

**THE EFFECT OF QUALITY OF SERVICE AND PRICE ON
CUSTOMER SATISFACTION ON GRILLED CHICKEN
RESTAURANTS OF PAK ATOK BAKOM CIAWI BOGOR**

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Abstract

The purpose of this study was to determine the effect of service quality and price on customer satisfaction on grilled chicken restaurants of Pak Atok Bakom, Ciawi Bogor. This study is a quantitative approach. The population in this study are consumers who visit the Grilled Chicken Restaurants of Pak Atok Bakom, Ciawi Bogor. Meanwhile, the sample used was based on the Accidental method, which is a technique for determining the sample based on needs only, members who were met by researchers and were willing to become respondents. The type of data used in this study is quantitative data which obtained through an online questionnaire, namely the Google Form. Questionnaires are used to obtain respondent data regarding service quality, price and customer satisfaction with data sources obtained directly from consumers or customers who have been or are now customers of Pak Atok Bakom's Grilled Chicken Restaurant in Ciawi Bogor. Moreover, the data analysis carried out by several test, namely Validity test, Reliability test, and Hypothesis test. The finding reveals that service quality has a significant effect on customer satisfaction and the price has a significant influence on customer satisfaction. Likewise, service quality and price has a significant effect on customer satisfaction, it is proven by path coefficient value of service quality and price on customer satisfaction which are 0,000 and the t-statistic is 5,381, hence the t-statistic is significant because $> 1,96$ with p value $< 0,00$.

Keywords: *Service Quality, Price, Customer Satisfaction*

1. INTRODUCTION

The business sector must be able to maximize its company's performance, notably in the area of culinary food, in order to compete in the market in a healthy manner in this increasingly competitive era. Yet the company must do everything it can to study and understand its consumers' requirements and expectations. As a possible consequence, organizations will be able to construct marketing strategies based on the needs and desires of customers in order to achieve customer satisfaction. As a result, many customers mention their commitment to customer satisfaction in their purchase order information. Customers' levels of satisfaction or dissatisfaction with a product are a part of the whole customer experience. According to what we've observed, customers tend to select and maintain specific values. Customers will be able to use this value to compare the prices of their own items to those of competitors. As long as a company is delivering high-quality products, it should be able to satisfy or even exceed the expectations of its customers in terms of value and satisfaction.

The Grilled Chicken Restaurant of Pak Atok Bakom Ciawi Bogor has attracted quite a lot of attention from its customers or consumers, but along with the rapid development of

restaurants, the competition between restaurants has become increasingly fierce. One of the competitions faced by Grilled Chicken Restaurant of Pak Atok Bakom Ciawi Bogor is the high competition between fast food industries in the city of Bogor. With increasing competition due to the number of restaurants in the city of Bogor, Pak Atok Bakom Ciawi Bogor Grilled Chicken Restaurant must carry out alternative strategies to attract as many visitors as possible and retain customers. Therefore, Pak Atok Bakom Ciawi Bogor Grilled Chicken Restaurant must maintain its customers from escaping to other competitors' restaurants by increasing customer satisfaction through quality of service such as, completeness of goods, cleanliness of the room, employee friendliness and the adjusted price expected by consumers or customers.

A low price can lead to customer satisfaction, because customers see the product or service as having more value than the price of the product or service in a narrow sense, while in a broad sense, price is the amount of money consumers exchange for their own benefits or use of the product or service.

By taking into account the background in question, this study aims to analyze the effect of service quality and price on customer satisfaction on Grilled Chicken Restaurants of Pak Atok Bakom, Ciawi Bogor.

2. LITERATURE REVIEW

2.1. Marketing

Marketing generates revenue that is managed by finance people and then utilized by production people to create products or services. Marketing is concerned with the identification and satisfaction of human and social needs. One of the most succinct definitions of marketing is "profitably meeting customer needs" (Kotler & Keller, 2012).

2.2. Service Quality

Service quality is the expected level of excellence and control over the level of excellence to fulfill customer desires. If the service or service received exceeds customer expectations, then the quality of the service is perceived as ideal. On the other hand, if the service or service received is lower than expected, then the quality of the service is perceived as bad (Thungasal, 2019). Service quality is a characteristic of a product or service that depends on its ability to satisfy customer-centred needs. This study measures service quality by using indicators that refer to tangible theories (Akbar, 2020).

