

Assessing the Impact of Service Quality, Perceived Price, and Store Location on Customer Satisfaction in the Beauty Retail Sector: A Case Study of Soappahollic

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ABSTRACT

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Introduction: This study investigates the influence of service quality, perceived price, and location on customer satisfaction in the context of Soappahollic, a beauty retail business. While prior research has examined these variables individually, limited attention has been given to their combined effects in the beauty retail sector. This research aims to address this gap by analyzing how these three factors simultaneously shape customer satisfaction. **Method:** The study adopts a quantitative approach using a survey design. Data were collected from 200 Soappahollic customers through simple random sampling. The collected data were analyzed using Structural Equation Modeling with the SmartPLS software to evaluate the relationships among service quality, perceived price, location, and customer satisfaction. **Result:** The analysis revealed that all three independent variables significantly influence customer satisfaction. Specifically, service quality ($p = 0.004$), perceived price ($p = 0.0097$), and location ($p = 0.0458$) were found to have a positive and statistically significant effect. Among these, service quality emerged as the most dominant factor contributing to customer satisfaction. **Conclusion:** The findings highlight the critical role of integrating high service quality, fair pricing strategies, and strategic store location in enhancing customer satisfaction and loyalty. This study provides practical insights for managers in the beauty retail industry to design more effective customer service strategies and contributes to the literature by emphasizing the interconnected impact of these variables in a retail setting.

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1. Introduction

Customer satisfaction is one of the key indicators of a company's success in the modern business era. It refers to the degree of alignment between customer expectations prior to purchase and the actual experience received from a product or service. According to the expectancy-disconfirmation model, satisfaction depends on the comparison between the perceived performance of a product or service and the customer's prior expectations (Antonides & Hovestadt, 2021). A deep understanding of customer satisfaction is essential for identifying areas that require improvement and innovation in order to strengthen a company's competitive position. Due to rapid advancements in information technology and globalization, companies face increasing challenges in meeting ever-rising customer expectations. In the context of the retail industry, factors such as service quality, price perception, and store location play a significant role in influencing consumer decision-making. Rajavi et al., (2022) emphasize that consumer behavior is influenced by a variety of internal and external factors, including perceived service quality, perceived price fairness, and the strategic location of retail outlets.

Soappahollic, an MSME based in Sidoarjo and Surabaya, offers high-quality, eco-friendly soap products at competitive prices, targeting a niche market. Despite its unique value proposition aligned with the 4Ps—Product, Price, Place, and Promotion—the company still struggles to achieve consistent customer satisfaction. Its marketing strategies include offline retail at Mari-Mari Store and experiential workshops in collaboration with local cafés to enhance user engagement. In the beauty and fashion retail sectors, customer satisfaction is influenced not only by product quality, but also by service interactions, response speed, ambiance, and clarity of information a finding supported by Firdiyanti & Purwanto, (2023) in their study of beauty salons in Indonesia. As competition intensifies, service quality becomes a key differentiator. Fast, helpful service and smooth return or purchase processes foster customer loyalty. Price perception significantly shapes whether consumers perceive value in a product, as evidenced by Gunawan et al., (2024). Moreover, accessible store locations encourage repeat visits and heighten purchase intent, with store location proven to impact loyalty indirectly through satisfaction Nisa & Indiani, (2023). These findings underscore the need for businesses to offer a holistic shopping experience integrating product quality, service excellence, fair pricing, and strategic location in order to remain competitive and meet rising customer expectations.

In the beauty and wellness retail sector, although many SMEs possess competitive advantages such as the use of organic ingredients and experiential retail promotions, maintaining consistent customer satisfaction remains a major challenge. Recent international studies have revealed that service quality—including ease of interaction, problem resolution, and user-friendly policies—plays a significant role in determining customer satisfaction (Singh et al., 2024). Another study found that fair price perception significantly enhances repurchase intention, both directly and when mediated by customer satisfaction, within the context of beauty clinics in Jakarta (Gulo & Sabar, 2024). Furthermore, a study conducted in Sidoarjo demonstrated that service convenience and price fairness have a positive impact on customer loyalty through the mediation of customer satisfaction (Pinaraswati et al., 2024). In the context of modern retail, customer experience features such as accessible store layout, responsive staff, and efficient checkout systems have become essential, as shortcomings in these areas can erode customer loyalty. Therefore, it is crucial to examine the extent to which service quality, price perception, and store accessibility influence customer satisfaction in environmentally conscious beauty retail businesses such as Soappahollic.

