CUSTOMER SATISFACTION: PREDICATE OF SERVICE QUALITY AND PRICE

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ABSTRACT
The aim of the research is to examine service quality and price on customer satisfaction for beauty products in Indonesia. The research design uses quantitative descriptive and quantitative grounded theory using primary data, namely respondents' answers through questionnaire statements and informants. The research sample was beauty product users in Indonesia, totaling 324 respondents spread across big cities and two informants. The research results explain that service quality can increase customer satisfaction and price can also improve customer quality. This proves that the respondents, most of whom are women from various circles, prefer to pay attention to their appearance by using beauty products that already have product names and clarity. However, an interesting finding from researchers is that some of the customers are men, better known as metrosexuals, namely men who pay attention to their appearance to support their work.

Keywords: customer satisfaction; price; service quality

INTRODUCTION
The current business world will not be far from competition, making business people have to think a little harder to face the specter of competition. The business world will achieve maximum results if the strategies used have the ability to educate consumers and customers. Today's consumers have more ability to choose goods to buy with benefits that suit their needs, so that companies definitely have the ability to answer consumer challenges and needs. Consumer needs can be said to be customer needs when the consumer has made a purchase more than once, so for producers this is called a customer.

Customers are consumers who have transacted more than once with the same brand. This is done by consumers because the goods purchased are in accordance with what is needed. Customers have education about the goods or services needed so that customers understand the benefits of the goods or services purchased. So far, customers have been the strongest segment, so the more customers there are, the company can use it as a reference for developing products produced in the future. Apart from satisfied customers, prices are needed, where prices are the unit that binds goods or services for consumers and producers.

Amir's research results (2012: 70) state that service quality and price can increase satisfaction. Kotler (2009:139) explains that satisfied consumers are the basic level for building feelings so that they can explain quality and price. Tjiptono (2011:343) tells about service quality which starts from consumer needs and ends in satisfaction. Kotler & Armstrong, (2008:63) explain that consumers have done something by providing a price to obtain the product, so consumers have the right to evaluate. Wijayanti (2008) also has the opinion that consumers feel the level of price fairness so that satisfaction increases. The ability to increase customer satisfaction is explained by service quality and price. This explains that customer satisfaction is the company's goal. Another thing that is being debated by various company policy makers is the strategy used to increase customer satisfaction with pricing strategies. Pricing strategy is a
strategy determined by a company for products on the market, but another consideration for a company in determining its strategy is whether it is a market challenger or a follower.

This is what underlies researchers to unravel the tangled threads through empirical research with the support of phenomena and differences in the results of previous researchers. The phenomenon that occurs is the ability of prices to increase customer satisfaction, which is clearly an existing phenomenon, but how do companies carry out pricing strategies so that customers do not feel disadvantaged by the products they have purchased. Likewise, the quality of service built by the company through various indicators. The main aim of service quality is so that consumers or customers are comfortable and do not feel disadvantaged because they have used the company's products and the quality of service. From this information, the aim of the research is to analyze service quality and price on customer satisfaction from beauty products in Indonesia.

REVIEW THE LITERATURE

Service quality
Tjiptono (2012) defines service quality as a measure of how good the service level is. Parasuraman et al. (1988) revealed that there are 22 determining factors of service quality which are summarized into five dominant factors or better known as SERVQUAL, namely reliability, responsiveness, assurance, empathy, and tangible. Sunyoto and Susanti (2015) is defined as an activity that has several elements of intangibility. Kasmir (2017: 47) is the action or deed of a person or an organization. Rusydi (2017: 39) believes that service quality is the company's ability to provide services. Lovelock and Wright (2002: 265-266) say that perceptions of quality are based on long-term time, cognitive evaluation, and the service delivery process. Based on this understanding, service quality is the action and ability to fulfill commitments in providing the best service to consumers.

Price
Kotler and Armstrong (2012) In a narrow sense, price is the amount charged for a product or service. Andi (2015:128) Price is the main factor that can influence a buyer's choice. Kotler and Armstrong (2008:9-18) In setting the price of a product, the company will adjust the base price to take into account various customer differences and changes in situations. Tjiptono (2014) Price is the only element of the marketing mix that provides income or income for the company. Alma (2013) Price is the value of an item expressed in money. Swastha and Irawan (2005:159) price is the amount of money (plus several products if possible) needed to get a number of combinations of products and services. Prices are very important for the economy, this is due to the role of business so that it can run well. From the definition above, the price is the value stated in the product with a calculation of the benefits obtained.

