

# How Product Quality, Price, and Service Quality Affect IndiHome Customer Satisfaction

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## ABSTRACT

This study examines the effect of product quality, price, and service quality on IndiHome customer satisfaction in the Datel Cibadak area. Using a quantitative approach, this study involved 68 IndiHome user respondents in the Cibadak area. This study was conducted to what extent product quality, price, and service quality affect customer satisfaction. The instrument used to collect data was a questionnaire that had been tested for validity and reliability. Data analysis was carried out using the Structural Equation Modeling (SEM) technique. The study's results showed that product quality had an insignificant effect on customer satisfaction, indicating that product quality is not the primary factor influencing IndiHome customer satisfaction in this area. Price was also found to have an insignificant effect on customer satisfaction, indicating that price changes do not directly affect their level of satisfaction. Conversely, service quality has a significant impact on customer satisfaction, which means that the service aspect is a key factor in shaping IndiHome customer satisfaction in Cibadak. This study also found that when product quality, price, and service quality are explained simultaneously, all three-affect customer satisfaction. This finding has important meaning for Telkomsel company and policymakers in designing more effective strategies to optimize customer satisfaction, especially in the Cibadak area.

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## 1. INTRODUCTION

In the telecommunications industry, the reliability of internet connections is an important aspect of product quality. Product quality is one of the factors in satisfying customers, by improving this quality will be an increase in the company's reputation. [1], In his research, product quality has a significant effect on customer satisfaction, so a reliable internet connection is a crucial step to

meet customer expectations. For a telecommunications service, Reliability supports various user activities such as learning in research [2], work, and online entertainment. In addition, network stability in internet services is also key, because connection disruptions can reduce user comfort and customer productivity. Inflexible network instability and lack of intrinsic security are also invisible but have a big impact [3].

In addition to reliable network quality on a product, another factor that is no less important that affects customer satisfaction is price. In this case, companies also need to consider setting prices that are appropriate for all customer segments. Household customers tend to look for prices that can be adjusted to their other needs, such as the number of devices that can be connected and the internet connection needed for daily activities. Therefore, service providers who are able to understand market needs and provide competitive price options while maintaining service quality will be better able to survive in a dynamic market. In addition, with the development of the telecommunications industry, the prices offered must also reflect this progress, so that customers feel that they have gotten the best for the price they pay. In addition to the quality of the network on the product and competitive prices, service quality is no less important in meeting customer expectations. Service quality is part of a dynamic condition, where consumers are interconnected with products or services, humans, the environment and the process of providing these goods. In telecommunications services, service quality is the key to retaining subscribed customers, starting from the speed of response in responding to customer complaints, for example, the speed of customer service responsiveness when serving and to competent technical support when disruptions occur to ensure disruptions can be resolved quickly.

Amid tight competition, maintaining customer loyalty is a key factor for a company's success. This is in line with a statement that one of the factors that companies need to pay attention to in increasing customer satisfaction is service quality. High customer satisfaction will contribute to the creation of consistent customer loyalty. In facing the increasing need for fast and stable internet access, telecommunications service providers need to adopt innovative strategies to maintain their competitiveness. As a form of effort to increase customer satisfaction, especially PT. Telkomsel which is also engaged in network

telecommunications has taken a strategic step by acquiring IndiHome which was previously managed by TelkomGroup. As one of the largest service providers in Indonesia, Telkomsel seeks to meet the growing market demand. This acquisition aims to expand Telkomsel's portfolio, in addition to cellular services, home internet is also in great demand by the public. With this step, Telkomsel hopes to strengthen its position in the telecommunications industry by providing more complete services for customers.

On July 21, 2023, IndiHome officially transferred its operations and management to its subsidiary, Telkomsel. IndiHome, which is widely known by the public for its home internet services, now operates under Telkomsel's management. Telkomsel acquired IndiHome from TelkomGroup not only to expand its portfolio, especially in facing the increasing market demand for fast internet services and internet-based TV. This transfer is expected to create synergy between cellular and home internet services, as well as provide wider digital access, and support ongoing digital services in Indonesia.