Numerous recent studies have confirmed the significant role of service quality, price perception, and location in influencing customer satisfaction and loyalty across various retail sectors in Indonesia. For instance, research in a barbershop context in Sidoarjo found that service quality, price, and location each influence customer satisfaction, which in turn mediates their effect on customer loyalty (Zamnur & Harjatno, 2023). Similarly, a furniture retail study in Sidoarjo demonstrated that these factors significantly impact customer loyalty through satisfaction (Sururi & Sari, 2023). Another investigation in the fast-food sector showed that price and location significantly influence loyalty via customer satisfaction, whereas service quality had less direct impact (Sunaryo, 2019). However, there remains a notable research gap in studying these variables collectively within eco friendly niche MSMEs, particularly in the Sidoarjo–Surabaya region. The existing literature predominantly examines general retail or hospitality settings, but lacks a holistic empirical analysis of how service quality, price fairness, and store accessibility jointly influence satisfaction among consumers of environmentally conscious products in local Indonesian SMEs.

This study employs a quantitative approach with a survey design to collect data from customers of Soappaholic. The primary instrument used is a structured questionnaire specifically designed to measure variables such as service quality, price perception, location, and customer satisfaction. The questionnaire was distributed to a randomly selected sample of customers to ensure that the data obtained is representative. The collected data were analyzed using both descriptive and inferential statistical techniques. Descriptive analysis was used to outline the demographic characteristics of the respondents and their perceptions of service quality, pricing, and location. Meanwhile, multiple regression analysis was conducted to test the hypotheses and assess the extent to which each variable contributes to customer satisfaction, both individually and collectively. This study aims to address the existing research gap by focusing specifically on the consumer behavior of Soappaholic's clientele. In doing so, it offers both theoretical contributions and practical insights for the development of service, pricing, and location strategies that enhance customer satisfaction and strengthen competitiveness among environmentally conscious retail MSMEs.

2. Theoretical Framework

Currently, the purchasing experience is increasingly shaped not only by price and product quality but also by external factors such as location and service quality (Zhang et al., 2022). This phenomenon aligns with the Expectancy Disconfirmation Theory (EDT), which posits that consumer satisfaction arises when expectations regarding a product or service are met or even exceeded. In this context, high-quality service, reasonable pricing aligned with perceived value, and a strategic location serve as key factors in creating positive expectations that result in positive disconfirmation and increased satisfaction. In today's increasingly digital era, customers expect not only high-quality products but also a pleasant, fast, and efficient shopping experience. Speed of service, staff product knowledge, and the comfort of provided facilities are essential elements in delivering a positive customer experience. Moreover, consumers are becoming more sensitive to the prices they pay, expecting that the cost is commensurate with the quality and benefits received. A strategic location that provides easy access for customers also contributes to the frequency of visits and overall satisfaction.

According Lim et al., (2020), consumer behavior is a process involving individual or group decision-making in selecting, purchasing, using, and evaluating products or services to

fulfill their needs and desires. This process is influenced by various internal and external factors that shape purchasing decisions. Kotler's model of consumer behavior includes several key elements relevant to understanding how service quality, price perception, and location can influence customer satisfaction.

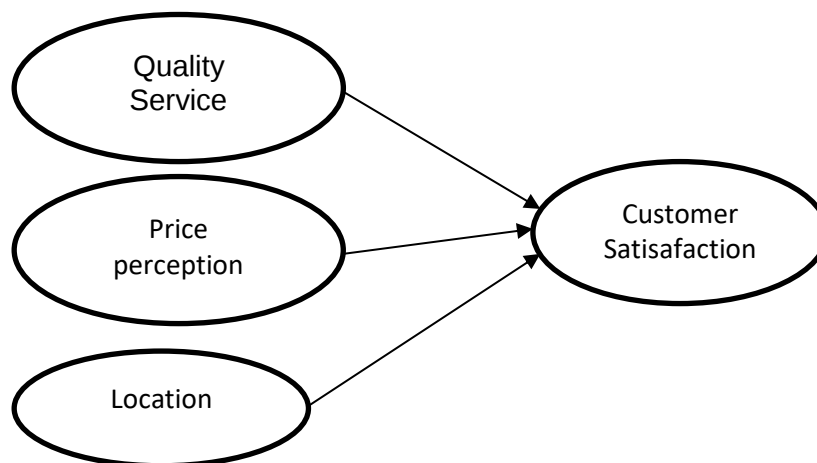
As stated by Kotler in Rajavi et al., (2022), motivation, perception, learning, and beliefs play essential roles in purchasing decisions. Motivation refers to the internal drive that compels consumers to satisfy certain needs, which may be influenced by the quality of service they receive. Perception, or how consumers interpret and assess information about a product or service, is closely linked to how service quality and price are experienced. Learning and beliefs contribute to the development of mindsets and attitudes that potentially influence customer satisfaction with a product or service. Kotler also emphasizes that reference groups, family, and social status significantly influence consumer choices. Reference groups can provide recommendations or judgments that shape perceptions of service quality and pricing. Family impacts shopping habits and consumer preferences, while social status may affect purchasing decisions, especially in relation to product type and location.

