

INFLUENCE OF SERVICE QUALITY AND PRICE PERCEPTION ON WORD-OF-MOUTH (WOM) WITH CUSTOMER SATISFACTION AS A MEDIATING VARIABLE

(A Study on Customers of Angkringan Purwokerto)

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ABSTRACT

This study aims to analyze the influence of service quality and price perception on customer satisfaction, which in turn impacts word-of-mouth among consumers of "angkringan" in Purwokerto. The data used in this study consists of primary and secondary data collected from 116 respondents. The sampling technique employed is nonprobability sampling using purposive sampling method, and the data is processed using SEM AMOS. The results of this study indicate that service quality and price perception have a significant positive influence on customer satisfaction. Furthermore, service quality has a significant positive influence on word-of-mouth, while price perception does not show any influence on word-of-mouth. Additionally, customer satisfaction fully mediates the relationship between service quality, price perception, and word-of-mouth. There are managerial implications that can be implemented by "angkringan" business owners. These include providing employee training, managing product quality, paying attention to details, being responsive to feedback, strengthening customer interactions and enhancing empathy, improving facilities, maintaining product and service quality, enhancing communication with customers through effective channels, and implementing customer loyalty programs to increase customer satisfaction.

Keywords: Service quality, price perceptions, customer satisfaction, WOM.

1. Introduction

The culinary business in Indonesia continues to experience growth and improvement in recent years (Ministry of Industry, 2022). In the third quarter of 2022, there was a growth in the food and beverage industry of 3.57%, which showed an increase compared to the same period in the previous year which only reached 3.49%, despite experiencing the impact of the Covid-19 pandemic, the food and beverage subsector was still able to develop and contributed to the growth of the non-oil and gas industry by 4.88%. According to the Director General of Agro Industry of the Ministry of Industry, Putu Juli Ardika (2022), by contributing 37.82% to the GDP of the non-oil and gas processing industry, so that the food and beverage industry subsector is the largest contributor to GDP. This will certainly affect the business strategy in increasing the number of customers in the food and beverage subsector.

One strategy that can be done is to use WOM. According to Dewi & Warmika (2017), WOM behavior is closely related to customer experience which is able to provide understanding to other potential customers about a brand or product. Furthermore, WOM is where someone gives advice either individually or in groups about certain products or services with the intention of providing personal information. According to Kotler and Keller (2012) for small businesses with limited marketing budgets, WOM can be a powerful marketing tool. By providing a positive experience for customers, companies can encourage them to share their experiences with others, thus expanding market reach at no additional cost. Various efforts have been made by the company to encourage the creation of WOM, one of which is through quality service.

Rambe et al., (2017) the effect of service quality on WOM is very significant that customers will discuss word of mouth after they are satisfied with the quality of service they receive. This indicates that the higher the quality of service, the higher the likelihood of WOM. This was also conveyed by Saktiani (2015) who found that service quality has a positive impact on WOM because it can affect long-term relationships with companies. Customers who are satisfied with the products they use tend to return to buy these products in the future, and then become loyal customers of the company. What's more, they will help companies promote through WOM or provide recommendations, especially to the closest people and others (Nisa, 2015).

Another factor besides service quality that affects WOM is price perception. According to Lee and Lawson-Body (2011) states that price perception is a customer assessment and emotional form related to whether the price offered by the seller and the price compared to the price of other parties is considered reasonable, acceptable, or explainable. According to Kotler and Armstrong (2016) stated that price perception is a customer assessment formed in their minds regarding the value obtained from a product or service, which is based on a comparison between the benefits received and the price to be paid. Price perception can also be an indicator of value as it relates to the benefits received by customers. Han et al., (2020), in their research on industry, found that reasonable prices lead to good price perceptions and can increase positive WOM, as well as (Surya Wijaya et al., 2018). In his research, it was stated that price perception had a positive and significant effect on WOM. That is, if the better the price perception, it will be able to increase the creation of WOM.