Despite managerial changes after being acquired by Telkomsel, the IndiHome package services offered remain consistent with the existing packages, since it was first developed in 2015 by TelkomGroup, having the same communication and data package services as landline telephone (Voice), internet services (internet on Fiber or High-Speed Internet), IPTV (Internet Protocol Television). For the service packages offered by the company, namely (1) Single Play, which is a package that provides an internet connection only (2) Dual Play, which is a combo package that provides an internet connection and landline telephone, (3) Triple Play, which is a package that provides an internet connection, landline telephone, and IPTV. Not only that, each IndiHome package also comes with additional services such as a digital music platform and home automation system.

IndiHome plays an important role as one of the main internet services in Indonesia, providing fast and stable internet access

throughout homes in Indonesia. By offering a complete package, IndiHome has become the main choice for many customers. This service also supports digital transformation, enabling many online activities such as working, studying, and streaming, and continues to grow in reach that covers almost the entire archipelago.

IndiHome also responds to market needs by adding new features such as access to digital entertainment (IPTV), digital music portals, and Home Automation. By adding these features, it offers added value that makes the service more attractive and in line with consumer needs. By maintaining reliability, stability, and innovation, service providers can strengthen customer resilience and increase competitiveness in a competitive

market. In the context above, IndiHome customer satisfaction is not only influenced by the quality of the product's internet network itself or the price set, but also by customer interaction with field technicians, and ease of access to assistance from both the application and the customer service center. As in the study [4], it was found that service quality (X) consisting of reliability, certainty, reality, empathy, and responsiveness has a significant effect on customer satisfaction. This raises interesting questions about how these interactions function in various areas, including Cibadak. This area has certain problems that make it important to analyze, both in terms of decreasing or increasing the number of customers and problems related to the quality of service it faces.

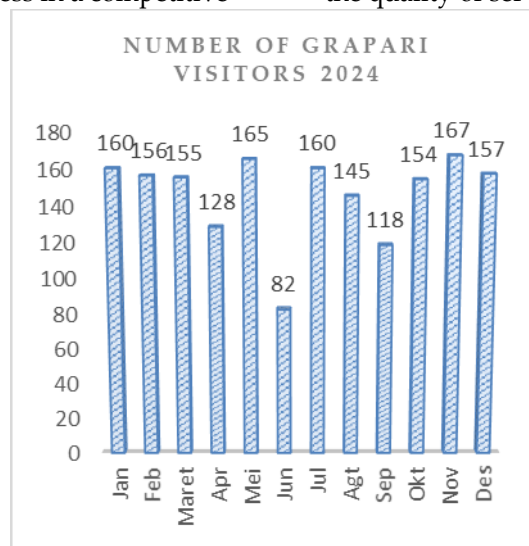


Figure 1. Number of GraPari Visitors Due to Complaints in 2024

In this context, the Cibadak area was chosen as a case study because it has specific problems related to IndiHome services, including the large number of customers who visit GraPari to report their disruptions in the last few months. Therefore, Cibadak becomes the analysis area to understand the existing challenges and potential improvements. This study will investigate three main variables, namely product quality, price, and service quality to understand the factors that influence IndiHome customer satisfaction in the Cibadak area. These three factors, such as reliable internet connection, competitive price, and responsive service, play an

important role in the form of customer experience.

Based on internal reports, there was a significant increase in the number of customers filing complaints between 2023 and 2024. In 2023, 213 customers stopped subscribing, 406 customers who experienced complaints about disruptions, and 461 customers who changed their packages. While in 2024, it increased to 432 customers who stopped subscribing, 1,162 customers who reported disruptions, and 193 customers who changed their packages. The significant increase in complaints about network disruptions indicates that network quality is now suspected to be a major issue.

This network disruption can be caused by several factors, one of which is natural factors, such as heavy rain or fallen trees. In addition to natural factors, customer complaints about product quality that occur during network disruptions also arise due to other factors, namely a decrease in network quality approaching the final payment date, especially when the customer's monthly quota has run out before entering the next month. This usually happens after the 21st, because customers are required to make the final payment every 20th of each month. When the quota runs out, the internet speed automatically decreases significantly, resulting in a less-than-optimal customer experience. This situation shows that the limited quota in the available packages affects customer perceptions of IndiHome quality.

