Article

The Influence of Price and Service Quality on Warunk Upnormal Customer Satisfaction (Case Study of Warunk Upnormal Bintaro Sector 7)

Bagas Adi Wibowo[1], Fiska Kusumawati[1]*

[1]Faculty of Economics & Business, Pertamina University Jl. Teuku Nyak Arief, Simprug, Kebayoran Lama, South Jakarta 12220

email: wibowoo.bagasadi@gmail.com

*Correspondence email: fiska.kusumawati@universitaspertamina.ac.id

Abstract: Warunk Upnormal is a cafe that has many branches in Indonesia and has been successful in its time, winning various awards, but currently Warunk Upnormal is experiencing a phenomenon, namely that many outlets have closed permanently. The research entitled "The Influence of Price and Service Quality on Customer Satisfaction at Warunk Upnormal (Case Study of Warunk Upnormal Bintaro Sector 7)" aims to find out whether price and service quality have a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7. This research was conducted with quantitative methods with purposive sampling techniques. The number of samples in this study was 100 people. The sample criteria in this research are customers who visited Warunk Upnormal Bintaro Sector 7 at least once in the last 3 months, all genders, Warunk Upnormal's target market is young people aged 17-30 years, and live in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, Bekasi). The data analysis used in this research is variable description analysis, research instrument testing, classical assumption testing, multiple linear regression testing, and hypothesis testing. The results of this research show that price has a significant effect on customer satisfaction of Warunk Upnormal Bintaro Sector 7 partially, service quality has a significant effect on customer satisfaction of Warunk Upnormal Bintaro Sector 7 partially, and price and service quality have a significant effect on customer satisfaction of Warunk Upnormal Bintaro Sector 7 simultaneously.

Keywords: *Price, service quality, customer satisfaction*

1. Introduction

The food and beverage industry is one of the business sectors that operates in the field of food processing, covering various types of businesses such as restaurant and café [1].

The food and beverage industry is also one of the important industries in Indonesia and has enormous business potential due to several factors such as related to basic human needs, easy to adapt to changing trends, and connected to other industries namely tourism industry, agricultural industry, fishing industry and the creative economy industry [1].

The annual performance of restaurant and cafe businesses in Indonesia experiences positive growth until 2023 [2]. In 2022, the Central Statistics Agency (Badan Pusat Statistik Indonesia) has released data on the number of culinary businesses in Indonesia, there were 11,223 culinary businesses in Indonesia in 2020 and the results were dominated by restaurant and cafe businesses with a total number of 8,042 or the equivalent of 71.65% [3]. The large market share and business opportunities owned by restaurants, cafes or eateries in the food and beverage industry can encourage increasingly tight business competition. In business competition, it is important for every business person to be able to maintain their business or be able to win the business competition.

In Indonesia, there is a cafe that has a familiar name and has many branches, the cafe is called Warunk Upnormal. Warunk Upnormal has won various awards such as The Best Coffee Shops in Jakarta 2019, Franchise Top of Mind 2017, and 25 Top Rising Star Brand. However, currently Warunk Upnormal is starting to become empty of buyers and is experiencing a phenomenon where many branches have closed permanently. This phenomenon indicates a problem experienced by Warunk Upnormal.

A business expert named Prof. Rhenald Kasali assessed that this phenomenon could occur due to lack of income [4]. Even though a business has a goal to create and retain every customer [5]. The source of income for a business comes from customers, a small number of customers can result in low levels of income. The key factor in efforts to make a customer stay is customer satisfaction, a customer who is satisfied will make repeat purchases, give good reviews, and will no longer be too interested in products from other competing brands [6].

Warunk Upnormal Bintaro Sector 7 is one of the Warunk Upnormal branches in the Jakarta, Bogor, Depok, Tangerang and Bekasi areas which is still open today. However, Warunk Upnormal Bintaro Sector 7 is the branch with the lowest rating on Google review among the other branches. Based on this data, it can be said that the majority of customers are dissatisfied with Warunk Upnormal Bintaro Sector 7.

In the Google review of Warunk Upnormal Bintaro Sector 7, many complaints from customers were found regarding the price and quality of service. The large number of complaints in Warunk Upnormal customer reviews may indicate a low level of Warunk Upnormal customer satisfaction. This is in line with previous findings that Warunk Upnormal Bintaro Sector 7 is the branch in the Jakarta, Bogor, Depok, Tangerang, Bekasi area with the lowest rating on Google reviews.

Warunk Upnormal is one of the most successful cafes in Indonesia needs to maintain its business to avoid bankruptcy and permanent closure of all its branches. Therefore, the authors are interested in examining the influence of price and service quality on customer satisfaction of Warunk Upnormal Bintaro Sector 7.

