

MAPPING IDEA & LITERATURE FORMAT | RESEARCH ARTICLE

The Influence of Price Perception and Service Quality on Customer Satisfaction: Case Study on Irian Kisaran Supermarket, Asahan Regency, Indonesia

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ABSTRACT

The business world is experiencing increasingly tight competition in attracting consumer interest. Price perception and service quality are factors that determine customer satisfaction. The problem in this study is whether price perception and service quality affect customer satisfaction at the Irian Kisaran Supermarket, Asahan Regency. This study aimed to partially and simultaneously determine the effect of price perception and service quality on customer satisfaction. The variables in this study consist of price perception (X1), service quality (X2), and customer satisfaction (Y). The data collection method used a questionnaire, and data analysis was carried out using multiple linear regression through SPSS software. The results showed that the multiple linear regression model obtained was $Y = -0.113 + 0.467X1 + 0.235X2 + e$. The partial test (t-test) showed that both price perception and service quality significantly affected customer satisfaction. The simultaneous test (F test) showed that both independent variables significantly affected customer satisfaction. These results indicate that to increase customer satisfaction, the Irian Supermarket needs to maintain and improve competitive price perceptions and good service quality. Keywords: Price Perception, Service Quality, Customer Satisfaction

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I. Introduction

The retail industry is currently facing an increasingly intense level of competition, in line with the rapid growth of shopping centers at local, national, and international levels. Each retail business targets various market segments and competes to attract consumer attention. This condition requires business actors to continuously innovate and develop strategies that position them as the consumers' top choice while also maintaining the loyalty of existing customers. Companies must design and implement well-directed and comprehensive competitive strategies in a highly competitive environment. A company's success largely depends on its ability to compete effectively in the marketplace. The increasing intensity of competition

demands that businesses better understand consumer needs, meet their expectations, and deliver superior service compared to their competitors.

Companies that consistently maintain high-quality products and services are more likely to survive and dominate the market. The primary objective of establishing a business is to grow sustainably and achieve optimal long-term profitability. Implementing an appropriate pricing strategy is crucial in realizing this competitive advantage. Price is not merely an exchange value for goods or services; it also reflects consumers' perception of the value and benefits they receive compared to their sacrifices. In addition to pricing, service quality is pivotal in ensuring business continuity. Consumers are key elements in the transaction process; therefore, the services provided must aim to create customer satisfaction. The level of this satisfaction is strongly influenced by how well the company consistently delivers its services in alignment with sound business ethics. In the service industry context, customer satisfaction is generally influenced by two main factors:

1. Price perception – the extent to which consumers believe the price offered is proportional to the benefits received.
2. Service quality includes team member attitudes and performance, such as friendliness, accuracy, and promptness in serving customers.

It is worth examining how these two factors are applied at one of the leading local retailers in North Sumatra: Irian Supermarket Kisaran. As a modern retail center in Asahan Regency, Irian Supermarket is important in meeting the local community's needs. Its success is mainly due to its ability to maintain service quality, establish a positive price perception, and ensure customer satisfaction. Employees at Irian Supermarket provide services characterized by friendliness, accuracy, and efficiency, directly contributing to a pleasant shopping experience. On the other hand, implementing affordable pricing strategies through various discounts and promotional programs positively influences consumer perception of product value. Customers feel satisfied when the benefits received align with the costs incurred. Customer satisfaction at Irian Supermarket is further reinforced by a comfortable shopping environment, complete product availability, and corporate social responsibility initiatives that build a positive image within the community. The interconnection between service quality, price perception, and customer satisfaction forms the foundation for maintaining consumer loyalty and enhancing Irian Supermarket's competitiveness amid the increasingly challenging local retail industry.

II. Literature Review and Hypothesis Development

Marketing is at the heart of modern business operations, oriented toward fulfilling customer needs profitably. According to Kotler and Keller (2016), marketing is defined as "meeting needs profitably," emphasizing that marketing is not just about selling but a strategic effort to understand market demands and provide valuable solutions. Alma (2013) also highlights that marketing involves analyzing market structure, customer orientation, and positioning the company within the value chain. This indicates that marketing is not merely a tactical activity, but a strategic decision-making process in a competitive environment.