Another possible contributing factor to the decline in IndiHome users is the second, namely regarding price. Customers in the Cibadak area complained that the package prices set by the company were less competitive after being acquired by Telkomsel. The change that occurred was an increase in service prices, which affected customer satisfaction. Previously, the lowest internet package offered by IndiHome was at a speed of 10Mbps. However, after being acquired, the lowest package has now increased to 30Mbps. This change caused the subscription price for customers who wanted to install new ones to be expensive, which had an impact on limited budgets. The last, which is often complained about by customers is related to the quality of service. "Quality of service is the process of fulfilling consumer needs and desires and the accuracy of its delivery in realizing consumer expectations" [5]. Many customer complaints must be addressed and the lack of customer service representatives available resulted in slow responses, and a lack of field technicians to handle disruptions quickly. In addition, customers also often complain about the complaint process through the application which is considered too complicated, such as too many requirements that must be completed before the problem can be processed. This causes it to take a lot more

time to be handled and makes customers feel less appreciated. This condition overall creates customer dissatisfaction, thus encouraging them to stop subscribing or switch services to other service providers.

With the phenomenon of problems at the research location, this study is important to analyze to provide insight into PT. Telkomsel to improve IndiHome services in the Cibadak area. By analyzing factors that may affect customer satisfaction, such as product quality, price, and service quality, the company will obtain more in-depth information to understand customer expectations and needs in the Cibadak area. This study is expected to identify problems experienced by customers, such as network disruptions, complaints related to increasing prices or customer dissatisfaction with services. This insight will help PT. Telkomsel in formulating more appropriate strategies to improve service quality, adjust pricing, and improve customer service in the Cibadak area.

## 2. LITERATURE REVIEW

This study adopts the Expectancy-Disconfirmation Paradigm (EDP) theory by Richard Oliver or the expectation-disconfirmation theory. This theory explains that customers who make purchases of goods or services with expectations before purchasing regarding their performance. The level of expectation will then become a benchmark used to assess the product or service [6]. Various previous studies show that product quality, price, and service quality simultaneously affect customer satisfaction. In addition, 47% of 14 studies showed findings that these variables have a positive and significant influence on customer satisfaction. However, the majority of studies were conducted in the retail, cafe, or food sectors so studies in the telecommunications industry, especially related to strategic changes after IndiHome was acquired by Telkomsel, are still limited. This study aims to close the gap by exploring the same variables in a new context, namely IndiHome after being acquired by Telkomsel.

### 2.1 Customer satisfaction

Satisfaction is one of the important factors that need to be considered in efforts to maintain existing customers and attract new customers. Customer satisfaction or dissatisfaction is a customer response to the evaluation of the difference felt between initial expectations before purchase [7]. [8], expressed customer satisfaction is a feeling of pleasure or disappointment when someone's desires or expectations are fulfilled. Meanwhile, according to [9], customer satisfaction is something that customers need to be able to fulfill their needs such as goods or services. Also according to [10], customer satisfaction is the level of satisfaction with the performance of goods or services that are felt with their expectations. It can be concluded that customer satisfaction is a feeling that arises after they compare their expectations of a product or service with the performance they feel. This satisfaction is realized when the customer's needs or desires are met well. This then creates feelings of pleasure or disappointment, depending on how well the results received are in accordance with existing expectations.

With the diversity of customers who use products, as well as differences in how each customer uses them, behaves, and speaks in different ways. Satisfaction has several indicators, such as according to [11], quoted by [12], (1) Conformity to expectations refers to the extent to which a product or service received by customers meets their initial expectations. Customers have certain expectations based on the information they receive through advertising reviews and past experiences. (2) Revisit intention indicates the customer's intention to use the company's products or services in the future. Customers who have a positive experience are likely to return because they are confident and believe in the services or products provided. (3) The willingness of customers to recommend a product or service to others, such as family or friends, indicates a very high level of satisfaction and customers are confident that the product or service will provide the same benefits as other products or services.