2.   Literature

2.1   Price

Price, according to the study [7] is the exchange value of a product or service that needs to be redeemed by the customer so that the customer can own or use and benefit from the product. There are 3 price dimensions, namely price suitability to product quality, price affordability, and price competitiveness [8].

2.2   Service Quality

According to study [9] service quality can be defined as a level of excellence that will be useful for customers to meet customer expectations and needs. There are 5 dimensions of service quality, namely reliability, responsiveness, assurance, empathy, and tangible [10].

2.3   Customer Satisfaction

In accordance with study [10] the definition of customer satisfaction is the feeling of happiness or disappointment that a customer has, this feeling is produced when the customer has compared their expectations with the quality and benefits of the product they received. There are 3 dimensions of customer satisfaction, namely suitability of expectations, interest in revisiting, and willingness to recommend [11].

2.4   Hypothesis

A hypothesis is a temporary statement or conjecture that is useful for answering or resolving the problem formulation in research. The truth of the hypothesis needs to be tested empirically and using data-based studies. The following is the hypothesis in this research:

1. H1: Price has a significant partial effect on customer satisfaction at Warunk Upnormal Bintaro Sector 7.
2. H2: Service quality has a significant partial effect on customer satisfaction at Warunk Upnormal Bintaro Sector 7.
3. H3: Price and service quality have a significant effect on customer satisfaction at Warunk Upnormal Bintaro Sector 7 simultaneously.

The following is a research framework in accordance with the hypothesis formulated above.
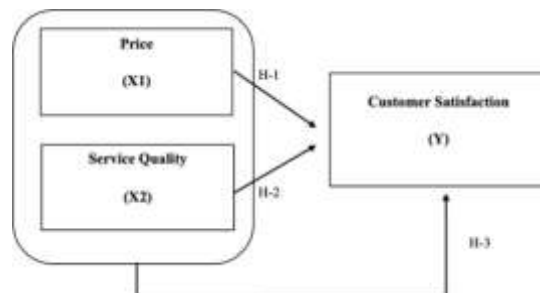
Figure 1. Hypothesis and Research Framework (Source: Authors, 2024)

3. Methods

This scientific paper research is in the form of quantitative research. The data used in this research comes from the results of questionnaire respondents in the form of numbers, then the data is processed using statistics to reach conclusions. This quantitative research will test and find out whether there is an influence from the independent variables used, namely price and service quality, on the dependent variable used, namely customer satisfaction, with a case study at Warunk Upnormal Bintaro Sector 7, so this research uses an explanatory research method to explain the influence between these variables. Details regarding research indicators for each variable can be found in the table provided below.

Table 1. Operasional Research Variables

Variable	Dimension	Indicator
Independent Variable (X1) Price (Tjiptono, 2008)	1. Price Suitability to Product Quality	Price according to product quality
	2. Price Affordability	Prices are affordable for customers
	3. Price Competitiveness	Prices can compete with competitors
Independent Varible (X2) Service Quality (Kotler and Keller, 2016)	1. Reliability	1. Products made to order
		2. The time required to place an order is fast
		3. The value of the payment receipt always corresponds to the product ordered
	2. Responsiveness	1. Employees are responsive in providing service
		2. Employees are responsible if an error occurs in selecting the food menu
		3. Employees help customers who are unsure about placing an order
	3. Assurance	1. Employees master knowledge about the products being sold
		2. Employees always speak politely to customers
		3. Consumers feel safe when making payment transactions to employees
	4. Empathy	1. Employees understand what customers want
		2. Employees want to listen to customer complaints
		3. Employees respond well to customer complaints

5. Tangible	1. Restaurant equipment such as tables, chairs, eating and drinking utensils are clean 2. The clothes worn by employees are neat 3. The menu display is clear Finding parking is easy	
Dependent Variable (Y) Customer Satisfaction (Tjiptono, 2005)	1. Suitability of Expectations	In line with customer expectations
	2. Interest in Revisiting	1. Customers Revisiting 2. Repeat order
	3. Wilingness to Recommend	Recommend to others

The data collection method used in this scientific paper research is to obtain data directly from respondents using a questionnaire instrument written and distributed via Google Form. Respondents' answers have been provided with measurements using a Likert scale. The Likert scale provides answer choices from 1-5, 1 means "Strongly Disagree", 2 means "Disagree", 3 means "Neutral", 4 means "Agree", and 5 means "Strongly Agree". The research sample was determined using purposive sampling, with the criteria of customers who visited Warunk Upnormal Bintaro Sector 7 at least once in the last 3 months, male and female, aged 17-30 years, all types of work, and domiciled in Jakarta, Bogor , Depok, Tangerang and Bekasi. The sample size of 100 people was determined using the Cochran formula because the population size was unknown and quite large.

