

The Influence of Service Quality, Brand Image, and Price on Customer Satisfaction of Hardware at Palembang Icon

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ABSTRACT

This study aims to analyze both partially and simultaneously the influence of service quality, brand image, and price on customer satisfaction at Hardware Palembang Icon. The research sample consisted of 372 respondents using a Likert scale questionnaire. The study employed a quantitative approach with purposive sampling technique. The results indicate that service quality, brand image, and price have a significant effect on customer satisfaction at Hardware Palembang Icon, both partially and simultaneously.

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1. INTRODUCTION

The retail fashion industry in Indonesia has experienced rapid growth in line with increasing consumer purchasing power and changing lifestyles, particularly among teenagers. In this era of globalization, business competition is becoming increasingly intense, requiring companies to be able to retain customers by improving customer satisfaction. Hardware is one of the local fashion brands that has been operating since 1997 and continues to develop its business, including through the opening of branches in major cities such as Palembang.

The Hardware branch at Palembang Icon competes directly with other local brands such as Urban n Co, Colorbox, and Executive. The following table presents a brief profile of Hardware's main competitors based on their market segment, price, number of branches, and competitive advantages:

Hardware holds a competitive advantage as a local brand offering trendy designs and competitive prices targeting the youth segment. Although it currently has only one branch, Hardware has managed to attract customer attention through offerings aligned with local fashion trends.

In the past three years, the number of active customers making repeat purchases at Hardware Palembang Icon has shown a significant increase. Nevertheless, the intense competition in the market demands that the company continuously refine its marketing strategies and improve factors that contribute to customer satisfaction.

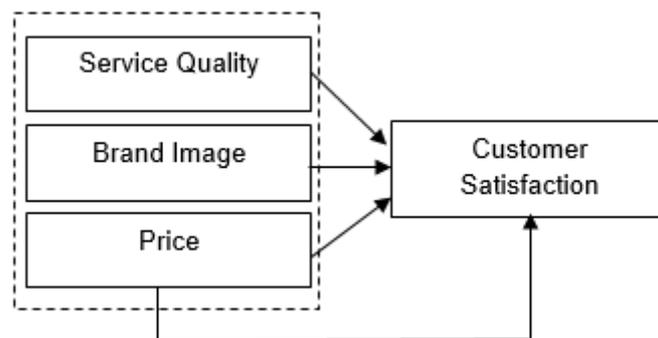
The main problem addressed in this study is how the company can enhance customer satisfaction in order to stay competitive amid the abundance of similar fashion products in the market. The issues related to this problem include the quality of service provided to customers, the brand image in the eyes of consumers, and the perception of price offered.

Several previous studies have shown that service quality significantly affects customer satisfaction. (Lathifa & Silvianita, 2023) stated that service which meets customer expectations will enhance satisfaction and loyalty. However, (Wicaksono *et al.*, 2022) found that service quality does not always have a significant impact on customer satisfaction, depending on the industry context.

In terms of brand image, research by (Putra, 2021) showed that a positive brand image can strengthen customer satisfaction and encourage purchasing decisions. Conversely, (Prastiwi & Rivai, 2022) concluded that brand image does not always directly influence customer satisfaction.

Meanwhile, price is also considered an important factor influencing customer satisfaction. (Farisi & Siregar, 2020) mentioned that customers tend to feel satisfied when the price paid is perceived as equivalent to the benefits received. However, (Wanda Wahidah & Rayuwanto, 2023) found that price is not the main factor in determining customer satisfaction.

The differing results in these previous studies indicate varying perspectives on the influence of these variables on customer satisfaction, particularly in the context of local fashion retail. Therefore, this study aims to analyze the effect of service quality, brand image, and price on customer satisfaction at Hardware Palembang Icon. This research is expected to contribute to the development of effective marketing strategies to enhance customer satisfaction and loyalty in the local fashion industry.



Source: Author, 2025

Figure 1. Conceptual Framework

Theoretical Framework

According to Parasuraman, Zeithaml, & Berry as cited in (Lathifa & Silvianita, 2023), service quality is the extent to which a company's services can meet or exceed customer expectations. Service quality encompasses several dimensions, including reliability, responsiveness, assurance, empathy, and tangibles. Good service quality leads to increased customer satisfaction and loyalty.

Brand image refers to the perception and impression that consumers have of a brand based on their experiences and the information they receive. A positive brand image helps build customer trust, encourages repeat purchases, and enhances overall satisfaction (Khasanah *et al.*, 2021).

Price is the amount of value exchanged by consumers to obtain the benefits of a product or service. Price is considered fair when it aligns with the quality of the product received, and it can influence both perception and the level of customer satisfaction (Sakinah & Aslami, 2021).

According to (Kotler & Keller, 2022), customer satisfaction is the emotional response that arises when consumer expectations toward a product or service are met or even exceeded. High satisfaction increases customer loyalty, trust, and the likelihood of word-of-mouth recommendations.

2. RESEARCH METHOD

This study uses a quantitative approach with a descriptive associative research design. The purpose of this research is to examine the influence of service quality, brand image, and price on customer satisfaction at Hardware Palembang Icon.