### 2.2 Product quality

Quality is the overall characteristics and properties of a product or service that depend on its ability to satisfy the needs expected of customers. [13], Products can also be tangible or intangible benefits that can satisfy a customer's expectations. Product quality is the ability of a product to carry out its function, in this case, durability, reliability, accuracy, ease of operation, and ease of product repair are among other attributes [14]. Product quality can also be interpreted as several attributes or properties that are expressed in goods or services and used to meet customer expectations. Product quality is the ability that can be assessed from a product in which it carries out its function, which is a combination of durability, reliability, ease, maintenance, and other attributes of a product. According to [15], Product quality can be met if the company can provide products that meet customer expectations and will be even better if it can exceed customer expectations, companies that provide quality products will build good relationships with customers [16]. Good relationships that have been created in the long term, will make the company understand the needs or desires of a customer. Things like this will be a positive advantage for the company [17].

In this case, in order to maintain its competitive advantage in the market, the company must understand what indicators are used by customers to differentiate the products sold by the company from those of competitors. The product quality indicators consist of: (1) Performance, related to the main operating characteristics of a product. (2) Durability, which means how long the product lasts before it has to be replaced. The longer the consumer uses the product, the greater the durability of the product. (3) Conformance to specifications is the extent to which the basic operating characteristics of the product meet certain specifications from customers or there are no defects in the product. (4) Features, are product attributes that are intended to improve the function of the product or increase customer interest in it. Reliability, namely the possibility that the

product will function properly or not within a certain period. Products are more reliable if the possibility of damage is lower. (5) Aesthetic, refers to how the product can be seen from its appearance, taste, smell, and shape. (6) Perceived quality (impression of quality), is often the result of indirect measurements because consumers most likely do not understand or do not have sufficient information about the product in question. Therefore, price, brand, advertising, reputation, and country of origin determine consumer perceptions of the product.

### 2.3 Price

Price in this study can be interpreted as the value of a good or service measured by the amount of money spent by the buyer to obtain a desired good or service. In addition, price can be interpreted as the amount of money needed to obtain a combination of a product and the accompanying services [18]. In addition to being a measure of value, price also plays a strategic role in the operational success of a company. [19], also defines, Price as a tool used in a process of buying and selling transactions, between sellers or companies and consumers to obtain the products or services offered. Price is an amount of money exchanged by customers to use products or services, the price set is generally adjusted to the quality of the product or service offered to customers [20].

According to Stanto as quoted by [21], there are four indicators of price, namely: (1) Price affordability refers to the consumer's ability to buy products or services offered by the seller. Sellers need to set prices that are in accordance with the purchasing power of consumers in the targeted market segment. (2) Price suitability with the product means that the price set by the seller must reflect the quality of the product offered. Consumers usually judge whether the product is worth buying based on its quality, such as the materials used, durability, and performance. (3) Price competitiveness refers to the seller's ability to offer competitive prices compared to competitors. In a competitive market, sellers must determine a pricing strategy that attracts consumers. (4) Price suitability with benefits means that consumers feel that the price they

pay is comparable to the benefits or advantages they get from the product or service.

### 2.4 Service Quality

Service Quality in this study is a service received by consumers that can include updates to applications and reviews of any problems with the application from the respective developers. Service quality refers to the comprehensive support provided by system developers to users by providing assurance of safety, comfort, empathy, and responsiveness to meet consumer expectations. If the quality of service provided is below consumer expectations, customer satisfaction will automatically increase. If consumers are satisfied with the services provided, they will always use the service continuously, [22]. Service quality according to Sunyoto in [23], is a measure used to assess goods or services that have the desired utility value in other words, a good or service is considered to have quality if it functions or has the desired utility value.

According to [24], in Meithiana Indrasari's book, there are several indicators of service quality that need to be considered, namely: (1) Tangibles, namely the ability of a company to show its existence to the outside world. The appearance and performance of a reliable company's physical facilities and infrastructure, as well as the condition of the surrounding environment, are real evidence of the services provided by the service provider. (2) Reliability, is the ability of a company to provide promised services accurately and reliably. Performance must meet customer expectations, which means punctuality, error-free and the same service to all customers, a pleasant attitude, and high precision. (3) Responsiveness, is a strategy that aims to provide fast and accurate service to customers by providing clear information. (4) Assurance and Assurance, assurance refers to the knowledge, familiarity, and ability of company employees to build trust in the company among customers. This includes several factors such as communication, reliability, security, competence, and politeness. (5) Empathy, which means showing sincere, individual, or personal

consideration to customers by trying to understand the customer's desires.