Referring to Lupiyoadi (2001), there are five main factors that affect customer satisfaction, namely product quality, service quality, emotional factors, price, and cost. Meanwhile, Tjiptono (2006) stated that customer satisfaction provides various benefits for companies, such as reactions to low-cost producer strategies, economic benefits in achieving customer retention, increasing customer lifetime value, persuasive power of WOM, reducing price sensitivity, and customer satisfaction as an indicator of business success in the future.

According to many studies, the satisfaction or dissatisfaction felt by customers when using a product is very influential on Word-of-Mouth (WOM). However, previous studies showed different results, namely Thegar (2018) where service quality did not have a significant influence on WOM and Jin et al., (2019) who stated that price perception had no effect on WOM. This can be interpreted that service quality and price can create WOM if customers are satisfied (Lestari, 2013). Therefore, researchers chose the customer satisfaction variable as a mediation variable.

Along with changes in lifestyle and dietary trends, places to eat and drink are growing rapidly in Indonesia, such as in the city of Purwokerto which has many culinary attractions that offer many variants of food and make it one of the popular culinary cities. Another factor that

supports the growth of the culinary business is the development of the tourism sector, one form of culinary tourism that is widely found in Purwokerto is angkringan. We can find angkringan in various corners of the city, especially around campuses, traditional markets, and other crowded centers. Angkringan in Purwokerto is usually open at night until early morning. Some foods commonly sold at angkringan Purwokerto include cat rice (small rice with varied side dishes), intestinal satay, fried foods, and drinks such as wedang ginger or kopi tubruk. Angkringan in Purwokerto is often a place to gather and chat casually for students or local residents who want to enjoy cheap food with a comfortable and familiar atmosphere.

However, with the existence of very many angkringan in Purwokerto, there is a lot of competition between sellers. Although the competition of the angkringan business is very high, the opportunity to develop and expand market share is also large. So it is very necessary to create a positive WOM that can attract customer interest. Based on previous phenomena and research, the title "THE EFFECT OF SERVICE QUALITY AND PRICE ON WOM WITH CUSTOMER SATISFACTION AS A MEDIATION VARIABLE" WILL BE TAKEN.

2. Literature Review And Hypothesis Formulation

Word of Mouth

Wijaya et al., (2018) WOM is a form of communication process in which individuals or groups provide recommendations for a product or service personally with the aim of providing good information. According to Ekotama (2009), word-of-mouth communication can be considered as a form of promotion carried out by customers voluntarily, where they tell the product and suggest others to use the product. Meanwhile, according to Sumardy (2011), WOM is a customer's action in providing information to fellow customers about a product or service.

Quality of Service

The company views service quality as the main foundation, because the essence of the products sold is performance that has good quality and customers buy that performance. Assessing service quality will be more difficult than assessing product quality (Kotler, 2009). This is because there are no specific guidelines in assessing the quality of service of a business. (Tjiptono, 2014). According to Pratama (2016), revealed that service quality can be interpreted as the desired level of ability and supervision of the level of ability to satisfy customer needs. It can be concluded that service quality is an intangible product provided by product and service providers to meet customer needs and desires.

Price Perception

As explained by Monroe (1990), the effect of price on customer buying behavior has a complex position because it is considered to determine the choices made by customers. This shows that price has a significant influence in determining customer purchasing decisions. Customers will remember pricing information as an option when making a purchase. Customer price perceptions, such as expensive, cheap, or affordable, vary depending on individual backgrounds (Darmawan & Arifin, 2021). That's why price perception becomes the reason why someone makes the decision to buy. It can be concluded that price perception is a person's perception of the quality of a product based on the price paid.

Customer satisfaction

According to Kotler and Keller (2009), customer satisfaction is related to how a person feels after comparing perceived performance or results with expectations. There are three general levels of satisfaction that customers can feel: disappointment if performance is below expectations, satisfaction if performance matches expectations, and immense satisfaction or even excitement if performance exceeds expectations. Fillayata & Mukaram (2020) stated that customer satisfaction is a time where buyers compare the results obtained with the sacrifices made.