Based on the above definition, we can conclude that service quality is a condition related to the overall characteristics of goods and services to meet the needs, desires and expectations of customers in services that aim to satisfy customers. There are several indicators of service quality are as follows:

1. Tangible

Tangible is concrete evidence of a company's ability to present the best for customers. Both from the physical appearance of the building, facilities, supporting technology equipment, to the appearance of employees.

2. Reliability

Reliability is the company's ability to provide services in accordance with consumer expectations related to speed, timeliness, no errors, sympathetic attitude and others.

3. Responsiveness

Responsiveness is providing fast or responsive service and accompanied by a clear and easy to understand delivery method.

4. Insurance

Insurance is a guarantee and certainty obtained from the polite attitude of employees, good communication and knowledge, so as to be able to foster a sense of trust in customers.

5. Empathy

Empathy gives genuine and personal attention to customers, this is done to find out consumer desires accurately and specifically.

2.3. Price

Price is strongly tied to and closely related to the fundamental value of consumer perception based on the total retail mix factors in the process of generating a picture and interacting with the product or service in question (Ramadani 2020).

The value included in a price is referred to as its price. Prices have an impact on customer satisfaction because each individual's perception of prices differs from that of other consumers. Price is a consumer or customer's perception of the price with the goal of high or cheap and acceptable prices have a big influence with the intention of buying and buying satisfaction (Mutiara et al., 2021).

Furthermore, price is the amount of money needed to get a certain combination of goods and services. According to the above definition, the policy regarding prices is only temporary, meaning that producers must follow price developments in the market and must know the company's position in the overall market situation (Susanti, 2020).

To determine the price it can be determined by the following indicators, which are as follows:

1) Price match with competitors

It is a price offer given to different and competitive producers/sellers with those provided by other manufacturers, on the same type of product.

2) Price Match With Service

3) Price Match with Facilities

In this case price is more often used as an indicator of quality for customers, people more often choose a slightly higher price between two goods because they see a difference in price quality.

4) Price Match with Benefits

In the aspect of pricing, the first time that is done by the producer in accordance with the benefits is what the customer can get from the product purchased.

2.4. Customer satisfaction

Customer satisfaction can be defined as a condition in which the needs, wants and expectations of customers can be met through the products consumed (Ramadan, 2020). Satisfaction can be defined as an attempt to complete or make something appropriate. Customer satisfaction is defined as a person's contentment or unhappiness with the results of a comparison between the performance or quality of a product received and their expectations. Consumers will be unsatisfied if a product's performance falls short of expectations. The consumer will be satisfied if the product's performance meets their

expectations. If the product's performance meets or surpasses expectations, the customer will be incredibly satisfied (Pratama, 2016).

Customer satisfaction is determined by the product's perceived performance in relation to purchase expectations. The customer feels dissatisfied if the product fails to satisfy expectations. Consumer satisfaction is defined as a reaction to customer behavior measured by comparing performance or perceived results to expectations. If the perceived results fall short of expectations, the customer will be disappointed, unhappy, or even unsatisfied; on the other hand, if the performance meets expectations, the customer will be satisfied; and if the performance exceeds expectations, the client will be extremely satisfied (Prajna, 2018).

A customer is someone who comes to the same area on a regular basis and repeatedly to satisfy his or her need by purchasing a product or receiving a service and paying for the product or service received (Kristianti & Rivai, 2018).

Besides that, there are factors that affect the level of customer satisfaction according to Kotler & Keller (2012), namely :

- 1) Overall Satisfaction (Feeling satisfied with the customer on the overall product or service)
- 2) Confirmation Expectation (Conformity with customer expectations)
- 3) Comparison to Ideal (Exceeded customer expectations)

3. RESEARCH METHOD

The research approach used in this study is a quantitative approach according to Sugiyono (2017) quantitative approach is a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative or statistical data analysis with the aim of testing predetermined hypotheses.

In the end, the results of this study explain the causal relationship between the variables through hypothesis testing. This study aims to determine the relationship between three variables, namely the service quality variable (X1) and the price variable (X2) as the independent variable, while the customer satisfaction variable (Y) act as the dependent variable.

Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. In research, this social phenomenon has been specifically defined by the researcher, hereinafter referred to as the research variable. With a Likert scale, the variables to be measured are translated into variable indicators. Then the indicator is used as a starting point for compiling instrument items which can be in the form of statements or questions. The Likert scale was obtained based on the results of a questionnaire distributed through Google Form.

