

# *The Influence of Service Quality, Prices And Promotions on Customer Satisfaction of Raswata Florist Shops in Lampung Metro City*

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**Abstract** – The aim of this research is to evaluate the impact of variables such as service quality, price and promotion. The multiple linear regression method is used in this research. The population that was the focus of the research was all customers of the Raswata Florist shop and the sample used was 100 people who were research respondents using purposive sampling as a sampling technique. The recommendation of this research is to increase customer satisfaction to continue to improve service quality to focus on understanding customer needs, fast responsiveness, personalization of service and continuing to innovate to improve service. With this, it is hoped that we can achieve optimal customer satisfaction, while prices will continue to be adjusted accordingly by providing rates that meet consumer expectations and offering value in accordance with product quality. The findings from this research show that service quality, price and promotion have a significant and positive influence on customer satisfaction at the Raswata Florist store partially. The factors of price, promotion, and service quality all have significant effects on customer satisfaction at the same time and measure 61.2% of the association between the variables that researchers have examined.

**Keywords** – Service Quality, Price, Promotion, Customer Satisfaction

## I. INTRODUCTION

In the current era of globalization, the market is dominated by many brands and products that compete with each other, creating intense business competition. This situation encourages business people to focus their attention on providing satisfaction to customers through superior service, whether in the form of services, brands or the products they offer. Globalization also opens the door for all countries around the world to be involved in the free trade process, however, this is also challenging for local business actors, especially in Indonesia, who have to compete with global corporations. Small and Medium Enterprises (MSMEs) have a vital role in the Indonesian economy because they not only provide involvement in absorbing labor, but also feel the direct impact of globalization.

Excellent service quality is a must for customers when they choose a service. Service quality is a description of the performance that a person provides to others. Furthermore, cost plays a big part in keeping customers loyal and keeping them from moving to other service providers. Customer satisfaction is significantly impacted by high service quality. According to Widjoyo et al. (2014), services that are superior in quality tend to produce high levels of satisfaction and can encourage customers to make repeat purchases more often. The cost of the goods or services also plays a significant role in influencing someone's decision to purchase them.

Apart from service quality, price plays a role in influencing customer satisfaction. Price refers to the amount of fees charged to customers to obtain goods or services, in proportion to the benefits provided by the goods or services. Price flexibility makes customers more likely to compare prices before making a purchase, which can then influence their decisions. Pricing policies need to be adjusted to market conditions and changes in environmental conditions, especially when competition becomes tighter and demand is limited. Affordable prices in line with customer expectations can increase their satisfaction. For example, the Rasawata Florist shop shows that prices that match customer expectations can increase their satisfaction.

Promotions also play an important role in influencing customer satisfaction. Promotion is an engaging interaction tool that aims to provide explanations, attract consumer attention, and ultimately increase company sales. Various studies have shown that service quality, price, and promotions individually and simultaneously have a positive impact on customer satisfaction. Research conducted by (Andriasan Sudarso, 2017), (Susanto Doni Putra Seno Sumowo & Anwar (2017), and (Ni Wayan Eka Yanti & I Made Suasti Puja, 2021) shows that these factors jointly influence customer satisfaction. Therefore, professional business management and effective promotional strategies can increase customer satisfaction and help companies strive to meet consumer expectations for the services provided. Pre-research at the Raswata Florist Metro store shows that there are several obstacles in service quality, price and promotion. Lack of parking space, product variations that are less diverse and less modern, as well as less attractive promotions on social media such as Instagram cause customers to prefer other shops as their main choice. Lack of promotional time and inadequate promotional media also cause Raswata Florist shops to be less accessible by customers.

From this description, this research proposes several problems and objectives as follows 1. Does service quality have an impact on customer satisfaction at the Raswata Florist shop? 2. Does price affect customer satisfaction at the Raswata Florist store? 3. Do promotions have an effect on customer satisfaction at the Raswata Florist shop? 4. Do service quality, prices and promotions affect customer satisfaction at the Raswata Florist shop?

1. Evaluate how much service quality influences the level of customer satisfaction at the Raswata Florist shop. 2. Assess the extent to which price influences customer satisfaction at the Raswata Florist shop. 3. Measuring the level of influence of promotions on customer satisfaction at the Raswata Florist store. 4. Measuring the extent to which service quality, price and promotions influence customer satisfaction at the Raswata Florist store.