Service quality is closely related to customer satisfaction, as consumers often evaluate their experiences based on how well the service meets or exceeds their expectations (Talukder, 2018). The SERVQUAL model developed by Obioma, H., (2016) demonstrates that dimensions of service quality—such as reliability, responsiveness, assurance, empathy, and tangibility—directly influence customer satisfaction. High service quality tends to enhance satisfaction and foster customer loyalty. Kotler's theoretical perspective aligns with findings from studies conducted by Huang & Kim, (2023), Uzir et al., (2021), dan Li et al., (2022), which confirm that service quality has a direct impact on customer satisfaction decisions. These studies emphasize that service quality is one of the main determinants shaping consumer perceptions of a particular product or service. A high level of service quality generally contributes significantly to increased customer satisfaction, as superior service tends to provide a positive experience that meets—or even exceeds—consumer expectations. Therefore, high service quality is not only a key factor influencing customer satisfaction directly but also plays a crucial role in establishing strong and lasting relationships between consumers and businesses.

Previous research has shown that price perceptions deemed fair and aligned with product quality significantly contribute to increased customer satisfaction, whereas prices perceived as disproportionate may reduce satisfaction (Salim et al., 2020; Soliha et al., 2021). A similar view is expressed by Keller, as cited in Rajavi et al., (2022), who states that price perception influences customer satisfaction through perceived value. This perspective is further supported by Fenneman et al., (2022), who emphasize that price perception reflects how consumers evaluate prices based on the information they receive and their comparisons with similar products or services available in the market.

When consumers perceive that the price they pay is commensurate with the quality and benefits received, their level of satisfaction with the purchase decision tends to increase. This occurs because competitive or perceived fair pricing enhances the perceived value, thereby strengthening consumers' confidence in their purchase decisions. Moreover, a positive price perception not only improves satisfaction but also fosters customer loyalty and reduces their sensitivity to future price changes. Consumers who feel they have received a fair or competitive price are more likely to remain loyal to a particular brand or service, reinforcing a long-term relationship with the company.

Another perspective, as stated by Kotler and Keller in Rajavi et al., (2022), suggests that a strategic location can enhance accessibility and convenience for consumers, which in turn can influence the frequency of visits and overall satisfaction. A study by Prasetya & Prabowo, (2023) supports this view, showing that a favorable location can reduce access barriers and improve the customer experience. Integrating the three factors—service quality, price perception, and location—into consumer behavior analysis provides a more holistic understanding of how these elements interact to influence customer satisfaction. This aligns with the findings of Kim et al., (2022); Pires et al., (2024) and Abdul Hamid et al., (2022), which highlight that a company's location is a significant factor that can affect pricing decisions and quality perceptions, ultimately impacting customer satisfaction. Locations situated in city centers are often associated with higher perceived quality, as these areas are typically recognized as commercial hubs offering premium products and services. This condition enables companies to set higher prices, as consumers tend to associate exclusive locations with superior product or service quality. Based on the aforementioned literature review, the hypotheses proposed in this study are as follows:



Source: (Rajavi et al., 2022; Kim et al., 2022; Pires et al., 2024; Salim et al., 2020; Soliha et al., 2021)

Figure 1. Conceptual Framework

Based on the previous explanations regarding the relationships among variables, the following research hypotheses are proposed:

- H.1 Service Quality has a significant influence on Customer Satisfaction.
- H.2 Price Perception has a significant influence on Customer Satisfaction.
- H.3 Location has a significant influence on Customer Satisfaction.

3. Methods

This study employs a survey method with a questionnaire as the primary instrument for data collection. The choice of a questionnaire is based on its ability to efficiently gather relevant information from a large number of respondents. The study focuses on analyzing the influence of consumer perceptions of service quality, price perception, and location in determining their level of satisfaction. The following are the variable measurements used in this research:

