

The Influence of Price Perceptions, Product Quality and Service Quality on Customer Satisfaction

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Abstract

This study aims to determine the effect of perceived price, product quality and service quality on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. This study used a quantitative descriptive method by distributing questionnaires via Google Form to PT Dafnet Media Gemilang subscribers in Bojonggede District, Bogor Regency. The population in this study was 1200 people in Bojonggede District who were PT Dafnet Media Gemilang customers. Meanwhile, the number of samples was 120 people with the sampling technique used was the Slovin technique. In analyzing the data, this study used SPSS 26 to calculate the results of the Multiple Linear Regression variable test, t test, F test, and determination analysis. The results of this study indicate that based on the t test, price perception, product quality and service quality have a positive and significant effect on customer satisfaction on PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. Based on the results of the F Test, price perception, product quality and service quality together have a significant effect on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. Based on the results of multiple regression analysis, the effect of perceived price, product quality and service quality on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency is 76.5% while the remaining 23.5% is influenced by other variables not examined in this study.

Keywords: Price Perceptions; Product Quality; Service Quality; Customer Satisfaction

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1. Introduction

The rapid development of technology and communication today has resulted in demands for smooth information and communication (Putra, 2017; Widanengsih & Yusuf, 2022). *Communication* is an interaction that humans need to make it easier to convey a purpose to other people (Muslih, 2020; Oktarina & Abdullah, 2017). The need for information at this time is critical, and the Internet will make it easier to obtain and disseminate information and be more effective and efficient in communicating without the limitations of space and time (Sari, 2022; Tekege, 2017).

At the beginning of the internet era, it was expensive to access and use it because we still used regular credit. Still, after newer technology and even networks, internet access has become more accessible (Jokhanan Kristiyono, 2022). The Internet is easier and more reliable for various information and communication needs in multiple sectors, so the growth of Internet users in Indonesia has increased significantly every year, especially since Indonesia also has a significant population growth (Himawan et al., 2022; Mitariani & Imbayani, 2020).

Based on survey results from the Indonesian Internet Service Providers Association (Asosiasi Penyelenggara Jasa Internet (APJII), 2023), internet users in Indonesia it reached 215.63 million people in 2022-2023 from a total population of 275,773,901. The penetration of Internet users in Indonesia in Southeast Asia is number one in the world. Internet users in Indonesia are already in fourth position after China, India, and the United States (Aryani et al., 2020; Hidayat, 2016). So, it is not surprising that Indonesia is a potential target for many world telecommunications companies, both local and international (Mitariani & Imbayani, 2020)

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In responding to the shift in consumer needs for communication, several companies are competing by innovating to release data quota packages so they can reduce access costs. We can see this competition from the many internet starter cards spread on the market, such as Simpati, XL, Tri, Smartfren, Indosat Ooredoo, and Axis. Many companies provide Internet needs via Wi-Fi and fiber optic cable networks, such as Indihome, *FirstMedia*, Oxygen, CBN, Trans Vision, MyRepublic, Biznet, and others.

Of the several internet provider operators operating in the Bojonggede sub-district, Bogor Regency, one of them is PT Dafnet Media Gemilang, which currently has many customers that continue to increase yearly. The increase in the number of customers is expected to correlate with customer satisfaction. PT Dafnet provides several product packages, from basic ones at affordable prices to premium subscription packages at competitive prices compared to its competitors, so that customers can choose the package type according to their needs. It is hoped that the products' quality will accommodate and help its users, most of whom work as online traders in this region, with the benefits of smooth running and obstacles in conducting online business.

PT Dafnet Media Gemilang is one of the Wi-Fi providers in the Bojonggede sub-district, Bogor Regency, which is developing quite rapidly. So the customer's need to get Wi-Fi at an affordable price and varied according to their needs is very high. In this regard, several factors influence customer satisfaction, including price perception, product quality, and service quality perceived by customers.

With the increasingly competitive business in the Internet and Wi-Fi sector, PT Dafnet Media Gemilang is trying to attract potential consumers or customers by offering various promotional discounts, varying prices, and improving product quality and service quality, for example, a basic package for 130 thousand with a speed of 5 Mbps and free installation and cable pulling costs for new customers. Fulfilling consumers' needs and desires with appropriate delivery methods can increase customer satisfaction and become loyal customers.