## **II. THEORETICAL BASIS**

### **2.1. Service quality**

According to Punuindoong (2022) service quality refers to the intended standard of excellence and the measures taken to ensure that customers' needs are met. Baruwadi et al. (n.d.) explains that service quality is an aspect that must be implemented well by service providers.

Alfajar et al., (2021), groups service quality into five dimensions based on the concepts put forward by (Parasuraman et al):

1. Physical Evidence (Tangible): This is a service that is visible and used by the company to achieve consumer satisfaction.
2. Reliability: Refers to expertise in providing services according to consumer wishes.
3. Responsiveness: Describes responsive attitude to consumer needs by listening and responding well to meet their satisfaction.
4. Guarantee (Assurance): States the expertise of employees to create trust and confidence in consumers.
5. Empathy: Refers to an employee's skill or tendency to provide individual or personal attention to consumers.

### **2.2. Price**

According to (Komariah, 2019), it states the total costs that need to be prepared to obtain an item or product. Mursid (2014) describes price as a key instrument for differentiating products from competitors.

(Sudarso, 2022) identifies four important indicators that characterize prices:

1. Ability to purchase at the right price.
2. Alignment of prices with product quality.

3. Ability to compete on price.
4. Alignment of prices with profits.

### **2.3. Promotion**

Mursid (2014) states that promotion is a form of interaction that has elements of attracting, inviting, motivating, moving and giving confidence. Meanwhile, according to Martowinangun (n.d.), promotion is a marketing communication tool used by companies using communication to provide facts, confirm, inform and warn customers about the products and brands they provide.

(Manihuruk, 2023) suggests several dimensions of promotion measurement that are relevant for this research, including:

1. Promotion period.
2. Promotion location.
3. Quality of promotion.
4. Marketing channels.
5. Promotional coverage.

### **2.4. Customer satisfaction**

According to Sudarso (2022), customer satisfaction is the outcome of comparing the actual performance of the product after use with the expectations of the customer. Therefore, the main goal of every service is to ensure customer satisfaction by providing an experience that entertains, delights and makes them feel good in all aspects.

Hadiyan & Yusuf (2023) explain that customer satisfaction is an assumption or response that there is a difference between the level of previous needs and the actual performance felt after using the product. According to Widjoyo et al. (2014), Customer satisfaction is the level of satisfaction or happiness of an individual after comparing the performance of a product or service they have. In other words, customer satisfaction measures the discrepancy between the way a customer perceives a product or service's performance and their expectations.

Maharani Purnama (2019) states that indicators of customer satisfaction include:

1. Customer loyalty.
2. The habit of making repeat purchases.
3. Give product suggestions to other people.
4. Demonstrate resistance to products from other companies.