Table 1 Likert scale

No	Information	Answer				
		SA	A	N	D	SD
		5	4	3	2	1
1	Strongly agree	<input type="checkbox"/>				
2	Agree		<input type="checkbox"/>			
3	Neutral			<input type="checkbox"/>		
4	Disagree				<input type="checkbox"/>	
5	Strongly Disagree					<input type="checkbox"/>

Furthermore, the population in this study are consumers who visit the Grilled Chicken Restaurants of Pak Atok Bakom, Ciawi Bogor. Meanwhile, the sample used was based on the Accidental method, which is a technique for determining the sample based on needs only, members who were met by researchers and were willing to become respondents.

The type of data used in this study is quantitative data, that is, researchers can manage data using rankings, the source of data used in this research is primary data used is data obtained directly from the answers of respondents who have been or are now customers of Grilled Chicken Restaurants of Pak Atok Bakom through an online questionnaire, namely the Google Form. Questionnaires are used to obtain respondent data regarding service quality, price and customer satisfaction with data sources obtained directly from consumers or customers who have been or are now customers of Pak Atok Bakom's Grilled Chicken Restaurant in Ciawi Bogor. Moreover, the data analysis through several test such as Validity test, Reliability test, and Hypothesis test.

4. RESULT AND DISCUSSION

4.1. Result Research

4.1.1. Convergent Validity Test

Figure 2 the calculation results of the Smart PLS application can be seen in the loading factor values of the indicators for each variable as follows:

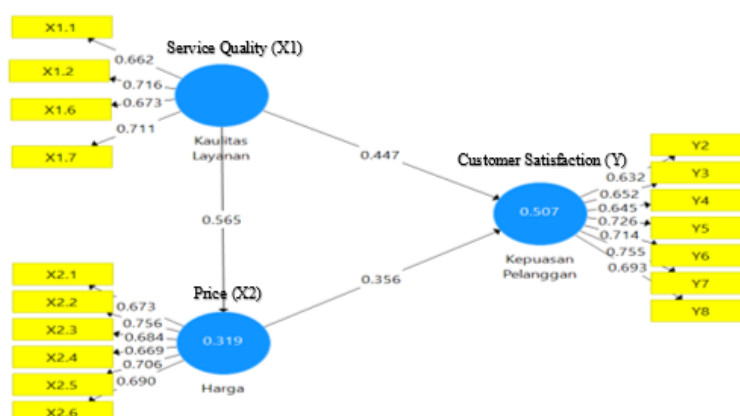


Figure 2 Model Testing

a. Value of Convergent Validity X1 (Quality of Service):

In Figure 2 the indicators X1.1, X1.2, X1.6 and X1.7 have a loading factor value above 0,6, so they have high validity. Meanwhile, indicators of X1.3, X1.4, X1.5 have a loading factor value below 0,6, which means the validity is low, so it is removed from the model.

Table 2 Value of Convergent Validity X1 (Quality of Service)

Variable	Indicator	Outer Loading	Description
Service Quality	X1.1	0.662	Valid
	X1.2	0.716	Valid
	X1.6	0.673	Valid
	X1.7	0.711	Valid

b. Value of Convergent Validity X2 (Price)

In Figure 2 none of the indicators has a loading factor value below 0,6, so that all indicators are still used.

Table 3 Value of Convergent Validity X2 (Price)

Variable	Indicator	Outer Loading	Description
Price	X2.1	0.673	Valid
	X2.2	0.756	Valid
	X2.3	0.684	Valid
	X2.4	0.669	Valid
	X2.5	0.706	Valid
	X2.6	0.690	Valid

c. Convergent Validity Y Value (Customer Satisfaction)

In the figure 2, the indicators of Y2 to Y8 have a loading factor value above 0,6 so they have high validity. Meanwhile, only Y1 indicators have a factor loading value below 0,6 then the validity is low so they are removed from the model.

