



The Influence of Service Quality and Price on User Satisfaction of Food Delivery Service Application In Palembang City

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Abstract. The purpose of this study is to see whether service quality and price affect customer satisfaction. The sampling method used non probability sampling, namely the purposive sampling method. the sample in this study were 110 respondents. Data was collected using an online questionnaire (google form) distributed via social media. Based on the findings of this study, service quality and price have a positive and significant effect on user satisfaction of food delivery service applications in Palembang City.

Keywords: Service quality; Price; Customer Satisfaction

A. INTRODUCTION

In this modern era, food delivery apps have become an integral part of everyday life. Palembang City, like many cities around the world, is witnessing an increase in the use of food delivery service apps such as GrabFood, GoFood, and ShopeeFood. The use of this application has provided comfort and convenience for users who want to enjoy food from their favorite restaurants without having to go to the place. This phenomenon creates opportunities and challenges in the food delivery business. Although the growth in the use of food delivery service applications in Palembang City has increased, there are still various aspects that need to be explored further. In this context, it is necessary to consider two main factors that affect the satisfaction of food delivery service application users, namely service quality and price. Quality of service is a factor that supports the user experience in using this application, while price is one of the main considerations that influence the user's decision to use the application. In this digital era, food delivery service applications have changed the paradigm of food consumption in Palembang City. People are increasingly relying on applications such as GrabFood, GoFood, and ShopeeFood to order food from various restaurants with a wide variety of culinary choices. This convenience has become especially important in dealing with

situations such as the COVID-19 pandemic, where social distancing and health protocols have made eating out more difficult.

This phenomenon creates significant business opportunities for food delivery service providers and restaurants participating in the app. However, to retain and attract more users, a deep understanding of the factors that affect user satisfaction becomes crucial. It is in this context that service quality and price play an important role. In the online transportation service industry, companies compete to provide the best quality of service to maintain customer satisfaction (Farida et al., 2016). Tjiptono (2015: 157) defines service quality as a measure of how good the level of service provided is in accordance with customer expectations. Service quality aims to provide what customers need and the accuracy of their delivery to balance customer desires (Tjiptono, 2014: 268).

Prices, on the other hand, include app usage fees, shipping costs, and deals offered by food delivery platforms. User satisfaction is a key indicator of the extent to which the app manages to meet user expectations and maintain a loyal user base. At this point, previous research that has been conducted abroad shows a correlation between service quality, price, and user satisfaction in various service industry contexts. Nonetheless, keep in mind that each city and its neighborhoods have unique characteristics, including consumer preferences that may differ.