2.1. Marketing Mix

The marketing mix concept, popularly known as the 4Ps—Product, Price, Place, and Promotion—represents the tools companies use to influence demand in the target market (Kotler & Keller, 2016). These elements work interdependently and are crucial for developing an effective marketing strategy.

1. Product

A product encompasses the combination of goods and services offered to the consumer. Kotler and Armstrong (2014) define a product as anything offered to a market to attract attention, be acquired,

used, or consumed to satisfy a need or desire. Product development must consider innovation, differentiation, and consumer trends in today's market.

2. Price

Price refers to the money customers must pay to acquire a product. Tjiptono (2020) views price as the total sacrifice a consumer makes to obtain specific benefits. Kotler and Keller (2016) argue that price is the only element in the marketing mix that generates revenue, while the others incur costs. Thus, pricing strategies must reflect both consumer perceived value and market competition.

3. Place

Place concerns distribution decisions, including logistics systems, storage, and channel selection. In the digital era, the concept of place has expanded beyond physical stores to include online platforms, transforming how companies distribute products and reach their target audience.

4. Promotion

Promotion includes all communication activities to inform, persuade, and remind consumers about products or brands. Kotler and Keller (2016) describe it as a mix of direct and indirect methods to build brand awareness and customer loyalty. This is especially vital in today's digital landscape, where social media dominates.

2.2. Price Perception

Price perception plays a critical role in consumer purchasing decisions. Tjiptono (2020) asserts that consumers evaluate price based on the balance between the sacrifice made and the perceived benefits received. Consumers also often compare the product with substitutes to determine the best value. In modern marketing, price perception goes beyond numerical value, including psychological pricing, transparency, and dynamic pricing strategies. Kotler and Keller (2016) emphasize that price is the most adaptable element in the marketing mix. Companies must manage pricing to remain competitive and align with brand image and customer expectations.

2.3. Service Quality

Service quality refers to a company's ability to meet or exceed customer expectations through its services. Kotler and Keller (2016) define quality as the total features and characteristics of a product or service that affect its ability to satisfy stated or implied needs. Goetsch and Davis (as cited in Tjiptono, 2008) describe quality as a dynamic condition related to products, services, people, processes, and the environment. Laksana (2008) suggests that quality comprises features that fulfill customer desires, thus generating satisfaction. In practical terms, service quality is often measured using the SERVQUAL model, which includes tangibles, reliability, responsiveness, assurance, and empathy.

2.4. Customer Satisfaction

Customer satisfaction is a crucial indicator of a company's performance. Kotler and Keller (2016) define satisfaction as the customer's pleasure or disappointment from comparing a product's perceived performance with expectations. If performance meets expectations, the customer is satisfied; if it exceeds expectations, the customer is delighted; and if it falls short, dissatisfaction occurs. Thamrin and Francis (2015) explain that past experiences, peer influence, and marketing communications shape customer expectations. Therefore, companies must consistently manage expectations and performance to maintain high levels of customer satisfaction.

2.5. Synthesis and Relevance to Modern Marketing Practices

The reviewed literature shows that price perception, service quality, and customer satisfaction are interrelated and highly relevant in modern marketing strategies. In today's digital and highly competitive

landscape, consumers are more critical in evaluating the value of products based on price and the overall experience and service. Hence, a deep understanding of these factors is vital for developing adaptive, value-based, and customer-oriented marketing strategies. This study builds upon these theoretical frameworks to examine the influence of price perception and service quality on customer satisfaction in the context of a local retail business—Irian Supermarket Kisaran, which operates in an increasingly competitive retail environment and serves a dynamic consumer base.

- H1: Price perception has a significant effect on customer satisfaction.
H2: Service quality significantly affects customer satisfaction.
H3: Price perception and service quality significantly affect customer satisfaction.