Table 4 Value of Convergent Validity Y (Customer Satisfaction)

Variable	Indicator	Outer Loading	Description
Customer satisfaction	Y2	0.632	Valid
	Y3	0.652	Valid
	Y4	0.645	Valid
	Y5	0.726	Valid
	Y6	0.714	Valid
	Y7	0.755	Valid
	Y8	0.693	Valid

1) Discriminant Validity Test

Discriminant validity is used to ensure that each concept of each construct or latent variable is different from other variables. The table below shows the results of the discriminant validity of the research model by looking at the cross-loading value.

a. Analysis of Discriminant Validity Indicator Variable X1 (Quality of Service)

Table 5 Value of Discriminant Validity X1 (Quality of Service)

Indicator	Price	Customer Satisfaction	Service Quality	Description
X1.1	0.339	0.431	0.662	Valid
X1.2	0.436	0.469	0.716	Valid
X1.6	0.378	0.515	0.673	Valid
X1.7	0.402	0.360	0.711	Valid

From the results of the estimated cross loading in the table above, it shows that the loading value of each indicator item on the construct (X1) is greater than the value of the cross loading. Thus, it can be concluded that all variables already have good discriminant validity, where indicators on turning indicators are better than other block indicators or can be declared valid.

b. Analysis of Discriminant Validity Indicator Variable X2 (Price)

Table 6 Value of Discriminant Validity X2 (Price)

	Price	Customer satisfaction	Service Quality	Information
X2.1	0.673	0.431	0.380	Valid
X2.2	0.756	0.469	0.438	Valid
X2.3	0.684	0.529	0.525	Valid
X2.4	0.669	0.369	0.342	Valid
X2.5	0.706	0.369	0.375	Valid
X2.6	0.690	0.493	0.453	Valid

From the results of the estimated cross loading in the table above, it shows that the loading value of each indicator item on the variable (X2) is greater than the value of the cross loading. Thus, it can be concluded that all variables already have good discriminant validity, where indicators on turning indicators are better than other block indicators or can be declared valid.

c. Analysis of Discriminant Validity Indicator Y Variable (Customer Satisfaction)

Table 7 Value of Discriminant Validity Y (Customer Satisfaction)

	Price	Customer satisfaction	Service Quality	Description
Y2	0.380	0.632	0.352	Valid
Y3	0.472	0.652	0.401	Valid
Y4	0.443	0.645	0.351	Valid
Y5	0.399	0.726	0.505	Valid
Y6	0.415	0.714	0.451	Valid
Y7	0.480	0.755	0.535	Valid
Y8	0.346	0.693	0.503	Valid

From the results of the estimated cross loading in the table above, it shows that the loading value of each indicator item on its construct (Y) is greater than the cross loading value. Thus, it can be concluded that all variables already have good discriminant validity, where the indicators in the indicator block are better than other block indicators or can be declared valid.

2) Average Variance (AVE) test

Table 8 Average Variance Extracted (AVE) Value

Variable	Average Variance Extracted (AVE)	Description
Service Quality	0.586	Reliable
Price	0.577	Reliable
Customer satisfaction	0.575	Reliable

From the table above, it is known that the Average Variance Extracted (AVE) value has a value below 0,5. Therefore, there is still a convergent validity problem. Thus, it can be concluded that Average Variance Extracted (AVE) has poor reliability because it does not comply with the required minimum value.

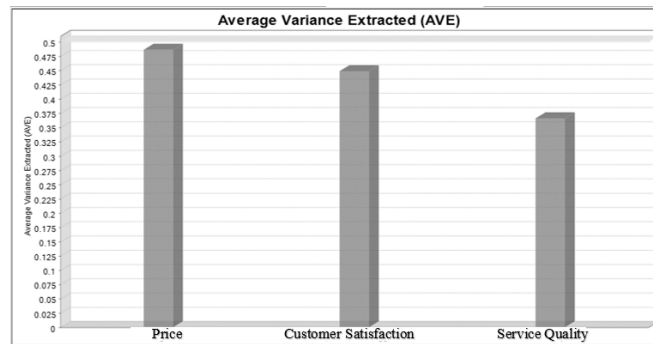


Figure 3 AverageVarianceExtrated (AVE)

4.1.2. Composite Reliability Test

The Outer Model can be measured in addition to assessing convergent validity and discriminant validity, which can be done by looking at the reliability of the construct or latent variable which is measured by looking at the compsite reliability value of the indicator block that measures the construct. Outer PLS results for composite reliability and cronbachalpha values can be seen in the following table:

Table 9 Composite Reliability Value

Variable	Composite Reliability	Description
Service Quality	0.850	Reliable
Price	0.785	Reliable
Customer satisfaction	0.863	Reliable

The table above shows the compsite reliability values for all constructs that are above the value of 0,7. Thus, it can be concluded that all variables have good reliability in accordance with the required minimum value limit.