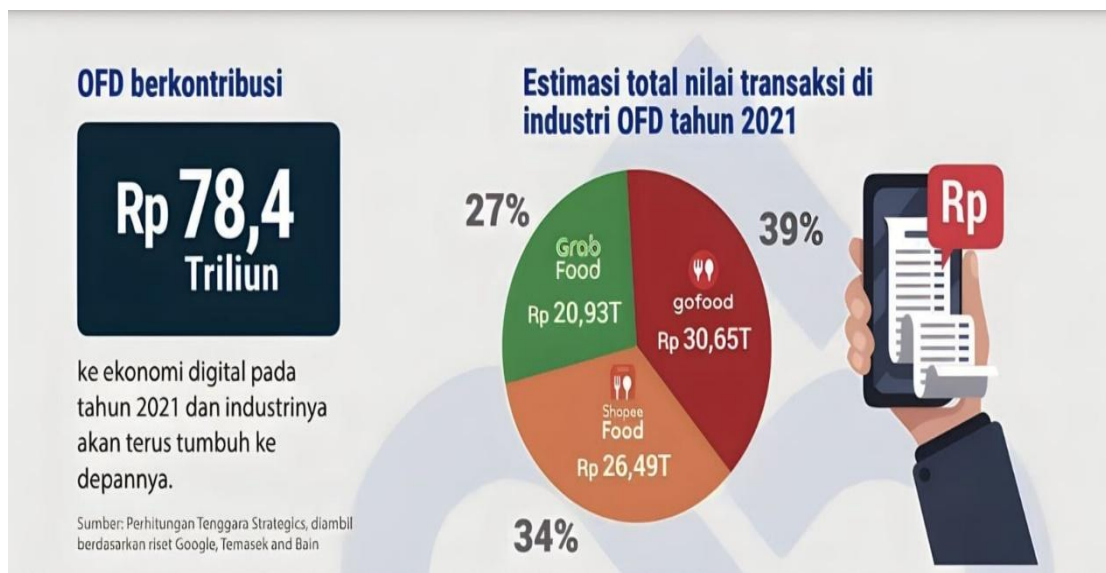


Figure 1 Application-Based Food Delivery Service Users

It can be seen in figure 1 The online food delivery (OFD) industry has become one of the sectors that greatly contributes to the growth of the digital economy in Indonesia. In 2021, OFD managed to contribute a large amount to the value of the digital economy, with an estimated contribution of IDR 78.4 trillion. This significant economic contribution can be explained by the rapid growth in the use of food delivery services amid changing lifestyles of people who increasingly rely on technology and convenience. Indonesians, especially in urban areas, are increasingly taking advantage of food ordering services. In addition, the changing trend of people's increasingly busy lifestyles and increasing awareness of convenience and efficiency will also strengthen the demand for food delivery services. In addition, the online food delivery (OFD) industry is experiencing significant growth in Indonesia. The three leading platforms in the industry are GoFood, GrabFood, and ShopeeFood. Based on available data, GoFood leads with an estimated total transaction value of 30.65 trillion, with a market share of 39%. This online food delivery service provided by Gojek has strengthened its position as a dominant player in the OFD industry. Meanwhile, GrabFood, a platform operated by Grab,



recorded an estimated total transaction value of 20.93 trillion, with a market share of 27%. GrabFood has become one of the major players in this market with a wide reach in Southeast Asia. ShopeeFood, which is a food delivery service offered by Shopee, recorded an estimated total transaction value of 26.49 trillion with a market share of 34%. ShopeeFood leverages the large user base of Shopee's e-commerce platform to expand its delivery services.

It is in this context that service quality and price play an important role, quality of service includes aspects such as delivery speed, order accuracy, quality of food delivered, ease of use of the application, and customer support. Food delivery app users expect a seamless experience, where their orders arrive on time and in line with expectations. Customers also want to have easy access to a variety of restaurant menus and extensive culinary options. In addition, the ability of the application to handle user complaints or problems efficiently also has a major impact on user satisfaction.

Price, on the other hand, is one of the main considerations that influence a user's decision to use a food delivery app. According to Kotler and Armstrong in Krisdayanto (2018: 3) Price is the amount of money paid for services, or the amount of value that consumers exchange in order to benefit from owning or using goods or services. Price is one of the most important factors in choosing a product or service. Although the quality of service is important, many users are also looking for good value in using this application. Prices include app usage fees, shipping costs, and promos offered by food delivery platforms. Users want to feel that the cost they pay is proportional to the quality and comfort they receive. In a competitive economic environment, price can be the deciding factor in choosing one delivery service application over the other. User satisfaction is a key indicator of the extent to which the app manages to meet user expectations and maintain a loyal user base. A satisfied user is likely to use a delivery app regularly, share their positive experiences with others, and may also become a loyal customer. On the other hand, dissatisfied users tend to look for alternatives or even stop using such applications. At this point, previous research that has been conducted abroad shows a correlation between service quality, price, and user satisfaction in various service industry contexts. Nonetheless, keep in mind that each city and its neighborhoods have unique characteristics, including consumer preferences that may differ.

In some cases, being a food delivery driver is a job option for many individuals who lost their jobs due to the impact of the pandemic. Therefore, the growth and sustainability of this industry will help keep the unemployment rate low in Palembang City. In the context of the digital economy, food delivery apps also create opportunities for small and medium-sized businesses (SMEs) participating in this platform. Small restaurants can take advantage of this application to reach a wider market without having to invest huge resources in their own delivery infrastructure. Thus, food delivery service applications can act as a motor of local economic growth by helping local restaurants and food merchants to increase turnover and survive in increasingly fierce competition. However, to get these benefits, employers must ensure that app users are satisfied with the customer experience.