4. Results

4.1 Clasic Assumption Test

4.1.1. Normality Test

The Kolmogorov-Smirnov method is the method used in the normality test in this research. The normality test is carried out because it is useful for analyzing whether the existence of all variables reflects a normal distribution of residuals. The results of the normality test in this research are a significant value of 0.200 greater or > 0.05. These results can conclude that the data in this research is normally distributed. The result of the normality test in this study are explained in the table below.

Tabel 2. Normality Test Result

One Sample Kolmogorov-Smirnov Test	
	Unstanderdized Residual
Asymp. Sig. (2-tailed)	0.200

Source: Primary data processed in 2024

4.1.2. Multicolinearity Test

To find out whether each independent variable has or does not have a correlation with other independent variables, the researcher conducted a multicollinearity test. The

important thing to know when carrying out a multicollinearity test is to look at the tolerance value and Variance Inflation Factors (VIF) value, because a variable can be declared as not having multicollinearity if the tolerance value is > 0.1 and the VIF value is < 10. The results obtained show that the tolerance value is 0.421 > 0.1 and VIF value is 2.374 < 10. These results indicate that the independent variables used in this research are free from multicollinearity. The result of the multicolinearity test in this study are explained in the table below.

Tabel 3. Multicolinearity Test Result

Model	Colinearity Statistics	
	Tolerance	VIF
Price	0.421	2.374
Service Quality	0.421	2.374

Source: Primary data processed in 2024

4.1.3. Heteroscedasticity Test

The heteroscedasticity test carried out by the author in this study aims to find out whether heteroscedasticity or variance inequality occurs between one observation residual and another in this research. The heteroscedasticity test method used is Spearman's rho which is used to find out whether a regression model residual has an indication of heteroscedasticity by regressing the absolute residual. The condition for decision making in this test is that if the significance value is > 0.05, it can be stated that there is no indication of heteroscedasticity in the regression model. The results obtained show that the significant value of each independent variable is bigger than 0.05. Price is 0.640 and service quality is 0.273. It can be concluded that there are no symptoms of heteroscedasticity in this research. The result of the heteroscedasticity test in this study are explained in the table below.

Tabel 3. Heteroscedasticity Test Result

Variable	Sig. (2-tailed)
Price Service Quality	0.640
	0.273

Source: Primary data processed in 2024

4.1. Multiple Regression Linear Analysis

Multiple linear regression analysis aims to find out the effect of price and service quality as independent variables on customer satisfaction which is the dependent variable. The results obtained from the multiple linear regression analysis that have been carried out are as follows.

$$Y = -5.155 + 0.700 \, (X1) + 0.181 \, (X2) + e_i$$

Explanation:

1. $\alpha = -5.155$, has the meaning that when price and service quality do not exist or have

a value of zero, then customer satisfaction has a value of -5.155.

2. $\beta 1 = 0.700$, this means that if the price variable (X1) increases by 1 unit, it will increase the customer satisfaction value by 0.700 and vice versa.
3. $\beta 2 = 0.181$, This means that if the service quality variable (X2) increases by 1 unit, it will increase the customer satisfaction value by 0.181 and vice versa.

Tabel 4. Result of Multiple Linear Anlysis

Variable	Unstandardized Coefficients B
(Constant)	-5.155
Price	0.700
Service Quality	0.181

Source: Primary data processed in 2024

4.2. Hypothesis Test

4.2.1. Partial Test (T-Test)

The partial test aims to find out whether there is a significant influence of the independent variable on the dependent variable partially. The independent variable can be said to have a significant influence on the dependent variable partially if the value of sig. < 0.05 and the value of T-count > T-table.

The partial test results in the table below show that price has the value of sig. is 0.000 < 0.05 and the value of T-count is 5.261 > 1.661 also service quality has the value of sig. is 0.000 < 0.05 and the value of T-count is 4.275 > 1.661. Based on these results, it can be stated that price has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially (H1 accepted) also service quality has a significant influence on customer satisfaction of Warunk Upnormal Bintaro Sector 7 partially (H2 accepted).

Tabel 5. Partial Test Result (T-Test)

Variable	T count	T table	Sig.
Price	5.261	1.661	0.000
Service Quality	4.275	1.661	0.000

Source: Primary data processed in 2024

4.2.2. Simultaneous Test (F-Test)

The simultaneous test aims to determine whether there is a significant influence of the independent variable on the dependent variable simultaneously. The independent variable can be said to have a significant influence on the dependent variable simultaneously if the value of sig. < 0.05 and the value of F-count > F-table.

The simultaneous test results in the table below show that price and service quality has the value of sig. is 0.000 < 0.05 and the value of F-count is 95.143 > 3.090. Based on these results, it can be stated that price and service quality has a significant influence on customer satisfaction of Warunk Upnormal Bintaro Sector 7 simultaneously (H3 accepted).

