

CHAPTER I

INTRODUCTION

A. Research Background

In the current era of globalization, companies are required to improve the quality of their services in a professional manner according to their respective fields. Changes in technology and the very fast flow of information have encouraged companies to produce products or services that can meet the needs and desires of customers, so that customers can feel satisfied with what they have got from the products or services of the company. There are many ways that companies can do to meet the needs and desires of customers, one of which is to give a good impression in terms of good service quality and product quality.

Indomaret is a minimarket network that provides a wide range of basic and daily needs. managed by PT Indomarco Prismaatama. In 1997, the company developed the first franchise outlet business in Indonesia

Service is an important element in efforts to increase customer satisfaction. Customer satisfaction is a feeling of satisfaction that has been fulfilled from what the customer has expected. Satisfaction arises when customer expectations are in accordance with the service received by the customer, so that it is subjective and everyone can judge it in a different way.

Influence is the power that causes something to happen, something that can shape or change something else, action or follow because of the power or power of other people (Badudu, 2001). Influence is a power that can

arise from an object or person and also internal symptoms that can provide changes that can form beliefs or changes (Surakhmad, 1982)

Price is a currency value that is determined by a company in return for goods or services that have been traded. Price is a measure of the service or product. So basically the price level is information about the size of a product or service that is exchanged for the use of the product or service (Tjiptono, 2008). So basically the price is an amount of money to be able to use a service or a product.

Quality according to Gappmayer in Nursalim et al (2022) is a way of finding overall consumer expectations, increasing product or service value in order to meet these consumer expectations, whereas according to Garvin and Darvis in Nursalim et al (2022) quality is a dynamic condition related to products, people/labor, processes and tasks, as well as the environment that meet or exceed customer or consumer expectations. Quality is the features and characteristics of a product or dimensions used in measuring service quality, namely tangibles, empathy, responsiveness, reliability, assurance. (Kotler and Keller, 2016).

Customer satisfaction is a person's feelings of pleasure or disappointment that arise after comparing the performance (results) of the product in question with the performance (results) expected. If the performance meets the expectations the customer is satisfied, if the performance exceeds expectations, the customer is very satisfied or happy (Kotler and Keller, 2016). Satisfaction is the level of one's feelings after comparing the perceived performance (results) compared to their

expectations. So the level of satisfaction is a function of the difference between perceived performance and expectations. If performance falls below expectations, the customer is disappointed. If performance matches expectations, the customer is satisfied. If the performance exceeds expectations, the customer is very satisfied, happy or excited (Kotler and Santoso, 1999). Customers are the focus of any company's business activities. Thus, the customer is the number one person in the company (Soedjas, 2014).

Basically the service sector is needed and is one of the supporting factors for service activities. Indomaret as a provider of basic and daily needs is required to be able to provide the best quality service to customers, so that customers get a sense of satisfaction with the services that have been provided.

Based on the background above, the researcher determines the research object with the research title "The Influence of Price and Service Quality on Indomaret Customer Satisfaction".

B. Research Question

1. How the description of price, service quality and customer satisfaction on Indomaret ?
2. How do the effect of price and service quality partially on Indomaret's costomer satisfaction?
3. How do the effect of price and Service Quality Simultaneously on Indomaret's costomer satisfaction?

4. Between price and service quality variables, which one has the dominant effect on Indomaret's customer satisfaction?

C. Research Objective

1. To describe of price, service quality and customer satisfaction on Indomaret
2. To determine and analyze the effect of price and service quality in a partial manner on Indomaret's customer satisfaction.
3. To determine and analyze the effect of price and service quality in a simultaneously on Indomaret's customer satisfaction.
4. To determine the variable that has a dominant effect on Indomaret's customer satisfaction.

D. Research Benefits

1. Practical

The practical benefits of this research are expected to provide input for various parties, especially executors of customer satisfaction, in this case Indomaret can improve customer service even better.

2. Theoretical

The theoretical benefits of this research are expected to be used as material for studying the development of science related to the effect of price and service quality on customer satisfaction.