The effect of service quality on WOM

Rahman, et al (2023) service quality has a positive and significant influence on WOM, which means that the higher the quality of services provided, the more positive WOM is created. In this study, customers who are satisfied with good service quality tend to recommend the company to others by praising the service. Furthermore, according to Wikaningtyas, et al (2022) stated that service quality can have a positive effect on WOM, this is shown to customers of tourist attractions. When customers get good quality service, customers will voluntarily give testimonials to others through their platform, although it is very simple, the level of effectiveness of WOM is considered very high. This is also supported by Wicaksana (2022) proving that there is a positive influence on service quality on WOM.

H1: There is a positive influence of service quality on WOM.

The Effect of Price Perception on WOM

According to Wahyudi & Nora (2017) According to research findings, price perception has a positive and significant impact on WOM. In research, customers gave an open response that the perception of the price offered was still relatively expensive. The results of the study can be used as a guideline by companies to establish a perception of more affordable prices, which are in accordance with the quality of products provided to customers and are more competitive with the perception of prices offered by competitors and they tend to give recommendations voluntarily to others through the platforms they use.

Widyastuti & Istiqomawati (2021) price perception has a significant and positive influence on WOM. In this study explained price perception can influence customer decisions to recommend products to others. If the price perception is considered too expensive by customers, they may not recommend the product to others. Conversely, if the perception of price is considered too cheap, customers may doubt the quality of the product and not recommend it to others. This is also supported by Wijaya, et al (2022) proving that there is a positive influence on price perception on WOM.

H2: There is a positive influence of price perception on WOM.

The Effect of Service Quality on Customer Satisfaction

Rahman et al., (2023) The increase in customer satisfaction is driven by good service quality, which means that there is a positive relationship between service quality and customer satisfaction. High customer satisfaction can be achieved through high service quality, while customer dissatisfaction with service quality can cause them to switch elsewhere. Punctuality in delivering goods ordered by customers, customers tend to feel satisfied with the service and may recommend it to others. However, if the company often experiences delays in the delivery of goods, customers are dissatisfied with the service and most likely will not recommend it to others.

Yanuar, et al (2023) service quality has a significant and positive influence on customer satisfaction. In this study, fast, friendly, and good service can make customers feel happy and satisfied with their experience. This can increase customer satisfaction with the company which is most likely to keep them coming back for more. This research is also supported by Uzir et al., (2021) proving that there is a positive influence on service quality on customer satisfaction.

H3: There is a positive influence of service quality on customer satisfaction.

The effect of price on customer satisfaction

Tohar & Wibawanto (2020) said that there is a positive and significant relationship between price perception and customer satisfaction. This means that attention to the perception of prices charged to customers is important for company managers. To build a good price perception in the eyes of customers, the manager needs to establish a price perception that is balanced with the facilities provided, so that customer satisfaction can be fulfilled. Similarly, Sudirman et al., (2020) The results of hypothesis testing show that price perception has a positive and significant impact on customer satisfaction. This means that the better the price perception in the customer's mind, the higher the customer's satisfaction. Apart from the perception of affordable prices, companies often provide discounts, so this also has an impact on the level of customer satisfaction. This finding is supported by Hernikasari et al., (2022) which proves that there is a positive influence of price perception on customer satisfaction.

H4: There is a positive influence of price perception on customer satisfaction.

The Effect of Customer Satisfaction on WOM

Wulandari et al., (2019) It was concluded that the relationship between customer satisfaction and WOM is very important. This means that the higher the level of customer satisfaction, the more positive the effect of WOM that occurs. In the results of his research entitled "Strategy to Increase Customer Satisfaction *and Word of Mouth* through Service Quality, Product Quality and Store Atmosphere", when customers are satisfied with the services provided by Adaptation of Purwokerto Coffee, they tend to recommend the coffee to others. According to Sijabat (2016), WOM is carried out by customers when customers are satisfied with the products or services provided. It can improve brand image and expand market reach through promotions carried out by satisfied customers. This is reinforced by research from Dharmawan & Hidayat (2018) proving that accepting there is a positive influence on perception.

H5: There is a positive influence of price perception on customer satisfaction with WOM.