Tabel 6. Simultaneous Test Result (F-Test)

Variable	F count	F table	Sig.
Regression	95.143	3.090	0.000

Source: Primary data processed in 2024

4.2.3. Determinant Coefficient Test Results (R^2)

To find out how much influence the independent variable contributes to the dependent variable, in this scientific paper research, the determinant coefficient test (R^2) was carried

out. The results in the table below show that price and service quality together have an influence contribution of 65.5% on customer satisfaction at Warunk Upnormal Bintaro Sector 7.

Tabel 7. Determinant Coefficient Test Result

Model	Adjusted R-Square
Regression	0.655

Source: Primary data processed in 2024

5. Discussion

5.1 Price has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially. The results of this research found that price (X1) has the value of sig. is $0.000 < 0.05$ and the value of T-count is $5.261 > 1.661$ which is based on these results it can be concluded that price has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially (H1 accepted). The influence of price on customer satisfaction can occur because customers are willing to exchange an amount of money equivalent to a set price to get a product and fulfill their needs with the hope that the value of the exchanged price will be comparable or even exceed what they get. Of course, this hope will produce a sense of satisfaction for customers if the results obtained are comparable to or exceed the value of the price exchanged.

5.2 Service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially. The results of this research found that service quality (X2) has the value of sig. is $0.000 < 0.05$ and the value of T-count is $4.275 > 1.661$ which is based on these results it can be concluded that service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially (H2 accepted). There is an influence of service quality on customer satisfaction which can occur because Warunk Upnormal Bintaro Sector 7 in its business operations is of course also required to serve customers well and correctly. Of course, customers will compare the value of the money they spend and their expectations for the quality of service they will get with the quality of service they get, then customer satisfaction is something that results when customers compare these things.

5.3 Price and service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 simultaneously. The results of this research found that price (X1) and service quality (X2) has the value of sig. is $0.000 < 0.05$ and the value of F-count is $95.143 > 3.090$ which is based on these results it can be concluded that price and service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 simultaneously (H3 accepted). The results of this research are in line with the phenomena raised in this scientific research paper. The phenomenon of many Warunk Upnormal outlets or branches being permanently closed can occur due to a lack of income and low Google review scores for Warunk Upnormal Bintaro Sector 7 which indicate a problem with customer satisfaction has been proven to be caused by pricing that is felt by the majority of respondents to be less than ideal and poor service quality considered less than optimal by the majority of respondents.

6. Conclusion and Recommendations

The scientific paper research carried out by the author this time has the aim of finding out

whether customer satisfaction (Y) of Warunk Upnormal Bintaro Sector 7 is significantly influenced by the variables price (X1) and service quality (X2) both partially and simultaneously. This scientific paper research obtained 3 results and conclusions which will be explained below:

1. Price has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially (H1 accepted).
2. Service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 partially (H2 accepted).
3. Price and service quality has a significant influence on customer satisfaction at Warunk Upnormal Bintaro Sector 7 simultaneously (H3 accepted).

After the author obtains the results and conclusions from the scientific research research that has been carried out, the author will provide several useful suggestions for consideration and evaluation for the future, including:

1. Evaluate and improve the pricing of Warunk Upnormal Bintaro Sector 7 by considering the price variable indicators used in this scientific paper research because this scientific paper research has proven that customer satisfaction of Warunk Upnormal Bintaro Sector 7 is significantly influenced by partial price variables.
2. Improving service quality by conducting training for employees and evaluating standard operational procedures with the aim of increasing employee interaction with customers so that employees can help customers who are unsure about
3. making orders, to increase employee professionalism so they can work faster in making orders and be responsive in providing service, to increase employees' sense of empathy so that employees are better able to understand customer desires. Apart from that, Warunk Upnormal Bintaro Sector 7 needs to increase the number of employees so that they can make orders more quickly and be more responsive in providing service to customers. This suggestion was given because this research has proven that customer satisfaction at Warunk Upnormal Bintaro Sector 7 is partially and significantly influenced by service quality variables.
4. Improve pricing and provide better and quality service. The author gives these suggestions so that customer expectations can be met so that customers feel satisfied. In this scientific paper research, it has been proven that customer satisfaction at Warunk Upnormal Bintaro Sector 7 is significantly influenced by these two independent variables, both partially and simultaneously.
5. The author provides suggestions for using or adding other variables such as product quality, store atmosphere, brand image, purchasing decisions, and customer loyalty to other parties who may want or will conduct similar research. Apart from that, you can also do research on other Warunk Upnormal branches such as Sudirman Plaza, Rawamangun, and Depok which also have low ratings on Google reviews. It is hoped that this will add broader, better and more useful insight to Warunk Upnormal and readers.

Conflicts of Interest: The authors declare no conflict of interest.

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