The population in this study consists of all customers of Hardware Palembang Icon. The sampling technique used is purposive sampling, targeting respondents who have made purchases more than once in the past year.

Data collection was conducted by distributing questionnaires to the respondents. According to (Sugiyono, 2020, p. 236), a questionnaire is a data collection technique carried out by providing a set of written questions or statements to respondents for them to answer. In this study, the questionnaire was designed to measure customers' perceptions of the variables: service quality, brand image, price, and customer satisfaction. Each statement item was measured using a Likert scale.

3. RESULTS AND DISCUSSIONS

Hardware Clothing is a local fashion brand targeting the casual wear segment for young people, offering trendy designs that keep up with current trends. The expansion to Palembang City was part of the company's strategy to broaden its market reach beyond Java Island.

The Hardware outlet at Palembang Icon Mall was opened after the shopping center officially started operations in 2014. The strategic location and high visitor traffic were the main reasons for choosing this site. Since its inception, Hardware Palembang Icon has become one of the popular fashion shopping destinations in the city, supported by the company's commitment to maintaining product quality and service.

In addition to direct sales, Hardware actively promotes its brand through social media and participation in various local events to increase brand awareness and customer loyalty.

This study involved 372 respondents who are customers of Hardware Palembang Icon. The sampling technique used was probability sampling with the Slovin formula. Respondents were selected based on specific characteristics, including gender, age, occupation, and income.

Based on gender, the majority of respondents were female (62.37%). In terms of age, most respondents were in the 25–35 year range (48.39%). Regarding occupation, the majority were self-employed (44.55%), followed by private employees (41.67%), and students (13.78%). Meanwhile, in terms of income, most respondents earned more than Rp 5,000,000 (46.51%).

These findings indicate that the majority of respondents are young productive female consumers with self-employment backgrounds and middle to upper income levels.

Multiple Linear Regression Analysis

According to (Ervin et al., 2023, p. 144), multiple linear regression is an analytical method used to measure the influence of two or more independent variables on one dependent variable. This technique is applied when there is more than one independent variable in the study.

The multiple linear regression equation obtained in this study is:

$$\text{Customer Satisfaction} = -1.400 + 0.442 \text{ Service Quality} + 0.221 \text{ Brand Image} + 0.163 \text{ Price}$$

Table 2. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	-.1400	.584		-2.413	.016
Kualitas Pelayanan	.442	.032	.581	13.756	.000
Citra Merek	.221	.043	.204	5.201	.000
Harga	.163	.044	.135	3.683	.000

Source: Processed Data SPSS 26, 2025

Based on Table 2, the regression equation can be interpreted as follows: The constant value of -1.400 is negative. This means that if the values of the service quality, brand image, and price variables are zero, then the level of customer satisfaction will have a negative value of -1.400. The service quality variable has a coefficient of 0.442. This means that if the service quality variable increases by 1 unit, the customer satisfaction variable will increase by 0.442 or 44.2%. The brand image variable has a coefficient of 0.221. This means that if the brand image variable increases by 1 unit, the customer satisfaction variable will increase by 0.221 or 22.1%. Lastly, the price variable has a coefficient of 0.163. This means that if the price variable increases by 1 unit, the customer satisfaction variable will increase by 0.163 or 16.3%.

Partial Test (Test t)

According to (Ghozali, 2021, p. 148), the t-test is used to determine the effect of each independent variable on the dependent variable partially. A variable is considered to have a significant effect if the calculated t-value (t-count) is greater than the critical t-value (t-table), and not significant if t-count is less than t-table.

Table 3. Partial Test (t-test)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
	1 (Constant)	-.1400	.584		
Kualitas Pelayanan	.442	.032	.581	13.756	.000
Citra Merek	.221	.043	.204	5.201	.000
Harga	.163	.044	.135	3.683	.000

Source: Processed Data SPSS 26, 2025

Based on Table 3 above, the results of the partial data testing can be seen as follows:

1. The significance value is $0.000 < 0.05$, and the t-count for the Service Quality variable is $13.756 > t\text{-table } 1.649$. This indicates that the Service Quality variable has a positive and significant effect on customer satisfaction.
2. The significance value is $0.000 < 0.05$, and the t-count for the Brand Image variable is $5.201 > t\text{-table } 1.649$. This indicates that Brand Image has a positive and significant effect on customer satisfaction.
3. The significance value is $0.000 < 0.05$, and the t-count for the Price variable is $3.683 > t\text{-table } 1.649$. This indicates that Price has a positive and significant effect on customer satisfaction.

Simultaneous Test (F-Test)

According to (Ghozali, 2021, p. 148), the F-test is used to test the simultaneous effect of independent variables on the dependent variable. This test is conducted by comparing the calculated F-value (F-count) with the critical F-value (F-table). If $F\text{-count} > F\text{-table}$ or the significance value (sig.) < 0.05 , there is a significant simultaneous effect. Conversely, if $F\text{-count} < F\text{-table}$ or $\text{sig.} > 0.05$, there is no significant simultaneous effect.