Perceptions of price, product quality, and service quality influence customer satisfaction, including offering Wi-Fi installation packages with several affordable packages according to customer needs, offering free installation costs, package prices cheaper than their competitors, 24-hour complaint service, and handling disruption quickly.

2. Literature Review

2.1. Price Perceptions

The word perception comes from English perception, which means perception, seeing, and response. As for the Big Indonesian Dictionary (2016), perception is a direct response or acceptance of something or the process of someone knowing several things through their five senses. Meanwhile, according to Robbins (2010), perception is a process by which individuals organize and interpret their sensory impressions to provide meaning to their environment.

According to Sa'adah (2020), price is the exchange value of goods and services expressed in money or the balance price agreed upon by the seller and buyer. According to Kotler and Keller (2016), price is one element of the marketing mix that generates income, and other elements generate costs. While pricing is the most straightforward element in a marketing program to customize, product features, channels, and even communications take much time. According to Zeithaml (2010), price perception is defined as the customer's subjective perception of what is given up or sacrificed to obtain the product. According to Kotler and Armstrong (2013), several indicators of price perception include:

- Affordability of product prices
- Price matches the quality
- Price competitiveness
- Price matches the benefits.

2.2. Product Quality

One of the factors that makes consumers satisfied is product quality. Product quality is the characteristics and characteristics of a good or service that influence its ability to satisfy stated or implied needs. Product quality indicators, according to Kotler (2020), are:

- Product characteristics to add essential functions related to product choices and development. The performance that customers consider when purchasing the item

- Accuracy or suitability, which reflects the degree of accuracy between the product design characteristics and the standard quality characteristics that have been determined
- Durability, which is related to how long a product can be used
- Reliability, which means an item successfully functions every time it is used within a certain period
- Style, including the appearance of the product and consumer preferences for the
- Design that will influence the appearance and function of the product according to consumer desires.

2.3. *Service Quality*

According to Kotler (2020), service quality is a form of consumer assessment of levels of service received with the expected level of service. Suppose the service received or felt follows expectations. In that case, the quality of service is perceived as sound. It satisfies the satisfaction formed, encouraging consumers to make repeat purchases and look forward to becoming loyal customers. Zeithaml et al. (1988) stated that service is a service process provided or created jointly by one or more people. Service quality is a crucial issue for every company, regardless of product quality (Tjiptono, 2019).

Service quality is an effort to fulfill customer needs and desires and the accuracy of delivery in keeping with customer expectations (Chulaifi, 2018). Quality of service provided by the company to meet consumer expectations. Kotler stated that service is any action or activity offered by one party to another party that is intangible and does not result in any ownership. According to Mardo (2016), service quality is a measure used to measure the extent to which a company can solve consumer problems. Service quality is a focused evaluation that reflects customer perceptions of reliability, responsiveness, empathy, and tangibles.

Based on the definition of quality and service above, it can be concluded that service quality is a treatment or activity between a company and its customers that determines customer loyalty and satisfaction with its products, whether in physical form or services.

2.4. *Consumer Satisfaction*

Consumer satisfaction is a condition that can be achieved if the product meets consumer needs or expectations and is free from deficiencies. According to Kotler (2020), customer satisfaction is a person's happiness or disappointment that arises after comparing expectations with the reality obtained. According to Tjiptono (2016), satisfaction is the result of an assessment carried out by consumers with the result that they feel that the product purchased has quality above their expectations. Customer satisfaction is a person's feelings about the performance of a product or service compared to their expectations (Rangkuti, 2017). Lupiyoadi (2001) said that customer satisfaction with the value offered by the seller includes five essential things: Product quality, service quality, price, emotions, and costs. According to Kotler (2019), consumer satisfaction can be measured by the following indicators:

- Make a repeat purchase
- No complaints or complaints resolved
- Conformity to customer expectations/expectations
- The customer's overall feeling of satisfaction with the product