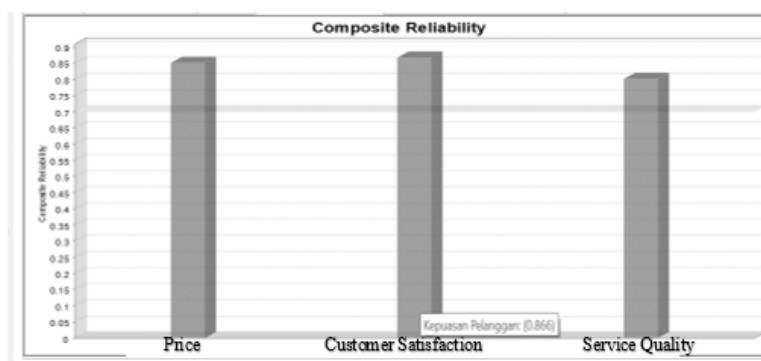


Figure 4 Composite Reliability

1) Cronbach Alpha test

The outer model is not only measured by assessing convergent validity and discriminant validity, it can also be done by looking at the reliability of the latent variable which is measured by looking at the cronbachalpha value of the indicator block that measures the variable. The variable is declared reliable if the cronbachalpha value is greater than 0,60.

Table 10 Cronbach Alpha value

Variable	Cronbach Alpha	Description
Service Quality	0.788	Reliable
Price	0.736	Reliable
Customer satisfaction	0.815	Reliable

The table above shows the CronbachAlpha values for all constructs that are above the value of 0,6. Thus, it can be concluded that all constructs have good reliability in accordance with the required minimum value.

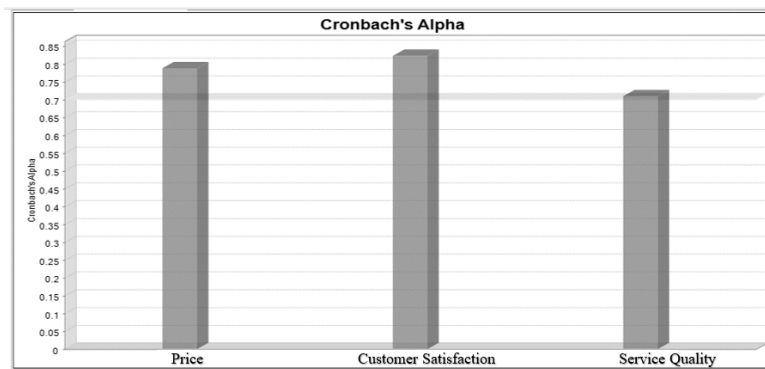


Figure 5 Cronbach Alpha

4.1.3. Measurement Model of Hypothesis Testing (Bootstrapping)

In this study, hypothesis testing was carried out based on the results of testing the inner model (Structural Model) which included the output r-square, parameter coefficients and t-statistics. To see whether a hypothesis can be accepted or rejected, among others, by paying attention to the significance value between constructs, t-statistics and p-values. The hypothesis testing of this research was carried out with the help of the Smart PLS 3.0 software. These values can be seen from bootstrapping. The rule of thumb used in this study is 9-statistic > 1,96 with a significance level of p-value 0,05 (5%) and the fath coefficient is positive. The value of testing this research hypothesis can be shown in the figure as follows:

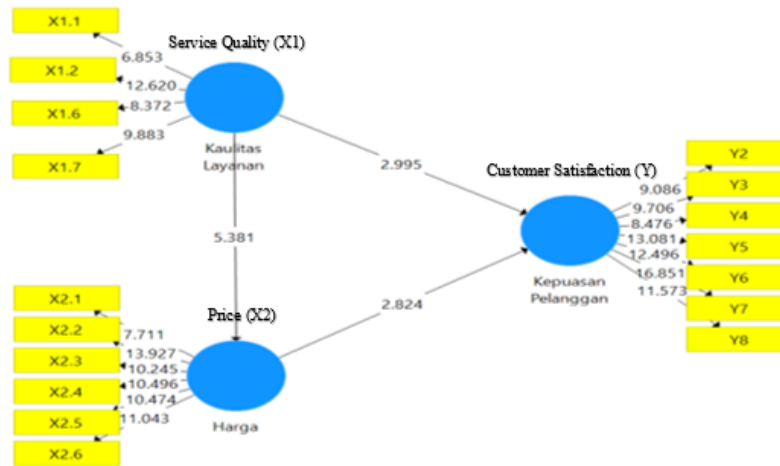


Figure 6 Measurement Model (Bootstrapping)