The effect of customer satisfaction in mediating the relationship between service quality and WOM

Several previous studies have shown that customer satisfaction has a positive influence on service quality and WOM. Can be proven in previous research is a study conducted by Saktiani, (2015) This research shows that the positive experience of customers with the quality of service provided is reflected in the level of customer satisfaction. If customers are satisfied with the service, they are more likely to recommend the business to others. According to research by Suryaatmaja, et al (2016) stated the same thing that there is a positive influence of customer satisfaction on service quality and WOM. Customer satisfaction can influence a customer's intent to recommend a business to others. If customers are satisfied with the service, they are more likely

to be motivated to recommend the business to others. In this study also explained building a good reputation and increasing sales, important to maintain high customer satisfaction. Customer satisfaction can affect the way customers perceive service quality, WOM intensity, and WOM quality. This finding is supported by Lestari (2013) which proves that there is an influence of customer satisfaction in mediating the relationship between service quality and WOM.

H6: Customer satisfaction mediates the relationship between service quality and WOM.

The effect of customer satisfaction in mediating the relationship between price perception and WOM

Several previous studies have shown that customer satisfaction has a positive influence on price perception and WOM. Can be proven in previous research is a study conducted by Tjintiadewi & Rahyud (2018) This research shows customer satisfaction can affect customer perception of price perception. If the customer perceives the perception of the price charged as reasonable and fair, so the customer will be satisfied and give a positive WOM about the perception of the price. The results of Rambe, et al (2017) research also state the same thing that there is a positive influence of customer satisfaction on price perception and WOM. Customer satisfaction can affect the intensity and type of WOM performed by customers. This research states that if customers are satisfied with the perceived price given, they tend to provide positive WOM and higher intensity than customers who feel dissatisfied. This finding is supported by Wahyudi & Nora (2017) which proves that customer satisfaction mediates the relationship between price perception and WOM.

H7: Customer satisfaction mediates the relationship between price perception and WOM.

3. Research Methods

This research is a quantitative research with respondents of angkringan customers in Purwokerto with a minimum age of 18 years. The sample determination amounted to 116 respondents with the sampling method using the purposive sampling method. The analysis tool used is the Structural Equation Model (SEM) using AMOS 22 software

Results and Discussion

1. Conformity Test and Statistical Test

Tabel 1 Tabel Goodness of Fit

| Indeks Pengukuran | Cut off Value | Nilai | Keterangan |
|--------------------------|-------------------------------|--------------|-------------------|
| Chi Square | Diharapkan kecil (138,811) | 188,296 | Marginal |
| Probability | $\geq 0,05$ | 0,000 | Marginal |
| RMSEA | $\leq 0,08$ | 0,091 | Marginal |
| GFI | $\geq 0,90$ | 0,828 | Marginal |
| AGFI | $\geq 0,90$ | 0,761 | Marginal |
| TLI | $\geq 0,95$ | 0,898 | Marginal |

CFI $\geq 0,95$ 0,917 Marginal

The chi-square value in this test shows a number of 188.296 at a significance level of 0.000. While the GFI, AGFI, TLI, CFI measurement indices are in the range of unexpected values (marginal position). Segoro (2017) argues that the model is still worth continuing in a more in-depth analysis because it almost meets the criteria of good fit. Further it can be concluded that the model in this study belongs to the category of features that are quite good and can be used in subsequent analyses.