### 3. METHODS

This study adopts a quantitative approach with the aim of testing the relationship between variables through numerical data and statistical analysis. This method was chosen because it provides an opportunity to conduct objective, regular, and planned measurements so that the results of the study can be analyzed statistically to reach valid conclusions and can be applied more widely. The type of research used is comparative causal, which is included in verification research because it tests the causal relationship between variables.

This research was conducted at PT Telkomsel Datel Cibadak with a focus on IndiHome services after being acquired by Telkomsel from TelkomGroup. This change has an impact on product quality, price, and service, which are the main factors in customer satisfaction. This acquisition has the potential to affect network stability, pricing policies, and customer service systems, so it is important to analyze how these changes impact customer perceptions and satisfaction. The selection of the location at Datel Cibadak is based on its role in managing IndiHome services in the area so that it can provide relevant data and support the analysis in this study.

The data source in this study is primary data, the data will be obtained directly using the survey method by distributing structured and compiled questionnaires and then distributing the questionnaires directly and online to respondents. According to [26], in his research, a questionnaire is a data collection technique carried out by sending a questionnaire containing questions about the variables to be studied. The main objective of this questionnaire is to obtain the necessary data from respondents to answer research questions or to test the hypotheses that have been proposed.

This study began by determining the population, which is all IndiHome customers

in the Cibadak area. Population is understood as a collection of people in an area [27]. The population in this study was all IndiHome customers in the Cibadak area, including service users who are considered to represent customers who have direct experience using IndiHome services. This was verified through a questionnaire to ensure that respondents understood the aspects surveyed such as product quality, price, and service quality, and could answer based on their personal experiences. The survey sample represents a small portion of the population, and in this study the population size is unknown. Product quality, price, and service quality are used as variables investigated and operationalized using appropriate indicators and structured questions.

The sample size calculation was carried out using the Lemeshow formula [28], which is designed to determine the sample size when the population size is unknown. A total of 68 respondents were obtained, selected as active IndiHome users, namely customers who have used IndiHome services in the past month. The selection of respondents also utilized suggestions from previous respondents to access other relevant respondents, thus ensuring that the data obtained was representative and valid for this study. This study applied the purposive sampling technique because it allowed researchers to select respondents who met the predetermined criteria and were easy to contact. This approach made it easier for researchers to collect data from 68 respondents quickly, without having to follow complicated or time-consuming procedures.

#### *Data Processing Methods*

Data analysis was carried out using the Structural Equation Modeling (SEM) method with the Partial Least Squares (PLS-SEM) approach using the SmartPLS application. SEM is a statistical technique that functions to understand and test between one or more dependent variables with two or more independent variables simultaneously. The analysis process in this study began with validity and reliability testing to ensure that the measuring instrument was accurate and

consistent. After that, a path analysis was carried out to identify and explain the relationship between the variables contained in the model. Furthermore, a determination coefficient test was carried out to evaluate how much the independent variables can explain the influence on the dependent variable. The last step is to submit a model fit or Goodness of Fit (GOF) to assess the suitability of the research model.

#### 4. RESULTS AND DISCUSSION

IndiHome datel Cibadak PT Telkomsel is one of the telecommunications service units that provides internet, landline telephone, and interactive TV services for customers in the Cibadak area. As a service provider, IndiHome focuses on product quality, competitive prices, and service quality to improve customer satisfaction. Product quality includes internet network speed and stability, while price is an important factor in service competitiveness amidst the competition in the telecommunications industry. In addition, the quality of service provided by technical staff and customer service also affects customer experience in using IndiHome services. This study aims to analyze the effect of product quality, price, and service quality on IndiHome customer satisfaction at datel Cibadak PT Telkomsel, to provide strategic recommendations for improving more optimal services.