III. Research Method

This research employs a quantitative descriptive approach using a survey method to collect data directly from respondents through structured questionnaires. The purpose of this approach is to systematically and measurably examine the influence of price perception (X_1) and service quality (X_2) on customer satisfaction (Y). The population in this study consists of all customers who shopped at Irian Supermarket Kisaran from April to May 2025. Ninety-six respondents were selected as the sample, using the purposive sampling technique. This method was chosen to ensure that respondents meet specific criteria, such as having made at least two purchases at the supermarket within the last three months. This ensures the respondents have sufficient experience to evaluate the variables under study. Data was collected using a closed-ended questionnaire, in which respondents rated statements related to the research variables. The variables were measured using a Likert scale with five levels of agreement, as follows:

- a) Strongly agree (score 5)
- b) Agree (score 4)
- c) Neutral (score 3)
- d) Disagree (score 2)
- e) Strongly disagree (score 1)

The data obtained were analyzed using multiple linear regression analysis, facilitated by the SPSS (Statistical Package for the Social Sciences) software. This technique was employed to determine both the simultaneous and partial effects of price perception and service quality on customer satisfaction. Before conducting the primary analysis, preliminary tests were carried out, including validity and reliability testing of the instrument and classical assumption tests, such as normality, multicollinearity, and heteroscedasticity, to ensure the data met the assumptions required for regression analysis. The rationale for choosing this method is based on the study's objective: to determine the extent to which each independent variable contributes to the dependent variable, and to identify which factor has the most dominant influence on customer satisfaction in the local retail context, specifically at Irian Supermarket Kisaran.

IV. Results and Discussion

The results of the validity test in this study indicate that all indicators of price perception variables, service quality, and consumer satisfaction are valid. The reliability test results in this study indicate that all indicators of price perception, service quality, and consumer satisfaction are reliable. The results of the classical assumption test in this study indicate that the regression model used is usually distributed, has no multicollinearity problems, and does not have heteroscedasticity problems.

4.1. Statistical Result

Table 1. X1 Validity Test Results

variable	R count	R table	Description
P1	0.896	0,2706	Valid
P2	0.841	0,2706	Valid
P3	0.868	0,2706	Valid
P4	0.796	0,2706	Valid

Table 2. X2 Validity Test Results

variable	R count	R table	Description
P5	0.868	0,2706	Valid
P6	0.817	0,2706	Valid
P7	0.734	0,2706	Valid
P8	0.804	0,2706	Valid
P9	0.796	0,2706	Valid

Table 3. Validity Test Results Y

variable	R count	R table	Description
P10	0.867	0,2706	Valid
P11	0.862	0,2706	Valid
P12	0.877	0,2706	Valid

Table 4. Reliability Test Results

Variable	condition	Cronbach's Alpha	Description
X1	>0.6	0.873	Reliable
X2	>0.6	0.863	Reliable
Y	>0.6	0.863	Reliable

4.2. Hypothesis Testing

4.2.1. Multiple Linear Regression Analysis Results

The results of multiple linear regression from this study and from these results can create the following equation model:

$$Y = -0,113 + 0,467X1 + 0,235X2 + e$$

Description:

X1= Price Perception

X2= Service Quality

Y= Customer Satisfaction

The constant value is -0.113, explaining that if the value generated by the price perception variable (X1) and service quality (X2) remains constant, then the consumer satisfaction value (Y) is -0.113. The regression coefficient on the price perception variable (X1) is 0.467. This means that every one-unit increase in the work ability variable (X1) will increase the consumer satisfaction value (Y) by 0.467 units. The regression coefficient on the service quality variable (X2) is 0.235. This means that every one-unit increase in the leadership style variable (X2) will increase the consumer satisfaction value (Y) by 0.235 units.

4.2.2. Results of Analysis of Coefficient of Determination (R^2)

Table 5. Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.921 ^a	.848	.842	.778

Based on Table 5, it is known that the magnitude of the adjusted R-squared determination coefficient is 0.842, which means that the independent variables of Price Perception and Service Quality can explain the influence on the dependent variable of Consumer Satisfaction by 82.42%. The remaining 17.58% are variables that have not been studied.

4.2.3. Simultaneous Test Results (F Test)

Table 6. ANOVA^a

	Model	F	Sig.
1	Regression	139.969	.000 ^b
	Residual		
	Total		

Table 6 shows that the calculated F value (139.969) exceeds the F table (3.18) and sig. (0.000) is smaller than alpha (0.05). Price perception and service quality variables simultaneously affect consumer satisfaction at the Irian Kisaran Supermarket, Regency.

