

## The Effect of Service Quality, Price and Location on Customer Satisfaction at K-24 Pharmacy (Case Study at K-24 Pharmacy, Ketileng Raya Branch, Semarang City)

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### ABSTRACT

This research aims to determine the influence of service quality, price and location on customer satisfaction. The population of this research is customers of the K-24 Ketileng Raya Pharmacy, Semarang City with a research sample of 99 respondents using the sampling method, namely Accidental sampling. The method used in this research is a quantitative method with data analysis techniques using multiple linear regression. The source used in this research is primary data with the help of statistical data analysis tools from the SPSS program version 22. The variables used in this research are service quality, price and location as independent variables and customer satisfaction as the dependent variable. The results of the research show that the service quality variable does not have a significant effect on customer satisfaction at Apotek K-24 Ketileng Raya, Semarang City, while price and location influence customer satisfaction at Apotek K-24 Ketileng Raya, Semarang City and Service Quality, Price and Location have a simultaneous effect. on customer satisfaction at K-24 Ketileng Raya Pharmacy, Semarang City.

**Keywords:** service quality, price, location, customer satisfaction, K24 Pharmacy

## **INTRODUCTION**

The survival of a business is determined by factors that influence customer or consumer perception in assessing a business. Various methods are used to analyze a need required by customers and a business tries to fulfill it. Not only fulfilling what customers need, but the number of business competitors will erode the company if it only does something or a program that is normally done by other businesses. Therefore, companies are required to analyze the market and provide satisfaction to customers.

Consumer satisfaction is an evaluation after a purchase, where the choices made at least provide results that are equal to or exceed consumer expectations. Conversely, dissatisfaction arises if the results obtained do not match customer expectations. According to Engel in Tjiptono (2002:146).

Definition of service quality According to Kotler (2019), namely A method for evaluating the level of service received by customers compared to what they anticipate is called service quality. If the level of service provided meets or exceeds expectations, it is considered high quality and satisfactory. According to Kotler and Armstrong (2012:314) Price is the amount of money that must be paid to obtain a product or service, or the value given by consumers in return for the benefits obtained from having or using the product or service). According to Fandy Tjiptono (2012:345), "Location refers to various types of marketing efforts that aim to provide smoothness and provide facilities for the delivery or distribution of goods and services from producers to consumers.

K24 Ketileng Raya Pharmacy, Semarang City, which is a pharmacy that provides medicines and medical devices that have the characteristics of being complete, open 24 hours non-stop and the price remains the same both on holidays and weekdays. The company tries as hard as possible to be able to meet the needs of both products and the quality of service desired by the community so that customer satisfaction is created.

In Niken Herawati's research, (2018) it was found that service quality had a positive and significant effect on customer satisfaction. In a study conducted by AB, Cristono, (2019) it was found that price had a significant effect on customer satisfaction. and a study conducted by Iqbal Krisdiyanto, (2018) it was found that location had a significant effect on customer satisfaction.

## **LITERATURE REVIEW**

### **Customer Satisfaction**

Based on the Oxford Advanced Learners Dictionary quoted by Tjiptono in (Fitria 2006) The Latin words "satis" (good enough, adequate) and "facio" (to do or make) are the origins of the word satisfaction in English. Kotler in Rangkuti (2022:23) in Krisdayanto et al. (2018) states that a person's satisfaction or dissatisfaction results from a comparison between the visible achievements or services and their expectations. When someone compares their expectations and views on the performance of a product, they can determine whether they are satisfied or not. If clarified as follows: Customers will: a) be unhappy if performance does

not meet expectations; b) be satisfied if performance meets expectations; or c) be very happy or satisfied if performance exceeds expectations (Kotler, 2007).

### **Service Quality**

According to Kotler (2019) in (Zikri and Harahap 2022) defines that service quality is an evaluation by consumers of the level of service received, compared to their expectations. If the service received is in accordance with expectations, then the service quality is considered good and satisfactory. Goetsch and Davis (2013) in Abdul Gofur (2019) define that service quality is a changing state related to products, services, labor, processes, and the environment, which can meet or even exceed expectations.