Table 1. Measurements of Variable

Variable	Indicator	Statement Item	Sumber
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Variable	Indicator	Statement Item	Sumber
Service Quality	Service Speed	Services are delivered quickly and efficiently	(Huang & Kim, 2023; Uzir et al., 2021; Li et al., 2022)
	Interaction Quality	Staff are friendly and polite	
	Product Knowledge	Employees are knowledgeable about the products	
	Communication	Information is communicated clearly	
	Facilities and Equipment	The facilities support a comfortable shopping experience	
Price Perception	Comfort	The store environment is comfortable and well-organized	(Salim et al., 2020; Soliha et al., 2021; Rajavi et al., 2022)
	Price–Benefit Suitability	The price matches the quality of the service/product	
	Competitive Pricing	The prices offered are competitive compared to other stores	
	Budget Compatibility	The price fits within my financial capability	
	Promotions and Discounts	I often take advantage of promotions or discounts	
Location	Transportation Accessibility	The location is easily accessible by public or private transport	(Prasetya & Prabowo, 2023)
	Location Visibility	The store is easy to find or clearly visible	
	Space Capacity	The shopping area is spacious and not overcrowded	
	Parking Availability	Parking facilities are sufficient and easy to access	
Customer Satisfaction	Employee Responsiveness	Employees are responsive to customer needs	(Kim et al., 2022; Pires et al., 2024; Widiyanto et al., 2023)
	Customer Feedback	The store takes complaints or suggestions seriously	
	Information Clarity	Information about products and services is easy to understand	
	Price–Quality Satisfaction	I am satisfied with the price in relation to the quality received	

This study employs a probability sampling technique, wherein each member of the population has an equal chance of being selected as a sample. This approach is intended to ensure objectivity in data collection and enhance the representativeness of the research findings. The target population of the study comprises consumers who visit the Soappahollic offline store, which serves as the primary subject of this research. This population is defined as the total number of customers who shop at Soappahollic located in the Mari-Mari Retail Store. Based on available data, approximately 400 customers visit Soappahollic each month. The calculation of the probability sample size in this study is as follows:

$$n = \frac{N}{1 + Ne^2}$$

Description

n : the sample size to be determined.

N : the population size (the total number of individuals in the population).

e : the margin of error or the tolerated level of error (expressed in decimal form).

$$n = \frac{400}{1 + 400 \times 0,05^2}$$

$$n = 200$$

To determine a representative sample size, this study employed Slovin's formula with a 5% margin of error, resulting in a sample size of 200 respondents. The sample was selected using a probability sampling technique, specifically simple random sampling, to ensure that every member of the population had an equal chance of being selected. The sampling process involved assigning a unique number to each member of the population and randomly selecting 200 respondents using tools such as a random number table or software, in order to maintain objectivity (Nanjundeswaraswamy & Divakar, 2021).

Data analysis was conducted using SmartPLS to examine the relationships between service quality, price perception, location, and customer satisfaction. The analysis process began with an assessment of the measurement model, in which the validity and reliability of the measurement instruments were evaluated. Validity was assessed by examining the loading factors, where items with values below 0.5 were eliminated. Reliability was measured using Composite Reliability, with values above 0.7 considered acceptable (Rakhmawati et al., 2019, 2023).

Subsequently, inner model analysis was conducted to assess the influence of service quality, price perception, and location on customer satisfaction. The R^2 value was used to determine the extent to which the independent variables explained the dependent variable. Hypothesis testing was performed by examining the T-statistics and P-values. A hypothesis is accepted if the T-statistics value exceeds 1.96 and the P-value is less than 0.05, indicating a significant effect. Through this approach, the study aims to identify the factors influencing customer satisfaction at the Soappahollic Store. The research subjects consisted of customers visiting the store, with data collected through questionnaires and analyzed using a comprehensive statistical approach (Ghozali, 2021).

4. Result and Discussion

4.1 Respondent Description

Table 2. Respondent Identity

Category	Sub-Category	Number of Respondents	Percentage (%)
Gender	Female	172	86%
	Male	28	14%
Age (years)	18–20	38	19%
	21–23	112	56%
	24–26	50	25%
	Employee	92	46%
Occupation	University Student	54	27%
	Freelancer	30	15%
	Entrepreneur	24	12%
Education Level	High School	5	2.5%
	Bachelor's Degree	193	96.5%
	Master's/Doctorate	2	1%
Shopping Frequency	Once a week	36	18%
	Once a month	164	82%
Shopping Expenditure	Rp 100,000–Rp 300,000	130	65%
	Rp 300,000–Rp 500,000	52	26%
	> Rp 500,000	18	9%
Preferred Store Type	Online Store	126	63%
	Minimarket	74	37%

Table... illustrates that the characteristics of the research respondents provide important insights into the diverse backgrounds that may potentially influence their perspectives on the topic under investigation. Grouping based on gender, age, employment status, and educational level enables a deeper analysis of the relationship between demographic variables and research findings. Based on the questionnaire data collected, the results indicate that the respondents were predominantly female, totaling 172 individuals, compared to 28 male respondents. In terms of age categories, the majority of female respondents were between 21 and 23 years old, while female participants were generally spread across the 21–26 age range.