4.2.4. Partial Test Results (t-Test)

Table 7. T-Test

	Model	t	Sig.
1	(Constant)	-.136	.892
	Price Perception	6.056	.000
	Service Quality	3.528	.001

Table 7 shows the t-test results for the price perception variable (6.056), with a t-table value of 1.67 obtained. So that the t-test > t-table value is $6.056 > 1.67$, while the sig.t value for the price perception variable is $0.000 < 0.05$. So, the price perception variable partially has a positive and significant effect on the price perception variable. At the same time, the t-test for the service quality variable is (3.528) with a t-table value of 1.67. So that the t-test > t-table value is $3.528 > 1.67$, while the significance value for the service quality variable is $0.001 < 0.05$, so, partially, the service quality variable has a positive and significant effect on the consumer satisfaction variable. From the t-test results above, it can be concluded that the perception of price and service quality increases customer satisfaction at the Irian Kisaran Supermarket, Asahan Regency.

4.3. Discussion

4.3.1. Price Perception as the Dominant Factor in Enhancing Customer Satisfaction

The partial test results show that price perception has the most dominant influence on customer satisfaction at Irian Supermarket Kisaran, with a significance value of $0.000 < 0.05$ and a t-value of $6.056 > t$ -table value of 1.67. This finding supports the theory by Tjiptono (2020), which states that price perception is a critical indicator consumers use to assess value in exchange for the benefits they receive. Satisfaction will likely increase when consumers feel the price is fair and equivalent to the quality of products or services.

This result also aligns with Zeithaml's (1988) research, which emphasized the importance of "value for money" as a strong predictor of customer satisfaction. Price perception becomes a strategic element for customer retention in local retail, particularly in regions with varying consumer purchasing power, such as Asahan. Several factors explain the dominance of price perception, such as perceived fairness of pricing, where consumers compare prices with competitors for similar products. These transparent promotional strategies build trust, align product quality and pricing, and lead to long-term loyalty.

4.3.2. Service Quality as an Additional Driver of Customer Satisfaction

Service quality was also found to have a significant positive effect on customer satisfaction, with a significance value of $0.001 < 0.05$ and a t-value of $3.528 > 1.67$. This aligns with Parasuraman, Zeithaml, and Berry (1985), who emphasized the importance of service dimensions such as responsiveness, empathy, and reliability in shaping customer satisfaction. Even when product expectations are not fully met, positive service experiences can create favorable emotional responses to overall satisfaction. Kotler and Keller (2016) also highlight that high service quality fosters repeat purchases and strengthens competitive positioning. Key service-related factors influencing satisfaction include Prompt and accurate service, Friendly team member attitudes, and Effective complaint resolution.

4.3.3. The Simultaneous Influence of Price Perception and Service Quality on Satisfaction

The simultaneous F-test results yielded an F-value of $139.969 > 3.18$, with a significance value 0.000. This indicates that price perception and service quality together significantly influence customer satisfaction. Oliver (1997) noted that satisfaction is a comprehensive outcome formed by interactions between multiple touchpoints, including pricing and service. When fair pricing is coupled with quality service, customers perceive the shopping experience as complete and fulfilling. Furthermore, one variable can sometimes compensate for the other; for example, slightly higher prices may be acceptable when paired with exceptional service.

4.3.4. Model Strength and Study Limitations

The Adjusted R^2 value of 0.842 indicates that 84.2% of the variance in customer satisfaction can be explained by the two independent variables: price perception and service quality. This reflects a strong and reliable regression model. However, this study has several limitations:

- It did not include other potentially influential factors such as product quality, availability, store cleanliness, or marketing communications.
- The study was conducted over a short period (April–May 2025), which may not capture seasonal trends or market fluctuations.
- It did not address digital service channels, such as online shopping platforms or delivery systems, which are increasingly relevant.
- Ethical considerations were not explicitly documented, such as obtaining informed consent or ensuring respondent confidentiality—important aspects for research transparency and responsibility.

V. Conclusion

1. Price perception positively and significantly influences customer satisfaction at the Irian Kisaran Supermarket, Asahan Regency. This can also be interpreted that the more appropriate the price

perception given to customers, the higher the customer satisfaction of the Irian Kisaran Supermarket, Asahan Regency.

2. Service quality positively and significantly influences customer satisfaction at the Irian Kisaran Supermarket, Asahan Regency. This can also be interpreted that the better the quality of service provided by employees or companies to customers, the higher the customer satisfaction with the Irian Kisaran Supermarket service.

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