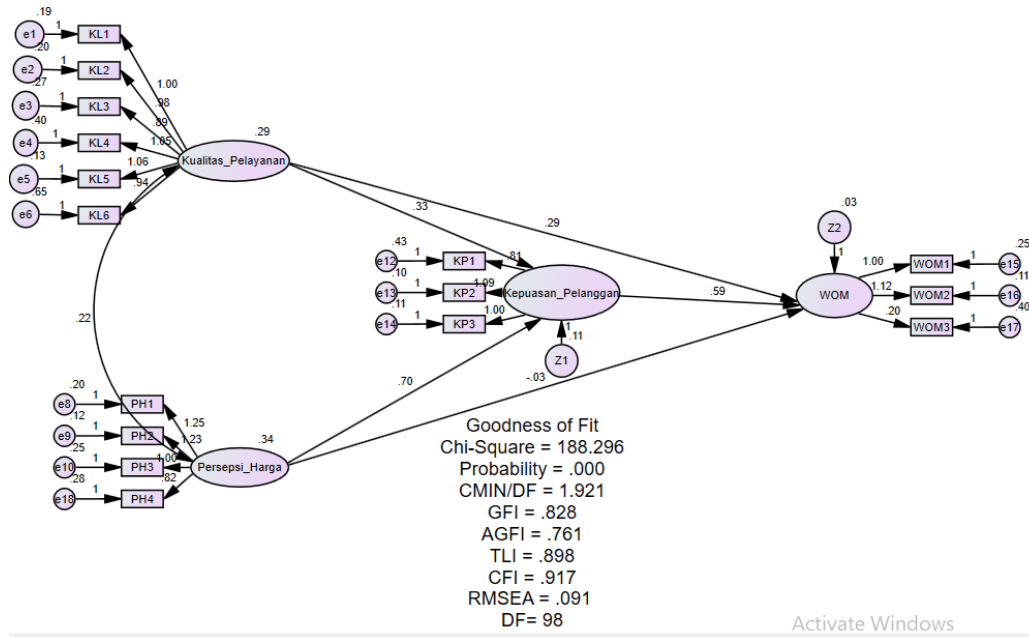
2. Test Validity, Reliability and Variance of Extract

Tabel 2 Test Validity, Reliability and Variance of Extract

| | Indikator | Faktor Loading (>0,5) | Reability (>0,60) | Keterangan |
|--------------------|------------------|---------------------------------|-----------------------------|-------------------|
| Kualitas Layanan | X1_1 | 0,629 | 0,746 | Valid |
| | X1_2 | 0,745 | | Valid |
| | X1_3 | 0.602 | | Valid |
| | X1_4 | 0,780 | | Valid |
| | X1_5 | 0,832 | | Valid |
| | X1_6 | 0,762 | | Valid |
| | X1_7 | 0,114 | | Valid |
| Persepsi Harga | X2_1 | 0,845 | 0,859 | Valid |
| | X2_2 | 0,753 | | Valid |
| | X2_3 | 0,848 | | Valid |
| | X2_4 | 0,910 | | Valid |
| Kepuasan Pelanggan | M1_1 | 0,697 | 0,752 | Valid |
| | M1_2 | 0,856 | | Valid |
| | M1_3 | 0,889 | | Valid |
| WOM | Y1_1 | 0,843 | 0,670 | Valid |
| | Y1_2 | 0,867 | | Valid |
| | Y1_3 | 0,594 | | Valid |

An indicator can be said to be valid if the loading factor value exceeds 0.5. In this study, it shows that all indicators used are valid because they have a loading factor value of more than 0.5. Then, the test results show that all variables have a reliable measure because each has a probability measure of ≥ 0.6

3. Hypothesis Testing



Picture 1 Testing Full Model SEM

The results of data processing for hypothesis testing can be seen in the table below:

Tabel 3 Testing Hipotesis

| | | Estimate | S.E. | C.R. | P | Result |
|-----|---------|----------|------|-------|------|-------------|
| WOM | <--- KL | .291 | .110 | 2.641 | .010 | H1 accepted |
| WOM | <--- PH | -.032 | .135 | -.239 | .811 | H2 rejected |
| KP | <--- KL | .332 | .128 | 2.588 | .010 | H3 accepted |
| KP | <--- PH | .702 | .129 | 5.448 | *** | H4 accepted |
| WOM | <--- KP | .585 | .142 | 4.127 | *** | H5 accepted |

Based on the results of data processing, it can be seen that 4 hypotheses are accepted, because the critical ratio value (C.R) shows a result greater than the cut-off value (1.96) and the probability significance value is less than 0.05. While one hypothesis (H2) was rejected because it had a critical ratio (C.R) value greater than 1.96, with a probability significance value of more than 0.05.

