towards his customers leaves a good impression. This indicates that it is not only the product that influences satisfaction, but also interpersonal relationships and the service provided by the business operator. This aligns with

previous research showing that innovation and product quality are two main factors influencing customer satisfaction and loyalty (Kotler & Armstrong 2018).

Promotion and Market Perception

Although this business is still home-based, the promotional strategies implemented are quite effective. Word-of-mouth promotion and the use of social media have contributed to consumer growth. Informative and attractive packaging also helps build a positive perception of this spice coffee brand.

Market perception of this product tends to be positive. This is mainly because it combines traditional aspects (local spices) with modern products (ready-to-serve packaging). Consumers feel that this product is not just an ordinary drink, but also has health benefits for the body. This promotion takes the form of a strong brand image among local consumers. The image of a healthy, natural, and unique product is an added value. This is in line with Lupiyadi's (2013) theory of promotion, which states that effective communication and personal relationships with consumers can build trust and positive perceptions of a product.

Overall Analysis

From the above discussion, it can be concluded that there is a mutually reinforcing relationship between product innovation, product quality, and customer satisfaction. Mr. Ali's spice coffee product has succeeded in meeting customer expectations through relevant innovation, good quality raw materials, and responsive and personalized service.

This shows that product development strategies based on local excellence and a direct approach to customers have great potential to increase the competitiveness of MSMEs, especially in the field of traditional herbal drinks/coffee.

CONCLUSIONS

Mr. Ali's spice coffee business has demonstrated innovative value through the development of traditional spice-based recipes, more attractive packaging, and practical production methods to facilitate consumer convenience. These innovations add value to the product and have successfully attracted the interest of both existing and new customers. The quality of the spice coffee products is consistently maintained by the business owner through the selection of high-quality raw materials, maintaining clean production processes, and paying attention to the proportions of spices used. Although there are challenges in maintaining consistency in taste, overall consumers are satisfied with the flavor and health benefits of the spice coffee products. Customer satisfaction is high, both from regular and new customers. This can be seen from the frequency of repeat purchases. Positive responses to the taste and packaging, as well as consumers' willingness to recommend the product to others, are key factors influencing satisfaction. The main factors influencing satisfaction are the unique taste, health benefits, and personal service provided by the business owner. The promotional strategies implemented are still simple but effective. Social media, word-of-mouth promotion, and sample distribution are the primary channels for expanding the market. These promotions play an important role in building a positive image of the product in the eyes of the public. Mr. Ali's spice coffee product has obtained official approval from the Agriculture and Food Security Office of Situbondo Regency, which enhances consumer confidence in the legality and safety of the product.

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