The development of technology and changes in people's lifestyles have played an important role in this change. Food delivery apps are one clear example of how technological innovation has changed the way consumers get food and how businesses in the food and beverage industry operate. However, along with these developments, new challenges also arise. Food delivery service providers must adapt to a rapidly changing environment, face increasingly fierce competition, and meet increasingly high user expectations. With a deep understanding of the factors that affect user satisfaction, stakeholders in the industry can formulate more effective and sustainable strategies. There are several previous studies, including previous research from Muhammad Rezki, et al (2019) which stated the results of research that service quality and price have a partial significant influence on customer satisfaction. Then research from Nurjamad (2021) where the results of the research state that service quality and price simultaneously have a significant effect on customer satisfaction. The research from Oktarini (2019) states that service quality has a positive influence on customer satisfaction and price has a negative influence on customer satisfaction. Then research from

Hidayat, D.R., & Firdaus, M.R. (2014) states that service quality has an insignificant effect on customer satisfaction and price has a significant effect on customer satisfaction.

Because of the differences in the results of research conducted by previous researchers and based on the background described above, researchers are interested in conducting research entitled "The Effect of Service Quality and Price on User Satisfaction of Food Delivery Service Applications in Palembang City."

B. LITERATURE REVIEW

Service Quality

According to Tjiptono (2015: 157), defining service quality is a measure of how good the level of service provided is in accordance with customer expectations. Service quality aims to provide what customers need as well as the accuracy of their delivery to balance customer desires, (Tjiptono, 2014: 268).

According to Kotler and Keller (2016: 442) the indicators used in service quality are:

1. Reliability ,
2. Tangibles (Physical Evidence),
3. Emphaty
4. Assurance
5. Empathy

Price

According to Lupiyoadi (2013) Price is the benefit of the service that comes with the service over the various costs (victims) of consuming the service. These costs can be time to sacrifice services, physical activity (energy spent on services). The price has several indicators such as: affordability, price suitability with product quality, price competitiveness and price suitability with benefits. (Kotler and Amstrong, 2013:278).

The price indicators according to Kotler (2017: 308) are:1. Price affordability, 2. The suitability of price with product quality, 3. Price competitiveness, 4. The suitability of price with benefits

Customer Satisfaction

Tjiptono (2014: 353), states that "Consumer satisfaction is a state that arises from the feeling of evaluating a product or service experience". The indicators forming consumer satisfaction are: conformity of expectations, reuse and willingness to recommend (Tjiptono, 2014: 101).

According to Tjiptono (2014), indicators to measure customer satisfaction are:

1. Product quality
2. Price suitability
3. Quality of service

C. RESEARCH METHODS

The type of research used in this study is empirical research, according to Sudjana (2016), empirical data is data obtained through collecting data from the field, such as observations, interviews, questionnaires, and documentation, where this research was conducted to determine the relationship or influence of variable X on Y. According to Donald and Pamela (2017: 52), defining population is a collection of several data obtained and then conclusions are drawn. According to Sugiyono (2017: 61), defining a population is a group of individuals with the same characteristics and living in the same place. The population in this study is all consumers who have used food delivery service applications in the city of Palembang. According to Sugiyono (2016), a sample is a group of people or objects taken from a population with the aim of representing the characteristics of the population as a whole. the number of samples taken in this study was 110 respondents, who were judged to have been representative of the population. Sampling in this study uses non-probability sampling



techniques, where non-probability sampling according to Sugiyono (2017: 65) is a sampling technique that does not have the same opportunity for every member in the population to be selected as a sample. The data used in this study are qualitative. The data used to be processed is primary data, namely data obtained directly from the main source (respondents), forms of data related to service quality, price and customer satisfaction. This data is obtained by means of surveys, namely distributing questionnaires online to respondents.