3. **Research Method and Materials**

The research method is a scientific method carried out to obtain data with a specific purpose and use, characterized by being systematic, rational, and empirical. The approach used in this research is a quantitative descriptive approach. Meanwhile, the methods used are observation methods, questionnaires, documentation, and literature. Customers at PT Dafnet Media Gemilang were used as the object of this research. Population is the total number of individuals or groups you want to study in the research area. In this study, 1200 people in Bojonggede District were PT Dafnet Media Gemilang Wi-Fi customers in Bojonggede District, Bogor Regency. Meanwhile, the number of samples was 120 people, and the sampling technique used was the Slovin technique, where the only respondents who filled out the questionnaire were respondents who had used PT Dafnet Media Gemilang Wi-Fi in Bojonggede District, Bogor Regency. The data analysis technique used is Regression Analysis. According to Sugiyono (2018), the regression equation formula can be used to estimate the value of the independent variables (perception of price, product quality, and service quality) if the value of the dependent variable (customer satisfaction) is manipulated (changed).

4. Result and Discussion

4.1. Multiple Regression Test

In this research, after the data is declared valid and reliable through validity and reliability tests, the multiple linear regression test aims to determine how much the independent variables influence. The analysis was carried out with the help of the SPSS Statistics 26 for Windows program.

Table 1. Regression Results

Unstandardized Coefficients			
Model		B	Std. Error
1	Constanta	34.829	5.291
	Price Perception_ X1	.750	.130
	Product Quality_ X2	.736	.121
	Service Quality_ X3	.768	.136

a. Dependent Variable, Customer Satisfaction (Y)

Table 1 presents information about regression coefficients for several variables. The regression coefficient for price perception is 0.750, which means that if all other independent variables remain constant and price perception increases by 1%, the customer satisfaction value will also increase by around 0.750. Thus, there is a correlation between price perception and customer satisfaction. The regression coefficient for product quality is 0.736, which can be interpreted as a positive relationship between product quality and customer satisfaction. This means that if all other independent variables remain constant and product quality increases by 1%, customer satisfaction (Y) is expected to increase by 0.736. Meanwhile, the regression coefficient for service quality is 0.768, which indicates a positive relationship between service quality and customer satisfaction in Dafnet Wifi in Bojonggede District. In other words, if other independent variables remain constant and service quality increases by 1%, customer satisfaction can be expected to increase by 0.768.

4.2. The t-Test

The t-test is used to measure the individual influence of each independent variable (X1, X2, and X3), namely price perception, product quality, and service quality, on the dependent variable (Y), which is customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. The purpose of the t-test is to determine whether the influence of each independent variable on the dependent variable is statistically significant. The results of the t-test will provide information on whether each independent variable has a significant influence on customer satisfaction. Suppose the t-test results show a significant t-statistic value. In that case, the independent variable significantly influences customer satisfaction. Conversely, if the t-statistic value is not significant, then the independent variable does not significantly influence customer satisfaction.

Table 2. The t-test results

Model		t	Sig
1	Constant	6.665	.000
	Price Perception_ X1	3.165	.009
	Product Quality_ X2	2.825	.012
	Service Quality_ X3	2.268	.017

b. Dependent Variable, Customer Satisfaction (Y)

Based on the table 2, it can be concluded that the calculated t value for X1 (price perception) is 3.165, which is greater than the t table value of 1.675, with a significance level of 0.009, which is smaller than 0.05. This shows that price perception positively and significantly influences customer satisfaction at PT Dafnet Media Gemilang. Likewise, the calculated t value for X2 (product quality) is 2.825, which is also more significant than the t table value of 1.675, with a significance level of 0.012, more diminutive than 0.05. This indicates that product quality positively and significantly influences customer satisfaction at PT Dafnet Media Gemilang. In addition, the calculated t value for X3

(service quality) is 2.268, again more significant than the t table value of 1.675, with a significance level of 0.017, which is also smaller than 0.05. This illustrates that service quality also positively and significantly influences customer satisfaction at PT Dafnet Media Gemilang.

4.3. The F-Test

The F-test is used to assess the collective influence of the independent variables (X1, X2, and X3), which include price perception, product quality, and service quality, on the dependent variable (Y), which is customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency.