##### 4.1 Respondent Characteristics

The distribution of the gender of the respondents who were sampled in this study was 33 men and 35 women. This demographic distribution of gender is almost balanced, One of which is the sampling method which may be done randomly or considering the proportion of men and women in the population being studied. In addition, the level of involvement and interest in participating in the survey can also have an effect, where both men and women have the same opportunity to participate. Other factors that may contribute are the accessibility of the survey, such as ease of access for all groups

and the relevance of the survey topic that is of interest to both sexes.

The number of respondents in terms of age in this study is quite varied, where those under 20 years old are 4 people, those aged 21-30 years old are 58 people, those aged 31-40 years old are 3 years and the last is over 40 years old as many as 40 years. The large number of respondents aged 21-30 years in this survey could be due to several reasons. First, the survey topic may be more relevant to them, considering that at this age many people are studying, looking for work, or building a career. In addition, this age group is also more active in various activities and is more easily reached through digital media, which may be how this survey was distributed. Meanwhile, the lower participation from the age group under 20 or over 30 years could be due to several factors. Younger respondents may be less interested or do not have enough experience related to the survey topic. On the other hand, those who are older may have other activities, such as work or family matters, so they do not have time to take the survey. In addition, access to the survey can also have an effect, especially if the distribution reaches more young adults.

##### 4.2. Outer Model Evaluation (Measurement Model)

Validity testing included in the outer model evaluation aims to ensure that each indicator can describe the latent variable. In this validity test, each indicator is tested using the factor loading value to ensure that the indicator has sufficient contribution in measuring the latent variable it represents. The minimum limit used in this analysis is 0.70, so indicators with factor loading values below the limit will be eliminated so that the model remains valid and reliable. In addition, validity is also tested using the Average Variance Extracted (AVE) value. The AVE value indicates good validity consistency. The minimum AVE limit used in this study is 0.50. If the AVE value of a construct exceeds this limit, then the construct is said to have high convergent validity, which means that the indicators in the construct are able to represent the latent variable well.



The filtering process is carried out to retain indicators that have a strong relationship with the latent construct. After filtering, only indicators with factor loading  $\geq 0.70$  and AVE value  $\geq 0.50$  will be retained in the model. This aims to improve the quality of measurement and ensure that latent variables are measured with valid indicators and have an adequate level of convergent validity. In the measurement model, Composite Reliability (CR) is used to measure the internal consistency of indicators in a construct. A CR value of more than 0.70

indicates that the construct is considered reliable, while if it is less than 0.70, the construct is considered unreliable. This parameter is important to ensure that the research instrument can measure variables consistently. Existing tables or figures are presented with sufficient explanations and by including numbers and titles. Complete the existing tables and figures by writing the source under each table/figure. The table is created without a vertical border. Example table.

Table 1. Value Results AVE & Composite Reliability

Dimensions	Mean Variance Extracted (AVE)	Composite Reliability (CR)	results
(X1.1)_ Performance	0.743	0.945	Valid
(X1.2)_ Durability	0.875	0.896	Valid
(X1.3)_ Compliance & Specifications	0.818	0.954	Valid
(X1.4)_ Feature	0.818	0.931	Valid
(X1.5)_ Reliability	0.689	0.869	Valid
(X1.6)_ Aesthetics	0.785	0.916	Valid
(X1.7)_ Quality Impression	0.813	0.929	Valid
(X2.1)_ Price Affordability	0.743	0.897	Valid
(X2.2)_ Price Match with Specifications	0.736	0.893	Valid
(X2.3)_ Price Competitiveness	0.761	0.864	Valid
(X2.4)_ Price Match with Benefits	0.774	0.911	Valid
(X3.1)_ Tangible	0.810	0.927	Valid
(X3.2)_ Reliability	0.875	0.955	Valid
(X3.3)_ Responsiveness	0.889	0.960	Valid
(X3.4)_ Guarantee & Assurance	0.857	0.947	Valid
(X3.5)_ Empathy	0.848	0.943	Valid
(Y.1)_ Conformity to Expectations	0.836	0.938	Valid
(Y.2)_ Interest in Returning	0.866	0.951	Valid
(Y.3)_ Willingness to Recommend	0.869	0.952	Valid

Source: Processed primary data (2025)

The table above shows that all dimensions have an Average Variance Extracted (AVE) value above 0.50, indicating that each dimension has a high level of convergent validity. Therefore, all dimensions in the model show good consistency of validity. The table above also presents the results of the reliability test for each dimension in this study

using Composite Reliability (CR). The Composite Reliability (CR) value is greater than 0.70 for all dimensions, indicating that the indicators used have a high level of reliability and can be relied on to measure latent variables. Thus, these results indicate that the research instrument used has good

measurement quality and can be trusted for further analysis.