Mediation test

Test mediation in this study using a sobel calculator

| Input: | | Test statistic: | Std. Error: | p-value: |
|----------------|-------|--------------------------|-------------|------------|
| a | 0.322 | Sobel test: 2.14699626 | 0.08773653 | 0.03179358 |
| b | 0.585 | Aroian test: 2.10235612 | 0.08959947 | 0.03552209 |
| s _a | 0.128 | Goodman test: 2.19460634 | 0.08583316 | 0.02819185 |
| s _b | 0.142 | Reset all | Calculate | |

Picture 2 Calculator Sobel

The results of the Sobel test with a value of 2.14 indicate a significant influence of the variable being tested on the target variable in the regression analysis. The description of the results of this test shows that the service quality variable has a strong impact on the customer satisfaction variable, which then has a significant impact on the WOM variable. With a Sobel test value of 2.14, it can be concluded that the relationship between the variable being tested and the target variable through the mediator variable is statistically significant. Based on this, hypothesis 6 is accepted

| Input: | | Test statistic: | Std. Error: | p-value: |
|----------------|-------|--------------------------|-------------|------------|
| a | 0.702 | Sobel test: 3.2846384 | 0.12502746 | 0.00102113 |
| b | 0.585 | Aroian test: 3.24994244 | 0.12636224 | 0.00115428 |
| s _a | 0.129 | Goodman test: 3.32046985 | 0.12367828 | 0.00089866 |
| s _b | 0.142 | Reset all | Calculate | |

Picture 3 Calculator Sobel

The results of the Sobel test with a value of 3.28 showed a significant influence of price perception variables on customer satisfaction variables in regression analysis. The findings of this analysis explain that service quality variables have a strong impact on customer satisfaction levels, which in turn has a significant impact on WOM (Word of Mouth) variables. Based on the Sobel test value of 2.14, it can be concluded that the relationship between service quality variables and customer satisfaction variables through mediator variables has a high level of statistical significance. Based on this, hypothesis7 is accepted.

4. Discussion

The Effect of Service Quality on WOM (H1)

This study concluded that service quality has a significant positive impact on WOM. Quality service will make customers recommend the business to others through social media, online reviews, or live conversations. WOM as a form of promotion can influence the purchasing decisions of prospective customers and contribute to business growth and success.

In this study, it was found that of the seven indicators, there was an indicator that Angkrigan had adequate physical facilities that were discarded because they could not measure service quality variables. Researchers only used six service quality indicators and based on statistical results, empathy indicators had the greatest influence on Angkrigan customer satisfaction in Purwokerto.

This can be seen from the factor loading of the empathy indicator which has the highest factor weight, which is 0.862.

The results of the questionnaire showed that good service with empathy in angkringan greatly affects customer satisfaction. Forms of empathy provided by angkringan staff such as friendliness, patience, and attention to customer needs, by listening to their problems and providing relevant responses. This makes customers feel valued and they are more likely to recommend angkringan to others. Overall, it's important to prioritize empathy in interactions with customers to provide a positive and satisfying experience for them.

This research is in line with previous research conducted by Rahman, et al. (2023) and Wikaningtyas, et al. (2022), which showed that service quality has a positive and significant impact on WOM. Customers who are satisfied with good service quality tend to recommend the company to others by giving praise to the service they receive. Similar to the results of research conducted by Wicaksana (2022), a positive customer experience with good service quality can be a motivation for them to share these experiences with others and recommend the company.

Effect of Price Perception on WOM (H2)

The study concluded that price perception has no influence on WOM. In angkringan consumers focus more on factors such as the taste of food, cleanliness of the place, comfort, familiarity with the owner or waiter, as well as a distinctive atmosphere. Price perception is not the main consideration discussed in WOM, because angkringan is known as a place with affordable prices and serves customers from various walks of life. Based on the results of the questionnaire, the majority of customers stated that the price of products at angkringan in Purwokerto is on average the same so that customers have the same price perception and do not need to do WOM.

The research findings are also in line with research conducted by Jin et al., (2019) and Wijaya et al (2020), which showed that the price perception provided by a business has no effect on WOM. In his research, price perception will encourage someone to do WOM if there is a sense of satisfaction arising from the perception.