Table 3. The F test results

ANOVA						
Model		Sum of Squares	df	Mean of Squares	F	Sig
1	Regression	114,975	3	22,995	3.578	.028
	Residual	767,740	117	6,676		
	Total	882,715	120			

Based on the information from the table 3, the calculated F-value is 3.578, which is higher than the tabulated F-value of 2.51, and the significance level is 0.028, which is less than 0.05. This indicates that the null hypothesis (H0) is rejected. Therefore, it can be concluded that collectively, price perception (X1), product quality (X2), and service quality (X3) have a positive and significant influence on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency.

4.4. Determination Test

The coefficient of determination test is used to determine the ability of the independent variable to explain variations in the dependent variable.

Table 4. Coefficient of Determination Test Results

Model	R	R Square	Adjuster R Square	Standard Error of the Estimate
1	.875	.765	.741	2.751

a. Predictors: (Constant), Perceived_Price_X1, Product_Quality_X2, Service_Quality_X3

b. Dependent Variable: Customer_Satisfaction

The variables price perception (X1), product quality (X2), and service quality (X3) have a positive and significant influence on customer satisfaction. The coefficient of determination value of 0.765 means that around 76.5% of the variation in customer satisfaction can be explained by perceptions of price, product quality, and service quality. This shows that the three independent variables together have a significant impact in explaining why customers feel satisfied. The remaining 23.5% of the variation may be influenced by other factors not included in the model. This analysis shows that companies can increase customer satisfaction by improving price perceptions, product quality, and service quality. However, other factors that can also influence customer satisfaction should be included in the model. Hence, they need to be considered to increase overall customer satisfaction.

4.5. Discussion

The perception that price has a positive and significant effect on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency, can be explained by some factors. One of them is that customers feel that their price is commensurate with the benefits or quality they receive. This is in line with the views of Philip Kotler (2015), who emphasizes that positive price perceptions create a perception of "good value" in customers' eyes, increasing their satisfaction levels. Additionally, PT Dafnet Media Gemilang may offer lower prices than other service providers in the area. This could be caused by the company's efforts to accommodate customers' income in suburban areas of Jakarta. As a result, the price of WiFi services from PT Dafnet Media Gemilang is considered affordable by most customers, increasing their satisfaction.

Besides the price factor, clear and transparent price communication by the PT Dafnet Media Gemilang marketing team can also influence customer satisfaction. Customers tend to be more satisfied when they understand what price they paid and what they got as a result. This transparency creates trust and strengthens customer satisfaction. Furthermore, consumer satisfaction can also be influenced by fulfilling customers' desires for payment transparency and the results they get for the price they pay. This underlines the importance of PT Dafnet Media Gemilang in understanding their customers' expectations and preferences in running their business.

The research results show a positive and significant influence between product quality and customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. This research found that the WiFi products provided by PT Dafnet Media Gemilang have high-quality standards, including superior speed, availability, and reliability. This product effectively meets customer needs. Therefore, customers are delighted with the quality of the WiFi products they enjoy, and they are even willing to recommend these products or services to others. Apart from that, they also stated their intention to remain long-term customers of PT Dafnet Media Gemilang. This reflects that superior product quality positively impacts customer trust, loyalty, and overall satisfaction. High-quality products can create positive customer experiences, which can help companies retain existing customers and attract new ones.

The research results show a significant favorable influence between service quality and customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. The survey results reveal that customers feel the company provides responsive service, especially when there are technical glitches or problems. Respondents in the survey stated that each of their complaints was handled quickly and efficiently by PT Dafnet Media Gemilang. The survey also revealed that the WiFi service provided by PT Dafnet Media Gemilang has a low level of interference and stable availability. Customers can rely on this service to meet their daily needs without too much disruption. Thus, these findings indicate that high service quality, especially in terms of responsiveness and availability, has positively impacted customer satisfaction in this company. This creates a positive customer experience and can help PT Dafnet Media Gemilang retain and attract more customers.

5. Conclusion

This research concludes that there is a positive and significant influence of the three factors tested, namely price perception, product quality, and service quality, on customer satisfaction at PT Dafnet Media Gemilang in Bojonggede District, Bogor Regency. This research shows that customers feel that the price they pay is commensurate with the benefits or quality they receive, the WiFi products provided are of high quality, and responsive and stable service quality has increased customer satisfaction. These results provide important insights for companies to understand how these factors play a role in retaining and attracting more customers and achieving sustainable business growth. In a competitive business, meeting customer expectations is the key to long-term success.

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