### **Price**

According to Kotler and Armstrong (2012:314) Price is the amount of money that must be paid to obtain a product or service, or the value given by consumers in return for the benefits obtained from having or using the product or service). According to Lupiyoadi (2013) in (Oktarini 2020) states "Price is a consequence of receiving services accompanied by the sacrifice of various costs when using the service. This sacrifice can be in the form of time spent accessing services or physical activities that require energy in using the service. Price indicators include aspects such as affordability, suitability between price and product quality, price competitiveness, and the relationship between price and benefits obtained (Kotler and Armstrong, 2013:278).

### **Location**

Tjiptono (2016) in (D. D. Kurniawan and Soliha 2022) Location refers to various marketing strategies that aim to facilitate the delivery or distribution of goods and services from producers to consumers. According to Heizer and Render (2015) in (Ramadhan and Mahargiono 2020) "Location is a factor that influences income and costs, so it often has a major influence on making a company's business strategy". Meanwhile, according to Kotler and Armstrong (2014:76) in (Ramadhan and Mahargiono 2020) "Place includes company activities that make the product available to target consumers.

### **Relationship between variables**

- a. Service quality towards customer satisfaction  
This result is in contrast to the research conducted by Niken Herawati, (2018) which obtained the results of service quality having a positive and significant effect on customer satisfaction.
- b. Price towards customer satisfaction  
This result is supported by research conducted by AB, Cristono, (2019) which obtained the results of Price having a significant effect on customer satisfaction
- c. Location towards customer satisfaction  
This result is supported by research conducted by Iqbal Krisdiyanto, (2018) which obtained the results of location having a significant effect on customer satisfaction.
- d. Service quality, price and location towards customer satisfaction  
In Raynaldo Danovan's research (2020) entitled "The effect of service quality, location and price on customer satisfaction at Hotel 101 Suryakencana Bogor" obtained the results of Service Quality, Location Strategy and Price together have a positive and significant effect on customer satisfaction.

## **RESEARCH METHOD**

### **Independent variable (Independent Variable)**

Is a variable that influences or causes changes or the emergence of dependent variables (dependent) symbolized by (x), which include: Service Quality symbolized by (X1), Price symbolized by (X2), location symbolized by (X3)

### **Dependent Variable (Dependent Variable)**

In this study, the dependent variable is customer satisfaction symbolized by the letter (Y), which is a variable influenced by the independent variable.

### **Population**

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions are drawn about them. Population also includes the qualities or characteristics possessed by the objects or subjects studied (Sugiyono 2007). The target of this study was customers of Apotek K-24 Ketileng Raya, Semarang City.

### **Sample**

This study uses non-probability sampling techniques and with Accidental sampling or often called Convenience sampling as a sampling technique. with a calculation of the number of respondents as many as 99. where anyone who is a customer of Apotek K-24 Ketileng Raya Semarang City who accidentally interacts with the researcher can be used as a sample, as long as they are considered suitable as a source of data.

### **Method of collecting data**

A questionnaire is a data collection method that involves delivering a series of questions or written statements to respondents to be answered. This data collection uses a Likert scale, which is a measurement tool used to assess the attitudes, opinions, or perceptions of individuals or groups towards social phenomena.

### **Analysis Methods**

In this study, the analysis was carried out using SPSS software version 22 to process data into tables, graphs and conclusions that will be used to determine the decision of the analysis results.

## **RESULTS**

### **Description of Research Objects**

K24 Ketileng Raya Pharmacy in Semarang City is located at Jl. Ketileng Raya No.18, Sendangmulyo Village, Tembalang District, Semarang City, Central Java 50272. K24 Ketileng Raya Pharmacy has entered its sixth year of existence serving the public in Semarang City, especially in East Semarang, Pedurungan, Kedungmundu, Sendangmulyo, Tembalang. The pharmacy always tries to improve the quality of service, analyze the needs of community products, maintain stock availability, receive customer complaints as evaluation material and discipline in realizing the vision and mission of the company. This pharmacy is equipped with

Pharmacist consultations, Health check services including blood pressure, uric acid, blood sugar and cholesterol, as well as delivery services that help customers get medicine easily.

### **Respondent Description**

The data used in this study are primary data, which include respondents' responses regarding service quality, price, and location to purchasing decisions. In addition, data regarding respondent identity includes direct responses through questionnaires distributed to one hundred respondents.