## 2.5. Framework of Thinking

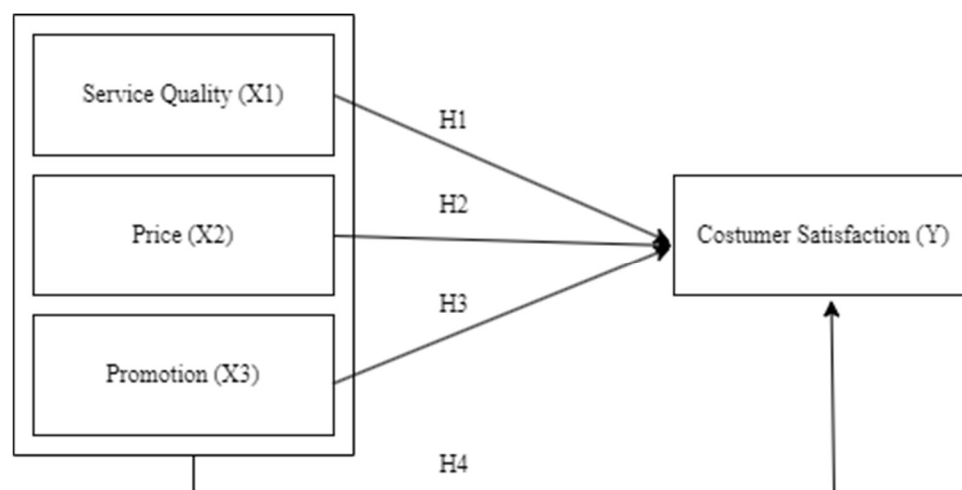


Fig I. Framework of Thinking

## 2.6. Hypothesis

**H1:** There is an impact of service quality on customer satisfaction at the Raswata Florist shop.

**H2:** There is an impact of price on customer satisfaction at the Raswata Florist shop.

**H3:** There is an impact of promotions on customer satisfaction at the Raswata Florist shop.

**H4:** There is an impact service quality, prices and promotions on customer satisfaction at the Raswata Florist shop.

## III. RESEARCH METHODOLOGY

Apply a quantitative approach. Using multiple regression analysis, as explained by Fatih et al. (2023). Quantitative research is research and produces findings that can be achieved through statistical procedures. Purposive sampling was applied to determine the sample, as explained by Komala (2017), a method for determining the sample with specific considerations. This population is consumers at the Raswata Florist shop, and therefore, the sample taken must be representative, as stated by Sugiyono (2019). The samples involved were 100 respondents from Raswata Florist shop customers who had made repeat purchases. The questionnaire was prepared with 5 statement items for the variables of service quality, price and promotion. Respondents were asked to prepare their responses to 5 statement items related to a Likert scale of 1 to 5 for each variable. Using analysis methods such as coefficient of determination, multiple linear regression, t test, F test, validity test, and reliability test.

## IV. RESULTS AND DISCUSSION

Based on the results of the questionnaire that has been carried out, the description of the characteristics of respondents according to gender shows that the majority of visitors to the Raswata Florist shop are men, reaching 71.8%, while the percentage of women reaches 28.2%. This indicates the tendency of men to make purchases either directly or online at the Raswata Florist shop. In terms of age range, Raswata Florist shop customers have a wide age variation, ranging from 17 years, 18-22 years, to 23-25 years.

From the results of distributing questionnaires, it can be seen that the majority of customers who frequently visit the Raswata Florist shop are aged between 18 and 22 years, reaching 81.6%. Meanwhile, customers aged 23 to 25 years are only around 11.7%, and customers aged 17 years are only around 6.8% of total customers.

### 4.1. Validity test

To see the validity of a questionnaire through a validity test. It is declared valid if  $r_{count} > r_{table}$ .

**Table I.** Validity Test Results

Variable	Statement	Rcount	Rtable	Information
Quality of Service (X1)	X1.1	0.424	0.1966	Valid
	X1.2	0.451		Valid
	X1.3	0.623		Valid
	X1.4	0.577		Valid
	X1.5	0.660		Valid
Price (X2)	X2.1	0.428	0.1966	Valid
	X2.2	0.446		Valid
	X2.3	0.578		Valid
	X2.4	0.423		Valid
	X2.5	0.409		Valid
Promotion (X3)	X3.1	0.501	0.1966	Valid
	X3.2	0.442		Valid
	X3.3	0400		Valid
	X3.4	0.515		Valid
	X3.5	0.428		Valid
Customer Satisfaction (Y)	Y1	0.508	0.1966	Valid
	Y2	0.534		Valid
	Y3	0.430		Valid
	Y4	0.440		Valid
	Y5	0.575		Valid

*Resource: SPSS V.21. data analysis, 2023.*

Based on the validity table above, all question items for all variables are declared measuring instruments.

#### 4.2. Reliability Test

This test is used to provide a questionnaire assessment. A questionnaire is declared reliable if Cronbach's Alpha is  $> 0.60$

**Table II.** Reliability Test Results

Items	Cronbach's Alpha	Information
20	0.829	Reliable

*Resource: SPSS V.21. data analysis, 2023.*

Table above indicates that a measuring device is considered dependable if its Cronbach alpha value is  $> 60$ .

#### 4.3. Multiple Linear Regression Analysis Discussion

Determining estimates that will produce regression coefficient values, which indicate how much change in the dependent variable is expected when the independent variable experiences certain changes.

**Table III.** Multiple Linear Regression Test Results

1	B	Std. Error	Beta
(Constant)	3,478	2,277	
Service quality	,333	,087	,338
Price	,313	,072	,354
Promotion	,197	,086	,198

*Resource: SPSS V.21. data analysis, 2023.*

Based on the equation of the multiple linear regression model above, it is:

$$Y = a + B_1X_1 + B_2X_2 + e$$

$$Y = 3.478 + 0.333X_1 + 0.313 + 0.197 + e$$

#### Discussion

1. When the variables of promotion, pricing, and service quality are held constant, the constant value is 3,478.
2. Service quality regression coefficient 0.333. It can say if service quality affects customer satisfaction. By increasing one unit of service quality, customer satisfaction also increases.
3. Price regression coefficient 0.313. It can say if price affects customer satisfaction. With an increase in one unit price, customer satisfaction also increases.
4. Promotion regression coefficient 0.197. It can say if promotions affect customer satisfaction. By increasing one promotional unit, customer satisfaction also increases.