Table 4. Simultaneous Test (F-Test)

Model	df	F	Sig
1 Regression	3	221.434	.000 ^b
Residual	368		
Total	371		

Source: Processed Data SPSS 26, 2025

Table 4 shows the F-table value obtained from degrees of freedom ($Df = 372 - (4 + 1) = 368$), which is 2.40. Therefore, the significance value is $0.000 < 0.05$ and the F-count is $221.434 > 2.40$ based on the given data.

Thus, simultaneously, the variables Service Quality, Brand Image, and Price have a positive and significant effect on Customer Satisfaction at Hardware Palembang Icon.

Coefficient of Determination (R^2)

According to (Ghozali, 2021, p. 150), the coefficient of determination (R^2) is used to measure how well the model can explain the dependent variable through the independent variables. The higher the R^2 value, the greater the proportion of the variance in the dependent variable that can be explained by the independent variables.

Table 5. Coefficient of Determination (R^2)

Model	Adjusted R Square
1	.641

Source: Processed Data SPSS 26, 2025

Table 5 shows that the Adjusted R Square value is 0.641, which means that the variables Service Quality, Brand Image, and Price together are able to explain 64.1% of the variation in customer satisfaction. Meanwhile, the remaining 35.9% is influenced by other factors outside this study, such as emotional factors and costs.

Discussion

The Effect of Service Quality on Customer Satisfaction

Based on the hypothesis test, the t-count for the Service Quality variable is $13.756 > t\text{-table } 1.649$ with a significance of $0.000 < 0.05$. This means that service quality has a positive and significant effect on customer satisfaction (Indrasari, 2019, p. 61). Products, services, human resources, and policies are closely related to the dynamics of service quality.

Service quality at the Hardware Brand in Palembang Icon creates a comfortable and trustworthy shopping experience. Friendly, responsive, and informative service makes customers feel valued, thereby increasing satisfaction and loyalty. Conversely, poor service can cause disappointment even if the product quality is good.

This study is supported by (Wannahar & Indriani, 2023), who state that customer satisfaction is greatly influenced by service quality. Responsive and professional service builds trust and long-term relationships between customers and the company.

The Effect of Brand Image on Customer Satisfaction

The t-count for the Brand Image variable is $5.201 > t\text{-table } 1.649$, and the significance value is $0.000 < 0.05$. This means brand image has a positive and significant effect on customer satisfaction. According to (Andrian & Fadillah, 2021), a positive brand image can influence customer loyalty in purchasing goods or services.

Brand image affects customer satisfaction at Hardware Palembang Icon by shaping perceptions and trust regarding quality, reputation, and brand value. A positive image makes customers feel satisfied because their expectations are met, whereas a negative image can reduce satisfaction. A strong brand image also enhances loyalty by building trust and comfort.

(Erida *et al.*, 2020), also found that brand image positively affects consumer satisfaction. Brands with a good reputation create positive perceptions, which increase overall customer trust and satisfaction.

The Effect of Price on Customer Satisfaction

The t-count for the Price variable is $3.683 > t\text{-table } 1.649$, with a significance value of $0.000 < 0.05$, meaning price has a positive and significant effect on customer satisfaction. According to (Indrasari, 2019, p. 96), price is the value in rupiah or other forms of payment from the buyer.

Price plays an important role in shaping customer satisfaction at Hardware Palembang Icon. Satisfaction arises when consumers feel the price is proportional to the product quality. If the price meets or is lower than expectations for product performance, satisfaction increases. Conversely, a price perceived as disproportionate to quality can lower satisfaction. Therefore, competitive pricing aligned with perceived value is crucial to enhancing consumer satisfaction.

This aligns with (Hanif & Wardhani, 2024), who show that price significantly affects customer satisfaction. Affordable prices that correspond to the value received can increase consumer satisfaction.

The Effect of Service Quality, Brand Image, and Price on Customer Satisfaction

Overall, the simultaneous significance test (F-test) results indicate that the variables service quality, brand image, and price have a positive and significant effect on customer satisfaction at Hardware Palembang Icon. Responsive, friendly, and informative service contributes to a pleasant shopping experience and helps customers make purchase decisions, thereby encouraging loyalty. A positive brand image strengthens customer perceptions and trust in the brand's reputation and value, ultimately increasing satisfaction. Meanwhile, competitive pricing that matches customer value perception is considered proportional to product quality, making it an important factor in shaping satisfaction. When these three factors work harmoniously, they can create a high level of customer satisfaction. This is in line with the research by (Prastiwi & Rivai, 2022), which shows that product quality, brand image, and appropriate pricing significantly determine customer satisfaction toward a product or brand.

4. CONCLUSION

Based on the analysis results, it can be concluded that service quality, brand image, and price have a positive and significant effect on customer satisfaction at Hardware Palembang Icon, both partially

(t-test) and simultaneously (F-test). Customers feel satisfied when they receive quality products, friendly and fast service, a good brand image, and prices that are proportional to the value received. Amid changing consumer behavior that is becoming more selective and the dominance of online shopping, the combination of these factors becomes an important strategy to increase satisfaction, encourage customer loyalty, and ensure business sustainability.

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