**4.3 Inner Model Evaluation (Structural Model)**

Inner Model evaluation is carried out through hypothesis testing using the PLS-SEM method, R-Square (R2) value, and Goodness of Fit (GoF). The R-Square (R2) value shows how much the independent variables are able to describe the dependent variables in the study simultaneously. Meanwhile, Goodness of Fit (GoF) shows how well the overall model describes the given picture. Before concluding, the study can ensure that the

relationship between latent variables has been tested properly through this evaluation. Path analysis also known as path analysis is used to assess the direct and indirect influence relationships between latent variables in a structural model. The bootstrapping method is also used with a re-sampling technique that takes samples from the original data repeatedly to increase the reliability of the estimate. This method is used to find out whether a relationship in the SmartPLS model is significant or not, and bootstrapping is used to calculate the t-statistic and p-value.

Tabel 2. Bootstrapping Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	P-Values
Product Quality -> Customer Satisfaction	0.326	0.340	0.167	1.958	0.051
Price -> Customer Satisfaction	0.170	0.180	0.147	1.153	0.249
Service Quality -> Customer Satisfaction	0.462	0.440	0.134	3.454	0.001

Source: Processed primary data (2025)

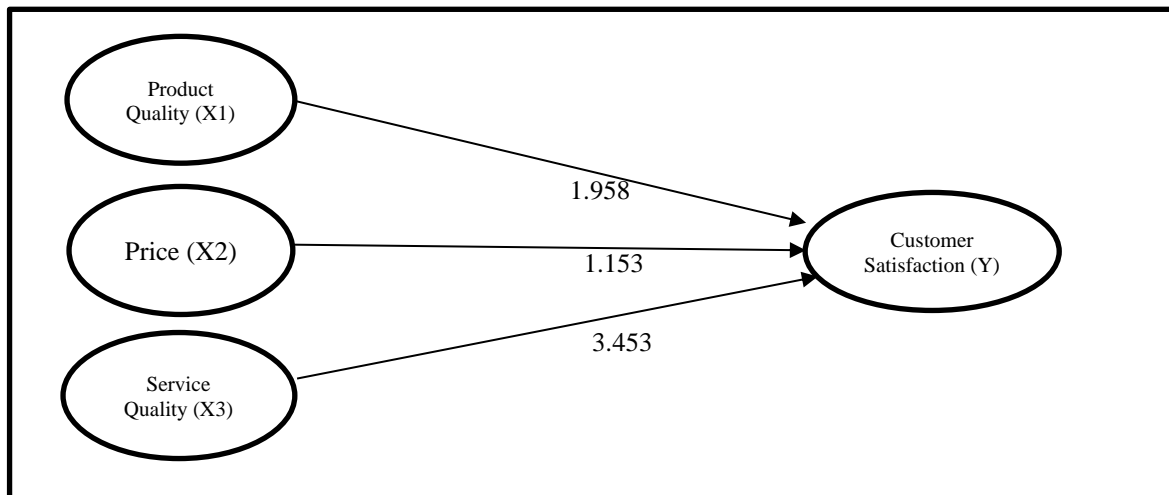


Figure 2. research framework

Based on the analysis results presented in the table, it can be concluded that there are differences in the level of influence between product quality, price, and service quality on customer satisfaction. Product quality (X1) is proven to have an insignificant

effect on customer satisfaction with a coefficient value of 0.326. The results of the statistical test show a t-statistic of 1.958 (<1.96) and a p-value of 0.051 (> 0.05). This shows that even though product quality increases, there is no guarantee that customer satisfaction will

increase significantly, because there may be other factors that are more dominant in determining customer satisfaction.