**Table 1. Description of Respondents Based on Age**

No.	Age	Total	Percentage (%)
1	18 – 25 years	86	85.4 %
2	26 – 30 years	6	5.94%
3	31 – 40 years	3	2.97%
4	Over 40 years	4	3.96%
<b>Total</b>		99	100 %

Source: processed primary data, 2024

Based on the table above, it can be explained that the respondents' ages are dominated by the largest number being 18-25 years old, amounting to 86 people (85.4%).

### **Description of Respondents Based on Gender**

**Tabel 2. Gender of Respondents**

No	Gender	Amount	Prosentase (%)
1	Man	40	40.4 %
2	Women	59	59.6 %
<b>Total</b>		99	100 %

Source: processed primary data, 2024

Based on the table above, it can be seen that there are 40 male respondents with a percentage of 40.4%, while there are 59 female respondents with a percentage of 59.6%.

### **Description of Respondents Based on Occupation**

**Table 3. Based on Occupation**

No.	Occupation	Total	Percentage (%)
1	Student	28	27.72 %
2	Privat Employee	40	39.6%
3	Teacher	1	0.99 %
4	Civil Servant	6	5.94 %
5	Housewife	3	2.97 %
6	Enterpreneur	7	6.97 %
7	Not Working	14	13.86 %
<b>Total</b>		99	100 %

Source: processed primary data, 2024

Based on these data, it can be seen that the respondents' jobs are dominated by private employees, namely 40 respondents (39.6%).

### Validity test

**Table 4.** Validity test results

Variable	Indicators	R count	R Table	Information
Service Quality (X1)	X1.1	0.439	0.202	Valid
	X1.2	0.424	0.202	Valid
	X1.3	0.453	0.202	Valid
	X1.4	0.494	0.202	Valid
	X1.5	0.513	0.202	Valid
Price (X2)	X2.1	0.495	0.202	Valid
	X2.2	0.530	0.202	Valid
	X2.3	0.297	0.202	Valid
	X2.4	0.470	0.202	Valid
Location (X3)	X3.1	0.727	0.202	Valid
	X3.2	0.876	0.202	Valid
	X3.3	0.820	0.202	Valid
	X3.4	0.821	0.202	Valid
Customer Satisfaction (Y)	Y1.1	0.818	0.202	Valid
	Y1.2	0.873	0.202	Valid
	Y1.3	0.873	0.202	Valid

Source: processed primary data, 2024

It is known from the table above that the calculated r value > r table (0.202) for all variables and also for the Sig. (2-tailed) value < alpha (0.05) then the data used in this study is valid.

### Reliability test

**Table 5.** Reliability test results

Variable	Criteria		Cronbach's Alpha	Conclusion
Service Quality (X1)	0.6	<	0.816	Reliabel
Price (X2)	0.6	<	0.857	Reliabel
Location (X3)	0.6	<	0.751	Reliabel
Customer Satisfaction (Y)	0.6	<	0.819	Reliabel

Source: processed primary data, 2024

It can be seen that a variable is declared a variable if Cronbach alpha > 0.60. The table above shows that all variables have a fairly large Cronbach alpha, which is above 0.60. So it can be concluded that the reliability of the variables of Service Quality, Price, Location and Customer Satisfaction studied is reliable.

### Hypothesis testing

#### Test T

The t test is used to test the significant level of influence between the independent variable and the dependent variable.

**Table 6.** T test results

Variabel	t	Sig.	Conclusion
Service Quality	1.261	0.211	not significant
Price	2.199	0.030	Significant
Location	4.137	0.000	Significant

Source: processed primary data, 2024

From the table above, it can be concluded as follows:

**1. Hypothesis Testing 1**

Hypothesis Test of Service Quality (X1) on customer satisfaction (Y). Based on the calculation results, a t-value of 1.261 can be obtained and a significant result of  $0.211 > 0.05$  can be obtained. This indicates that Hypothesis 1 = service quality has a positive effect on customer satisfaction is rejected. This means that the quality of service at Apotek K24 Ketileng Raya, Semarang City does not have a significant effect on customer satisfaction.

**2. Hypothesis Testing 2**

Hypothesis Test of Price (X2) on customer satisfaction (Y). According to the calculation results, a t-value of 2.199 can be obtained with a positive value with a significant result of  $0.030 < 0.05$ . This indicates that Price has a positive effect on customer satisfaction. This means that if the price at Apotek K24 Ketileng Raya, Semarang City is increased, customer satisfaction will increase.