D. RESULT AND DISCUSSION

Validity Test

Table 1 Validity Test Results

Variable	Indicators	Sig	Conditions	Result
Quality of Service (X1)	KL1	0,000	0,05	VALID
	KL2	0,000	0,05	VALID
	KL3	0,000	0,05	VALID
	KL4	0,000	0,05	VALID
	KL5	0,000	0,05	VALID
	KL6	0,000	0,05	VALID
	KL7	0,001	0,05	VALID
	KL8	0,000	0,05	VALID
	KL9	0,000	0,05	VALID
	KL10	0,000	0,05	VALID
Price (X2)	H1	0,000	0,05	VALID
	H2	0,000	0,05	VALID
	H3	0,000	0,05	VALID
	H4	0,000	0,05	VALID
	H5	0,000	0,05	VALID
	H6	0,000	0,05	VALID
User Satisfaction (Y)	KP1	0,000	0,05	VALID
	KP2	0,000	0,05	VALID
	KP3	0,000	0,05	VALID
	KP4	0,000	0,05	VALID
	KP5	0,000	0,05	VALID
	KP6	0,000	0,05	VALID

Test results of data validity are obtained using r table calculations and r counts. If r is positive and $>$ from r table with a significance level of 5% then the variable is valid.

Reliability Test

Table 2 Reliability Test Results

Variable	Cronbach's alpha	Cronbach's alpha	Information
	count	Standard	
Service Quality (X1)	0,628	0,6	Reliable
Price (X2)	0,635	0,6	Reliable
User Satisfaction (Y)	0,628	0,6	Reliable

Based on table 2 above, it can be concluded that all reliable statements are based on Cronbach's alpha value > 0.6 (Cronbach's alpha Standard)

Multicollinearity Test

Table 3 Multicollinearity Test Results

Variable	Collinearity Statistic	
	Tolerance	VIF
Service Quality(X1)	0,585	1,710
Price (X2)	0,585	1,710

Based on table 3 above, it can be concluded that this data does not occur Multicollinearity due to each variable, namely the Tolerance value > 0.10 and VIF < 10.

Multiple Linear Regression Analysis

Table 4 Multiple Linear Regression Analysis

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	3,789	2,364		1,603	0,112
Quality of Service	0,369	0,067	0,505	5,500	0,000
Price	0,238	0,090	0,242	2,637	0,010

The multiple linear regression equation is obtained as follows: $Y = 3.789 + 0.369 + 0.238 + e$

Statistical Test t

Table 5 T Test Result

Variable	Beta	t	Sig
Service Quality	0,505	5,500	0,000
Price	0,242	2,637	0,010

Based on table 5 above, it states that the results of the t test show that the variable of service quality has a positive effect on user satisfaction so that H1 is accepted. While the price variable has a positive effect on user satisfaction. Where the service quality variable has a significance value of $0.000 < 0.05$ which states that the price variable has a positive effect on user satisfaction, and the price variable has a significance value of $0.010 < 0.05$ which states that the price variable has a positive effect on user satisfaction.

F Test F

Table 6 F Test Result

Type	Sum of Squeres	Df	F	Sig
Regression	181,042	2	47,789	0,000
Residuals	202,676	107		
Total	383,718	109		

Source; Processed primary data, 2023

Based on table 6 above, it shows that the calculated F value obtained is $47.789 > F$ table (3.08) with a significance value of $0.000 < 0.05$. So it can be concluded that simluta variables of service quality and price have a significant influence on user satisfaction.

E. CONCLUSION

Based on the results of the analysis and discussion described earlier, the conclusions drawn in accordance with the objectives of this study can be obtained as follows

Service Quality has a positive and significant effect on User Satisfaction of Food Delivery Service Applications in Palembang City.

Price has a positive and significant effect on User Satisfaction of Food Delivery Service Applications in Palembang City.

Researchers can further add variables that reflect external factors, such as economic conditions or food trends, as context that can affect user satisfaction.

Further research can expand its geographical scope by involving several cities or regions.

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