In terms of occupation, the largest group of respondents were employees, followed by students, freelancers, and entrepreneurs. The educational background of the respondents shows a dominance at the undergraduate level, particularly among women, while respondents with high school and postgraduate education (master's/doctoral) comprised five and two individuals, respectively. Additional data reveal that most respondents, especially women, shop once a month with an expenditure ranging from IDR 100,000 to IDR 300,000 and tend to prefer online stores. Meanwhile, male respondents more frequently shop at minimarkets, although their overall number is significantly lower than that of female respondents. Weekly shoppers were relatively few, with the largest proportion falling into the expenditure category of IDR 300,000 to IDR 500,000. Overall, shopping preferences were more inclined toward online stores and minimarkets.

Result And Discussion

4.2 Measurement Model (Outer Model)

The results of the measurement model analysis indicate that the convergent validity and composite reliability of the constructs used have met the established criteria. Convergent validity was evaluated through loading factor values, where all indicators of the variables Product Quality, Price Perception, and Location showed loading factors above the threshold of 0.700, ranging from 0.7028 to 0.7958. This indicates that these indicators make a substantial and significant contribution to measuring the represented constructs, in accordance with the recommendations of Ghozali, (2021) and Indriasih & Mulyantini, (2024) these high values reflect a strong correlation among indicators within a single construct, ensuring that the measurement of latent variables is both valid and consistent.

Furthermore, the composite reliability for all variables also demonstrated values above 0.70, confirming a good level of internal consistency. This reliability ensures that the indicators within each construct are significantly correlated and dependable in measurement, providing a solid foundation for subsequent analysis. High validity and reliability not only enhance the accuracy of measurements but also strengthen confidence in the research findings, making them a reliable reference for decision-making related to customer satisfaction.

4.3 Inner Model

The next process includes testing the model fit, path coefficients, and R^2 values. The model fit test serves to determine whether the constructed model is in accordance with the existing data.

a. *Path Coefficient*

The Path Coefficient test indicates that Product Quality contributes to Customer Satisfaction by 0.434, equivalent to 43.4%. Meanwhile, the Price variable influences Customer Satisfaction by 0.264, reflecting a contribution of 26.4%. Additionally, the Location variable shows an effect on Customer Satisfaction with a value of 0.236, meaning a contribution of 23.6%. These findings suggest that Product Quality has the greatest influence compared to the other variables in affecting Customer Satisfaction, thereby emphasizing the importance of focusing on quality aspects in marketing strategies.