#### 4.4. T Test (Partial)

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

Variable	Tcount	Ttable	Sig	Information
Service quality (X1)	3,828	1,985	,000	Significant
Price (X2)	4,329	1,985	,000	Significant
Promotion (X3)	2,296	1,985	.024	Significant

*Resource: SPSS V.21. data analysis, 2023.*

Based on the results of the t test above, it can be obtained as follows:

1. The service quality variable is  $0.000 < 0.05$  and T count (3.828) > T table (1.985), then H1 is accepted, resulting in a favourable and large impact on partial customer satisfaction from the service quality variable. Alfajar et al. (2021) found that customer satisfaction is significantly impacted by service quality. This indicates that when the service offered is of good quality, customers tend to be interested in using the service. Therefore, management needs to improve service quality from various aspects to meet customer needs.

2. The price variable is  $0.000 < 0.05$  and T count  $(4.329) > T$  table  $(1.985)$ , then H2 is accepted, resulting in a partially favourable and statistically significant impact of the price variable on customer satisfaction. According to Suhardi et al. (2022), customer satisfaction is positively and significantly impacted by pricing. The cost of a good or service is not the only factor in its value, but is also an important factor that influences customer satisfaction. If customers accept the price well it can increase their satisfaction and encourage repeat use of the service.
3. The promotion variable is  $0.024 < 0.05$  and T count  $(2.296) > T$  table  $(1.985)$ , then H3 is accepted, resulting in a favourable and noteworthy impact of the promotion variable on a portion of the customer satisfaction survey. The results of Manihuruk's (2023) study likewise support the notion that promotions significantly and favourably affect consumer satisfaction. Consumers are happy with the discounts that Raswata Florist business is offering, which is active in introducing its products through various promotions. This demonstrates the significance of advertising tactics in raising client happiness and preserving their allegiance.

#### **4.5. F Test (Simultaneous)**

This aids in figuring out whether at least one independent variable concurrently affects the dependent variable

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

Model	Ftable	Fcount	Sig	Information
1	2,699	20,284	0,000	Significant

*Resource: SPSS V.21. data analysis, 2023.*

Based on the F test results above, which demonstrate that  $F$  count  $(20.284) > F$ table  $(2.699)$  and sig  $0.000 < 0.05$ , H4 is accepted, indicating that price, promotion, and service quality all have an impact on customer satisfaction at the same time.

#### **4.6. R Square(Coefficient of Determination)**

Provide data on the percentage of the dependent variable's variance that the independent variable can account for. R Square is a metric that indicates how well the model fits the observation data that was used.

**Table VI. R Square**

Mmodel	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623a	.388	.369	1,875

*Resource: SPSS V.21. data analysis, 2023.*

Based According to table above findings, the R Square value is 0.388, or 38.8%, of the total value. Price, incentives, and the quality of the services provided all affect customer happiness. Meanwhile, factors not included in the study had an impact on the remaining 61.2%.

### **V. CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1. Conclusion**

The following conclusion is drawn from the above analysis:

1. Service quality has an impact on customer satisfaction at the Raswata Florist shop. This shows that the shop is able to provide optimal service so that consumers are satisfied with the quality of the service provided.
2. Price affects customer satisfaction at the Raswata Florist shop. The shop is able to set the right price according to consumer expectations, so that consumers are satisfied with the products presented.
3. Promotions have an influence on customer satisfaction at the Raswata Florist shop. The shop is able to provide effective promotions so that consumers have a positive perception of it.

4. Together, customer satisfaction is influenced by service quality, price, promotions on customer satisfaction at the Raswata Florist store.

## **5.2. Recommendations**

The suggestions from this research are to increase customer satisfaction to continue to improve service quality to focus on understanding customer needs, fast responsiveness, personalization of service and continuing to innovate to improve service. With this, it is hoped that optimal customer satisfaction can be achieved. Meanwhile, the price must continue to adjust accordingly provide rates that meet consumer expectations and offer value commensurate with product quality. Meanwhile, to increase customer satisfaction through promotions by providing discounts, exclusive bonuses and utilizing social media to share interesting content, hold flash sales or bundling packages to provide customer satisfaction

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