Customer satisfaction
Kotler (2002) customer satisfaction is a person's feeling of happiness or disappointment that arises after comparing perceptions. Hansemark and Albinsson (2004) overall customer satisfaction shows attitudes towards the service provider. Bitner and Zeithaml (2003) customer satisfaction is a customer's evaluation of a product or service. Customer satisfaction is the most important factor in various business activities. Kotler (2000:42) is a person's feelings of joy or disappointment that arise.

The concept of customer satisfaction from Tjiptono (1997) can be described as follows: Motorbikes are products of automotive companies, they are a means of transportation for personal needs. Satisfaction is the level of a person's feelings after comparing the perceived
performance or results with their expectations (J. Supranto, 1997). Satisfaction is a person's feeling of pleasure or disappointment that comes from a comparison between his impression of the performance (results) of a product and his expectations. (Kotler, 1997). From the definition above, it can be explained that customer satisfaction is a feeling of happiness because they have been able to feel something and feel in line with expectations.

**Previous research**
Wicaksono & Kusuma (2021) with research results explain that service quality and price can increase customer satisfaction. Wulansari (2020) with research results which explain that service quality can increase consumer satisfaction. Rahayu & Wati (2018) explained that improving service quality can have an impact on customer satisfaction. Finistyawan & Bessie (2020) explain that customer satisfaction increases due to the role of service quality. Akbar (2020) with research results that consumer satisfaction increases due to the role of price and service quality. Likewise, promotions have a role in increasing consumer satisfaction. Dwiputra & Prabantoro (2020) explained that product quality, price and promotion contribute to increasing consumer satisfaction. However, Saleha & Prabantoro (2020) provide a different statement that service quality cannot directly increase customer loyalty and product quality has a positive and significant indirect effect on customer loyalty and customer satisfaction. Gofur (2018) explains that service quality and price can increase customer satisfaction.

**Conceptual Framework**
Customer satisfaction is a value that can be felt by customers directly so it needs attention. The company concentrates more on satisfaction and not just sales. Another thing that can increase customer satisfaction is service quality, where service quality is something that is directly attached to the product so that customers have a role by providing information about the product they purchased. Likewise, the role of quality customers who are able to provide information to the company, then another support is price.

Price is a unit that is attached to the product and can be used as a measuring tool for the product purchased by consumers. However, if you pay less attention to price, it will have an impact on customer satisfaction in the future. From this information, the conceptual framework of the research is as follows:

![Figure 1: Conceptual Framework of research](image)

**Hypothesis:**
H1: there is a significant influence of service quality on customer satisfaction.
H2: there is a significant influence of price on customer satisfaction

**METHOD**
The research design uses descriptive quantitative Grounded Theory. The data source uses primary data taken directly from respondents and informants, where the informants in this
case are beauty product customers represented by policy makers or career women with at least 2 years of use. The hope is that the information conveyed is able to represent what the informant feels about beauty products. However, the researcher did not mention products with certain brands with the aim that the information obtained would be varied so as to support the data obtained through the answers of respondents in the questionnaire totaling 324 respondents. The analysis uses regression and triangulation, the results of which are compared as final data.

RESULTS AND DISCUSSION

Description of research respondents based on gender, age and education

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>35</td>
<td>20-40</td>
</tr>
<tr>
<td>Female</td>
<td>289</td>
<td>41-60</td>
</tr>
</tbody>
</table>

Table 1.

**Description of Respondents**

Source: Primary data, 2023

Table 1 explains that there were 35 male respondents and 289 female respondents, this explains that women are more interested in using beauty products than men. Descriptions of respondents aged 20 to 40 years amounted to 205 and respondents aged 41 to 60 years amounted to 119, proving that beauty products have a segment among the productive age group. Description of respondents based on education with the number of respondents with a Bachelor's degree being 210 and Level 2 being 114.

Table 2.

**Validity test**

<table>
<thead>
<tr>
<th>Item</th>
<th>r count</th>
<th>r table</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality Variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>p1</td>
<td>0.830</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>p2</td>
<td>0.853</td>
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</tr>
<tr>
<td>p3</td>
<td>0.846</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>p4</td>
<td>0.719</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>p5</td>
<td>0.808</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>p6</td>
<td>0.761</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>Price Variables</td>
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<td></td>
<td></td>
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<tr>
<td>p7</td>
<td>0.775</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>p8</td>
<td>0.813</td>
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<td>Valid</td>
</tr>
<tr>
<td>p9</td>
<td>0.718</td>
<td>0.279</td>
<td>Valid</td>
</tr>
<tr>
<td>Customer Satisfaction Variables</td>
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<tr>
<td>p10</td>
<td>0.765</td>
<td>0.279</td>
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<tr>
<td>p11</td>
<td>0.833</td>
<td>0.279</td>
<td>Valid</td>
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<tr>
<td>p12</td>
<td>0.856</td>
<td>0.279</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Table 2 it is explained that all questionnaire statements are valid because they have a calculated r value that is greater than the r table. Likewise, in the reliability test it was explained that the Cronbach's alpha value was above 0.70. This proves that the respondent knows and understands all the questions presented in the questionnaire.