**3. Hypothesis Testing 3**

Hypothesis Test of Location (X1) on customer satisfaction (Y). From the calculation results, the t-value of 4.137 can be obtained, which is positive and significant at  $0.000 < 0.05$ . This shows that the location has a positive effect on customer satisfaction. This means that if the location at Apotek K24 Ketileng Raya, Semarang City is improved, customer satisfaction will increase.

**F test**

**Table 7.** F Test Results

F	Sig.
23.036	0.000

Source: processed primary data, 2024

It is known that the F table value ( $N1=3, N2=(99-3-1)$ ) is 2.71 and the calculated F value from the SPSS output results in the table above is 23.036 and the Sig. value is 0.000, meaning that below alpha (0.05), the independent variables (service quality, price and location) in this research data have a simultaneous effect on the dependent variable (customer satisfaction).

**Coefficient of Determination (R2)**

**Table 8.** Determination test results

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.659 <sup>a</sup>	.434	.415	1.18159

Source: processed primary data, 2024

Referring to the table above, it can be seen that the results of the determination coefficient test obtained a value (Adjusted R Square) of 0.415, which means that 41.5% of customer satisfaction at the K24 Ketileng Raya Pharmacy in Semarang City is influenced by the variables of service quality, price and location, while the remaining 58.5% is influenced by other variables outside the model studied.

## **DISCUSSION**

### **The Effect of Service Quality on Customer Satisfaction**

The results of the hypothesis test produced a t-value of 1.261 with a significance of 0.211. This indicates that the results of the hypothesis test 1 that has been proposed in this study are rejected, which means that the role of service quality does not have a significant effect on customer satisfaction. This result is contrary to the research conducted by Niken Herawati, (2018) which obtained the results of service quality having a positive and significant effect on customer satisfaction.

### **The Effect of Price on Customer Satisfaction**

The results of the hypothesis test produced a t-value of 2.199 with a significance of 0.030. This indicates that the results of the hypothesis test 2 proposed in this study are accepted, which means that the better the role of price, the more it will increase customer satisfaction. This result is supported by research conducted by AB, Cristono, (2019) which obtained the results of Price having a significant effect on customer satisfaction.

### **The Effect of Location on Customer Satisfaction**

The results of the hypothesis test produced a t-value of 4.137 with a significance of 0.000. This indicates that the results of the hypothesis 3 test proposed in this study are accepted, which means that the better the role of the location, the more it will increase customer satisfaction. This result is supported by research conducted by Iqbal Krisdiyanto, (2018) which obtained the results of the location having a significant effect on customer satisfaction.

### **The Effect of Service Quality, Price, and Location on Customer Satisfaction**

Based on the results of the Simultaneous Significance analysis (statistical test f) which shows that the F Count result of 23,036 is greater than the F table of 2.71 ( $23,036 > 2.71$ ) with a significance level of 0.000 which is less than 0.005. thus it can be stated that H4 "Service Quality, Price and Location simultaneously have a positive and significant effect on Customer Satisfaction". At the K-24 Ketileng Raya Pharmacy, Semarang City. So it can be concluded that H4 is accepted.

This research is in line with Raynaldo Donovan S and Adil Fadillah (2020) with the title "The Influence of Service Quality, Location and Price on Customer Satisfaction at Hotel 101 Suryakencana Bogor", where the variables of service quality, price and location simultaneously have a positive and significant effect on customer satisfaction.



## **CONCLUSION**

1. The service quality variable does not affect customer satisfaction. This means that if the service quality is improved, there will be no effect on customer satisfaction at the K-24 Ketileng Raya Pharmacy in Semarang City.
2. The price variable has a significant effect on customer satisfaction. Which means that when the price given by the K-24 Ketileng Raya Pharmacy in Semarang City is in accordance with customer desires, it will affect customer satisfaction.
3. The location variable has a significant effect on customer satisfaction. This means that when the location of the K-24 Ketileng Raya Pharmacy in Semarang City is good, strategic and has the facilities desired by customers, it will affect customer satisfaction.
4. The service quality, price and location variables for customers of the K24 Ketileng Raya Pharmacy in Semarang City simultaneously affect customer satisfaction at the K24 Ketileng Raya Pharmacy in Semarang City

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