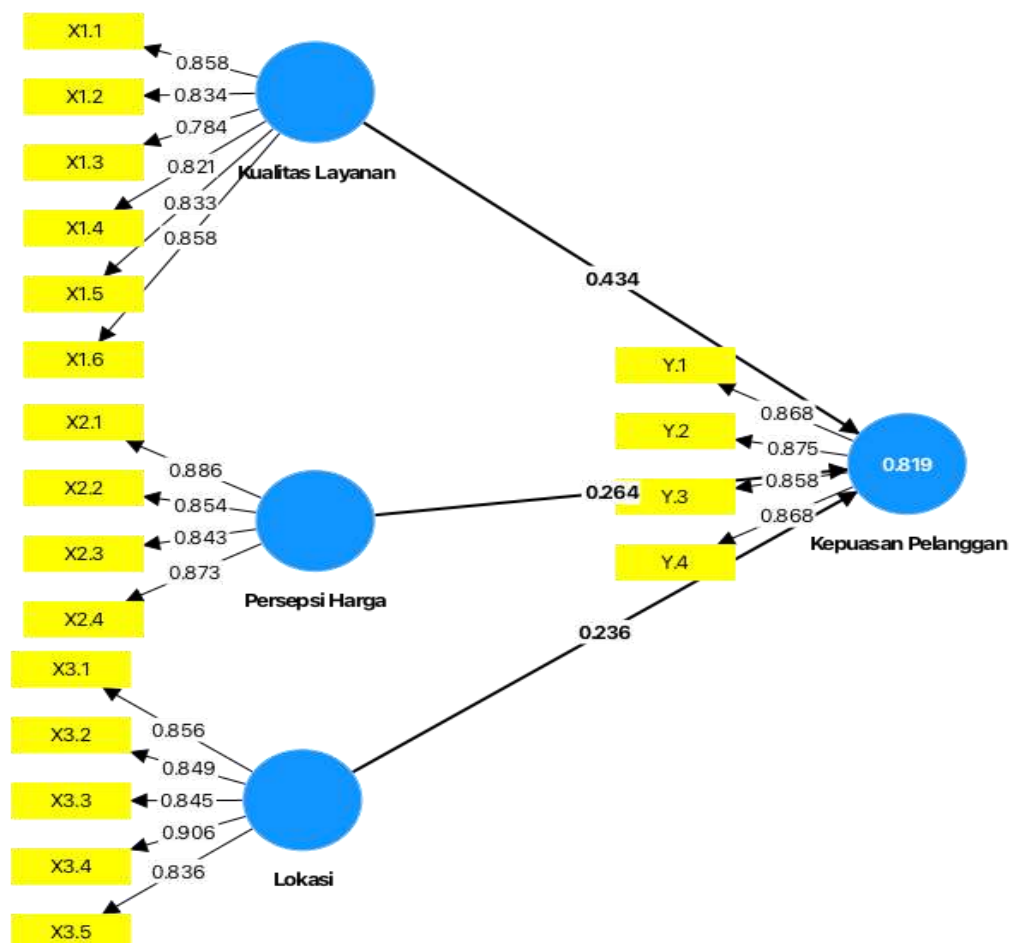
b. Model Fit

Model fit testing is conducted to evaluate the extent to which the proposed model represents the data used (Hu & Bentler, 1999). In this analysis, the Normed Fit Index (NFI) value of the estimated model is 0.765, which is the same as the value in the saturated model, also showing 0.765. An NFI value approaching 1.0 indicates that the constructed model has a good fit with the data.

Table 3. Model Fit

	<i>Saturated model</i>	<i>Estimated model</i>
NFI	0,765	0,765

Source: Processed primary data, 2025



Source: Processed primary data, 2025

Figure 2. Outer Model Test

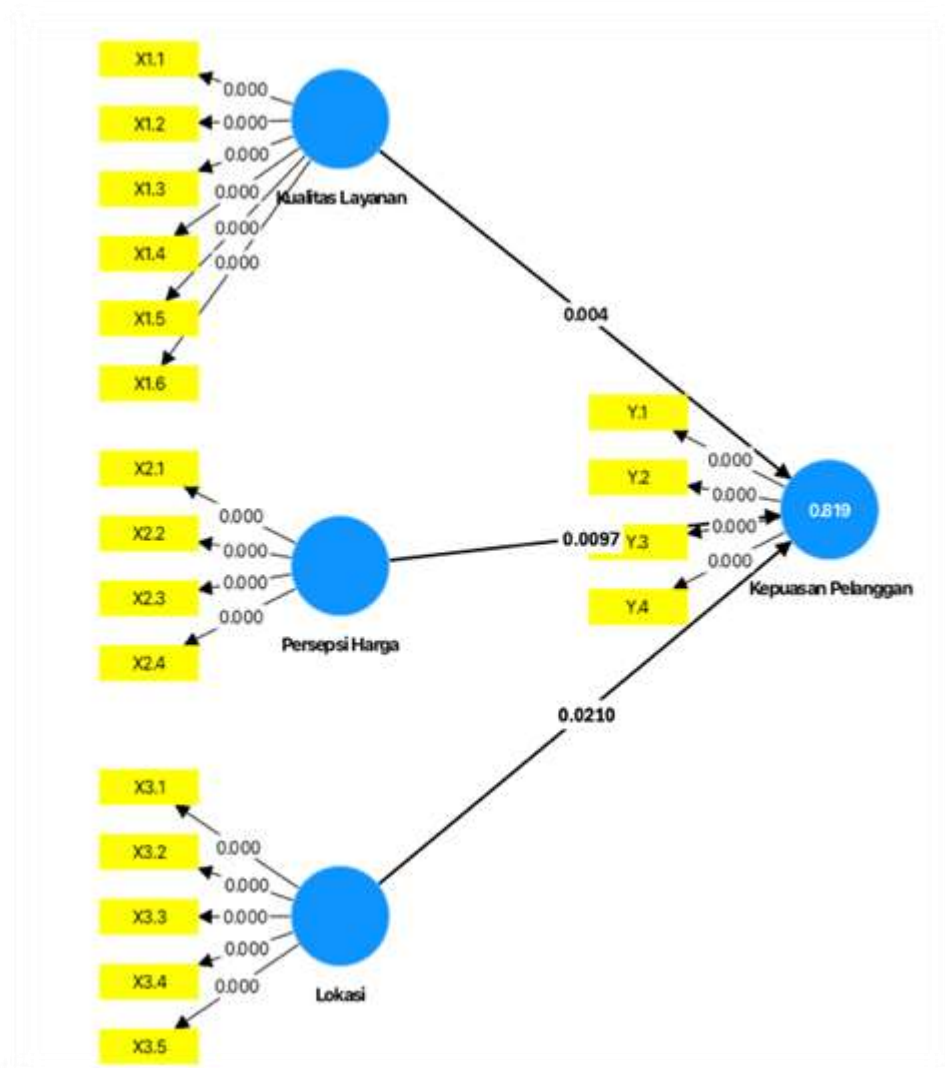
c. R-Square

The R-square test is an important method in structural model analysis used to assess the extent to which independent variables can explain the variation in the dependent variable. In this study, the R-square value for the Customer Satisfaction variable is 0.56875, indicating that approximately 56.9% of the variation in customer satisfaction can be explained by the variables included in the model.