Good service quality, such as speed of response, clarity of communication, and ease of carrying out transactions, has a significant influence on the level of satisfaction of beauty product customers in Indonesia. Product quality or service quality factors have a greater impact on customer satisfaction. This will provide insight into which aspects are more important for beauty companies to focus on. Research can also identify certain customer
segments that are more responsive to service quality than other segments. This allows companies to adapt their service strategies according to different customer preferences, as well as identifying specific factors in service quality that have the most significant impact on customer satisfaction, such as staff friendliness, ease of purchasing process, or product availability.

Practical implications for beauty companies in Indonesia, such as recommendations for improving staff training, optimizing service infrastructure, or developing customer loyalty programs. With the results of this research, beauty companies in Indonesia can take concrete steps to improve the quality of their services and, in turn, increase customer satisfaction and loyalty. Research Oliver, R. L. (1980); Grönroos, C. (1984) and Cronin, J. J., & Taylor, S. A. (1992) research on satisfaction which is interpreted as that customers have the right to say what they have obtained so far, so that the company, in this case the producer, has an obligation to care for customers so that do not move to another manufacturer.

In essence, customers are the drivers of company mobility who are not paid by the company, but the role of customers in bringing the life of a product to life is very influential. The reality that has happened is that the company has done various ways to make customers better and become a marketing tool that is able to communicate to other consumers, both directly and indirectly. Grönroos (1984) defines service quality as the customer's perception of the service provider's ability and willingness to meet customer needs and expectations. This definition emphasizes the active role of service providers in creating value for customers. Kotler and Armstrong (2016) service quality is the ability of a service provider to meet or exceed customer expectations by providing services that are timely, on target, and in accordance with promised standards.

Heskett, Sasser, and Schlesinger (1997) In the service-profit chain framework, service quality is defined as the relationship between service quality, customer satisfaction, customer loyalty, profits, and business growth. They highlight the importance of understanding and improving service quality to create long-term value for companies. In general, the definition of service quality covers various aspects, including reliability, responsiveness, security, empathy, physical evidence, and the ability to meet or exceed customer expectations. Each of these definitions highlights the importance of understanding customer perspectives and needs in providing quality service.

Price in the context of business and marketing is the amount of money or value paid by customers to obtain products or services from a company. This is the value provided by customers to the company in exchange for the benefits or satisfaction obtained from the product or service. Price is not only the number printed on the label or the price that must be paid, but also includes the perception of value provided to customers. Customers will evaluate whether the price is commensurate with the benefits or satisfaction they get from the product or service purchased. Price is also related to customer perceptions of fairness and suitability. Customers will consider whether the price they pay is commensurate with the quality, features and benefits they receive from the product or service.

The definition of price also includes the pricing process, which is how companies determine the right amount to charge customers for the products or services they offer. This involves consideration of production costs, market demand, marketing strategies, and the company's profit goals. Price is also an important part of a company's marketing strategy. Companies can use a variety of pricing strategies, such as penetration pricing, differentiation pricing, or
skimming pricing, to achieve their marketing and financial goals. Kotler, P., & Armstrong, G. (2016) explain the concept of price as the amount of money or value set by the seller in exchange for the product or service received by the buyer. They emphasize the importance of price in the exchange process between sellers and buyers and its impact on customers' purchasing decisions. Nagle, T. T., & Holden, R. K. (2002) strengthens the definition of price by emphasizing the strategic and tactical aspects of pricing in business decisions. They highlight the importance of price as an important instrument in achieving a company's financial and marketing goals. Dolan, R. J., & Simon, H. (1996) provide an in-depth perspective on the concept of price as a key element in the transformation of company profitability. They highlight the strategic power of effective price management in achieving competitive advantage.

CONCLUSION
Customers who are satisfied with what they get will provide information to friends and relatives, thereby strengthening sales volume, while strengthening prices makes customers believe, apart from price, the quality of service received by customers will influence other customers.

REFERENCES