Direct Effect Hypothesis Testing:

Path coefficient evaluation is used to show how much influence or effect the independent variable has on the dependent variable. The path coefficient value can be seen in the following table:

Table 11 Path Coefficients (Direct Effect)

Path Coefficients	Original Sample	Sample Menu	Standard Deviation	T Statistics	P Values	Description
Service Quality→Customer satisfaction	0.447	0.424	0.149	2,995	0.003	Significant Effect
Price→Customer satisfaction	0.356	0.386	0.126	2,824	0.005	Significant Effect
Service quality and price→Customer satisfaction	0.565	0.583	0.105	5,381	0.000	Significant Effect

4.2. Discussion

4.2.1. The Effect of Service Quality on Customer Satisfaction

According to the results of this study, it shows that the path coefficient value of the service quality on customer satisfaction of 0,003 and the t-statistic of 2,995. From these results, it is stated that the t-statistic is significant because it is $> 1,96$ with p value $< 0,05$, so that the hypothesis is accepted. This proves that service quality has a significant effect on customer satisfaction.

4.2.2. The Effect of Price on Customer Satisfaction

According to the results of this study, it shows that the path coefficient value of the price on customer satisfaction of 0,005 and the t-statistic of 2,824. From these results, it is stated that the t-statistic is significant because it is $> 1,96$ with p value $< 0,05$, so that the hypothesis is accepted. This proves that price has a significant effect on customer satisfaction.

4.2.3. The Effect of Service quality and Price on Customer Satisfaction

According to the results of this study, it shows that the path coefficient value of service quality and price on customer satisfaction of 0.000 and t-statistics of 5.381. From these results, it is stated that the t-statistic is significant because it is > 1.96 with p value < 0.05 so that the hypothesis is accepted. This proves that service quality and price simultaneously has a significant effect on customer satisfaction

5. CONCLUSION

To sum up everything that has been stated so far, the following conclusion can be drawn in this study, namely:

1. The results of the path coefficient value of the service quality on customer satisfaction are 0,003 and the $t_{\text{statistic}}$ is 2,995. From these results, it is stated that the $t_{\text{statistic}}$ is significant because $> 1,96$ with p value $< 0,003$, so that the hypothesis is accepted. This proves that service quality has a significant effect on customer satisfaction.
2. The results of the path coefficient value of the price on customer satisfaction are 0,005 and the $t_{\text{statistic}}$ is 2,824. From these results, it is stated that the $t_{\text{statistic}}$ is significant because it is $> 1,96$ with p value $< 0,05$, so that the hypothesis is accepted. This proves that price has a significant effect on customer satisfaction.
3. The results of the path coefficient value of service quality and price on customer satisfaction are 0,000 and the $t_{\text{statistic}}$ is 5,381. From these results, it is stated that the $t_{\text{statistic}}$ is significant because $> 1,96$ with p value $< 0,00$, so that the hypothesis is accepted. This proves that service and price quality simultaneously has a significant effect on customer satisfaction.

Suggestions

In this study, the researchers suggest several things, namely:

1. For managers of Pak Atok Grilled Chicken Restaurant to further improve their services in order to enhance and maintain customer satisfaction.
2. For researchers, it is better to research on different objects and compare with several other restaurants so that the modeled concept can be improved and provide a broader picture of service quality and price on customer satisfaction. In addition, further research should add other variables that are not yet in this study so that it can improve the understanding of the factors that influence customer satisfaction with the Ayam Bakar restaurant in the Ciawi area of Bogor.
3. Regarding the development of service quality of Pak Atok Grilled Chicken Restaurant, Ciawi Bogor, the company should conduct training related to work and abilities as an effort to improve the provision first.
4. Considering that service quality and price are very important for culinary circles, it should be implemented even better so that it can realize service quality and price for maximum customer satisfaction.

5. For academics, further researchers are expected to examine more sources and references related to educational infrastructure and effectiveness of learning process so that the research results can be better and more complete.

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