Table 4. R Square Test

	<i>R-square</i>	<i>R-square adjusted</i>
Customer Satisfaction	0,56875	0,563888889

Source: Processed primary data, 2025



Source: Processed primary data, 2025

Figure 1. Inner Model Test

Table 5. Hypothesis Test

Variable	Regression Coefficient (β)	p-value	Description
Service Quality	0,434	0,004	Signifikan
Location	0,264	0,0458	Signifikan
Price Perception	0,236	0,0097	Signifikan

Source: Processed primary data, 2025

Based on Figure 3 and Table 5, the results of the statistical analysis indicate that the variables of service quality, location, and price perception have a significant influence on customer satisfaction, with respective p-values of 0.004, 0.0458, and 0.0097. These results support the first hypothesis (H1), which posits that service quality significantly affects customer satisfaction, as evidenced by the p-value being less than 0.05. This finding is consistent with previous studies showing that high service quality can enhance customer satisfaction (Huang & Kim, 2023). Furthermore, the results reveal that price perception also has a significant impact on customer satisfaction, with a p-value of 0.0097, thereby supporting the second hypothesis (H2). Previous research has emphasized the importance of fair price perception in improving customer satisfaction (Fenneman et al., 2022). Lastly, although the p-value for the location variable is 0.0458, it still indicates a significant effect, thereby confirming the third hypothesis (H3) that location influences customer satisfaction. This reinforces the argument regarding the importance of external factors in consumer decision-making (Kim et al., 2022; Pires et al., 2024).

4.4 The Influence of Service Quality on Customer Satisfaction

The findings of this study underscore the importance of service quality, price perception, and location in influencing customer satisfaction. Service quality significantly contributes to customer satisfaction, with regression coefficients indicating a positive and significant relationship. This is consistent with the SERVQUAL model, which posits that dimensions of service quality—such as reliability, responsiveness, and empathy—directly affect customer satisfaction (Zeithaml et al., 2011). When effectively implemented, high service quality can foster strong customer loyalty, where customers feel valued and well-served (Kim et al., 2022; Fazizah et al., 2024).

The integration of these three factors—service quality, price perception, and location—creates a comprehensive framework for companies to design effective marketing strategies. By understanding the interactions among these variables, businesses can optimize the customer experience and, in turn, enhance overall business performance. Therefore, it is crucial for companies to continually innovate and adapt their service delivery to meet evolving customer expectations and improve competitiveness in an increasingly dynamic market environment. The phenomena observed in this study reflect a significant interaction among service quality, price perception, and location in influencing consumer satisfaction, aligning with consumer behavior theory. High service quality—evident in positive experiences related to facility comfort and staff product knowledge—fosters customer satisfaction, as adequate service often exceeds customer expectations, in line with the SERVQUAL model (Obioma, H., 2016). A fair price perception, as explained by Kotler and Keller in Rajavi et al., (2022) and Fenneman et al., (2022), also plays a critical role; consumers who perceive prices as commensurate with quality are more likely to feel satisfied and develop brand loyalty.

Strategic location, as discussed in the study by Prasetya & Prabowo, (2023) enhances accessibility and convenience, which in turn increases visit frequency and consumer satisfaction. These three factors—service quality, price perception, and location—function as key determinants in shaping purchasing decisions and consumer satisfaction. This underscores the importance for businesses to integrate and optimize these elements to enhance competitiveness and elevate the overall customer experience.

The findings of this study can serve as a foundation for providing strategic recommendations to companies within the same industry as Soappahollic in their efforts to enhance customer satisfaction. In this study, since service quality emerged as the most influential factor on customer satisfaction, it is essential for Soappahollic to enhance this aspect through regular employee training, particularly in communication, time management, and understanding customer needs. Additionally, the implementation of a performance evaluation system based on Key Performance Indicators (KPIs) is recommended to measure employee effectiveness in creating a positive shopping experience. Leveraging technology such as Customer Relationship Management (CRM) systems can enable businesses to personalize services based on purchase history and customer preferences. These strategic steps are expected to improve service quality, particularly in the areas of responsiveness, communication, and customer understanding—key service quality indicators identified in this study. Ultimately, these initiatives can significantly enhance customer satisfaction and loyalty for Soappahollic.