On the other hand, price (X2) has a relatively small effect on customer satisfaction, with a coefficient value of 0.170. The results of the statistical test show a t-statistic of 1.153 (<1.96) and a p-value of 0.249 (>0.05), which means that the effect of price on customer satisfaction is not significant. This may indicate that in the context of this study, customers may prioritize other aspects, such as product and service quality, compared to price factors. It could be that customers are willing to pay more as long as they get products and services that meet their expectations.

Meanwhile, service quality (X3) has the strongest influence on customer satisfaction with a coefficient value of 0.462. The results of the statistical test showed a t-statistic of 3.454 (> 1.96) and a p-value of 0.001

(< 0.05), which indicates that service quality has a significant influence on customer satisfaction. These findings indicate that service factors, such as tangibles, reliability, responsiveness, assurance & certainty, and empathy in handling customer complaints or requests, are key elements in increasing customer satisfaction. Customers tend to feel more appreciated and comfortable when they get good service, so this has a positive impact on their level of satisfaction.

Overall, the results of this study indicate that service quality is the main factor in increasing customer satisfaction, while product quality and price factors do not have a significant influence. This finding can be the basis for business strategies in increasing customer satisfaction, by focusing more on improving service quality, without worrying too much about product quality and price aspects, as long as the value given to customers is comparable to what they receive.

Table 3. R-Square

	<i>R Square</i>	<i>Adjusted R Square</i>
Customer Satisfaction	0.857	0.851

Source: Processed primary data (2025)

The R Square value for the Customer Satisfaction variable is 0.857, with an Adjusted R Square of 0.851. The R Square value of the results in this analysis has a strong model. Based on the results of the analysis, with an Rsquare value of 0.857. According to (Hair et al., 2018) regarding the criteria for interpreting the results of the R-square value of this model is included in the strong category, which shows that the independent variables X1, X2, and X3 can explain 85.7% of the variability of the Y variable (Customer Satisfaction). The rest, which is 14.3%, is influenced by other factors not included in the model. This indicates that the model has a very good predictive ability in explaining the dependent variable. Goodness of Fit (GoF) in this study was calculated using the predictive determination coefficient (Q<sup>2</sup>) to assess how well the applied model matches the data that has been collected, the results are 0.857. These results indicate that the model has very good predictive ability because the Q2 value is close to 1. Thus, the model can be considered

capable of explaining data variations with a high level of accuracy.

## 5. CONCLUSION

Product quality does not significantly affect customer satisfaction with a coefficient value of 0.326, a t-statistic of 1.958 (<1.96), and p-value 0.051 (>0.05). The survey results show that the lowest average value is in the reliability dimension, which is 3.255. This shows that low product reliability makes customers less confident in the product, especially if the service is inconsistent or often experiences technical problems. This inconsistency reduces customer trust so that even though other aspects of product quality are considered good, the low-reliability factor inhibits its influence on customer satisfaction.

Price has an insignificant effect on customer satisfaction with a coefficient value of 0.170, a t-statistic of 1.153 (<1.96), and a p-value of 0.249 (>0.05). The survey results show that the lowest average value is in the dimension of price suitability with benefits, which is 3.383. This indicates that customers

feel that the benefits obtained are not yet comparable to the price paid, either because of higher expectations, the existence of other more valuable products, or benefits that are not yet fully visible. Therefore, customers tend to consider other factors, such as product promotions.

Service quality has a significant impact on customer satisfaction with a coefficient value of 0.462, T-statistic 3.454 ( $> 1.96$ ), and p-value ( $0.001 < 0.05$ ). These results indicate that service quality plays an important role in increasing customer

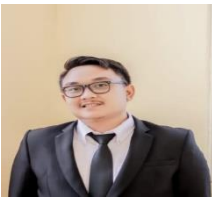


satisfaction. Customers highly consider the service aspect in choosing a product or service, so good service quality can significantly increase their satisfaction. The R Square calculation of 0.857 shows that the independent variables simultaneously contribute strongly to customer satisfaction. This model has very good predictive ability, with 85.7% of customer satisfaction variability explained by variables X1, X2, and X3, while 14.3% is influenced by other factors outside the model

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