4.5 The Influence of Price Perception on Customer Satisfaction

Price perception also has a significant impact; when customers feel that the price offered is aligned with the value and quality they receive, they are more likely to feel satisfied and develop loyalty toward the brand (Li et al., 2022; Augustinah et al., 2024; Fajar Azmi Kurniawan, 2019; Sinollah, 2022; Zaenudin et al., 2023). Price perception is one of the key elements influencing customer satisfaction. When prices are perceived as fair or equivalent to the value of the product received, they generate higher satisfaction and foster customer loyalty. Therefore, business owners must ensure that their pricing strategies reflect a balance between market competitiveness and product quality. Conducting competitor analysis can help set competitive pricing without sacrificing profit margins. By understanding the pricing offered by competitors, Soappahollic can adjust its pricing strategy to not only remain competitive but also deliver added value to its customers. Additionally, strategies such as discounts or product bundling can be implemented to attract new customers while enhancing the loyalty of existing ones. These strategies not only increase sales volume but also reinforce customers' perceptions that the company offers superior value compared to its competitors.

These findings also provide valuable insights for Soappahollic's management in designing effective marketing strategies. Notably, Soappahollic has recently expanded its promotional efforts by hosting workshops in collaboration with cafés in Surabaya—an initiative that has received a positive response from Soappahollic's customer base. Management can further optimize the customer experience by offering special service packages during these workshops, such as bundled pricing for food and beverage menus, as well as enhanced supporting facilities like high-speed Wi-Fi and ergonomic seating areas.

4.6 The Influence of Location on Customer Satisfaction

Strategic location plays a key role in enhancing service accessibility, which contributes to increased customer visit frequency and overall satisfaction. It is one of the most significant factors influencing customer satisfaction in the retail industry, including for businesses like Soappahollic. An easily accessible location not only improves customer convenience but also affects how often they choose to visit. According to the study's findings, a strategic location directly contributes to higher customer satisfaction, as ease of access and comfort are integral components of the shopping experience valued by consumers.

Business owners may consider conducting site surveys to identify new branch locations in areas with high market potential. This can be achieved through demographic analysis, population density assessments, and evaluating the purchasing power of residents in targeted areas. Opening a new branch in a strategic location can expand market reach while also enhancing brand visibility.

Additionally, existing locations can be optimized by improving accessibility—for instance, by expanding parking facilities or collaborating with online transportation services to make visits more convenient. Other steps may include designing customer-friendly store layouts, installing clear signage, and using location-based promotions to attract more visitors. These strategies not only improve the customer experience but also help create a competitive advantage for Soappahollic in an increasingly saturated retail market. To further strengthen accessibility, Soappahollic may consider partnerships with cafés in other high-traffic areas that share a similar customer base, or offer online ordering services for workshop participants who are unable to attend in person. These workshops represent an innovative promotional approach that combines brand marketing with educational and entertainment value by offering soap-making experiences. Similar findings were reported by Ishak et al., (2024) and Singgalen, (2024), whose studies in the hospitality industry demonstrated that a strategic location significantly influences customer satisfaction.

5. Conclusion

This study demonstrates that service quality, price perception, and location have a significant impact on customer satisfaction in the retail business Soappahollic. Among the three variables, service quality emerged as the most dominant factor in shaping customer satisfaction, followed by price perception and location. These findings reinforce previous theories such as SERVQUAL and consumer behavior theory, which emphasize the importance of service interaction quality, perceived price value, and location accessibility in shaping a positive shopping experience. The integration of these three factors not only influences purchasing decisions but also enhances customer loyalty and strengthens the company's competitive position in an increasingly dynamic market.

Although this research provides a comprehensive understanding of the factors influencing customer satisfaction, several limitations should be noted. First, the study focuses solely on a single case—Soappahollic—limiting the generalizability of the findings to other similar retail businesses. Second, the data collected are quantitative in nature and do not capture the depth of customer perceptions or experiences from a qualitative perspective. Third, this research does not consider other potential mediating or moderating variables such as customer loyalty or prior experience, which may influence the relationship between the independent and dependent variables.

Based on the findings and limitations, future researchers are encouraged to broaden the scope of the study to include multiple retail businesses to achieve more representative

results. A mixed-methods approach, combining both quantitative and qualitative analyses, is also recommended to gain deeper insights into customer behavior and expectations. For Soappahollic's management, it is crucial to maintain and enhance service quality through staff training, optimize competitive pricing strategies, and leverage strategic location and community-based promotional activities such as workshops to build a superior and sustainable customer experience.

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