The Effect of Service Quality on Customer Satisfaction (H3)

In this study, it was concluded that service quality has a significant influence on customer satisfaction. The main factors on the quality of angkringan service are the friendliness of the waiter, speed of service, and comfortable environment all play an important role. Good service quality can increase customer satisfaction, build positive relationships, and increase customer loyalty.

Based on the research, it was found that empathy indicators had the most significant impact on customer satisfaction in angkringan, compared to four other service quality variables. This is based on the factor weight of the empathy indicator, which has the highest factor weight of the variables that make up the quality of other services, which is 0.862. In this study, angkringan customers were satisfied with the good and empathetic service quality they received. Angkringan staff show a friendly, patient, and attentive attitude to customer needs, which makes them feel valued. Customers feel emotionally connected to angkringan because of the positive experience. This research also shows that empathy plays an important role in determining the quality of angkringan services. Empathetic angkringan owners and waiters who are able to understand and respond well to customer needs are important factors in creating a satisfying experience for angkringan customers.

This is in line with Lupiyoadi's theory (2001: 158) which suggests that there are five main factors that must be considered by companies in determining the level of customer satisfaction, namely product quality, service quality, emotional aspects, price, and cost. Similarly, research conducted by Rahman et al., (2023) and Yanuar, et al (2023), indicates that the quality of service provided by a company has an impact on customer satisfaction.

The Effect of Price Perception on Customer Satisfaction (H4)

The study concluded that price perception has a significant positive impact on customer satisfaction. Customers feel that the price they pay is proportional to the benefits or value they derive from the product or service, they will be more likely to feel satisfied. They will assume that they are getting fair value in exchange for the money they spend, and this will increase their satisfaction and customers perceive price as part of the overall buying experience, a positive perception of price can increase their satisfaction. When customers feel that they have made a smart purchase at a reasonable price, they will feel happy and satisfied with their decision.

From the results of the study, it was also found that from the indicators of the four price perception variables, namely prices that are in accordance with quality, have the greatest influence on customer satisfaction in angkringan. This is based on the factor loading weight of the indicator The price in accordance with the quality obtains the highest factor weight of the variables that make up the price, which is 0.949.

Based on respondents' responses, price indicators that match quality are very important in determining price perception in angkringan. A price that is fair and comparable to the quality of the angkringan product or service will create a positive price perception. Too high a price can reduce the perceived value of customers, while too low a price can trigger doubts about quality. Angkringan owners need to consider product quality, manufacturing process, and customer experience in setting reasonable prices. By paying attention to this indicator, angkringan can increase customer satisfaction, build trust, and strengthen relationships with customers.

This research is also in line with research conducted by Tohar & Wibawanto (2020), and according to Sudirman et al., (2020), which shows that price perceptions provided by companies have a significant influence on customer satisfaction. In the results of the study, prioritizing awareness of the perception of prices charged to customers is a significant aspect for company management. In order to create a positive price perception for customers, management needs to set a good price. seimbang dengan nilai fasilitas yang diberikan, sehingga memastikan kepuasan pelanggan tercapai.

The Effect of Customer Satisfaction on WOM (H5)

The results showed that angkringan customer satisfaction had a significant positive effect. Satisfied customers tend to give positive recommendations about angkringan to others. A good WOM can influence other people's perceptions, purchasing decisions, and preferences towards angkringan. It is important for angkringan to prioritize customer satisfaction in order to benefit from the strong WOM effect.

From the results of the study, it was also found that of the three variables of customer satisfaction, namely the intention to make a repeat purchase in installments, it had the greatest influence on word of mouth. This is based on the weight of the factor (factor loading) satisfied

with the overall experience obtained at angkringan obtaining the highest factor weight from the indicators that make up other customer satisfaction, which is 0.979.

The intention to make repeat purchases as a result of customer satisfaction generated through WOM in angkringan is a significant factor in the success of such businesses. Angkringan that relies on positive recommendations from loyal customers is able to build strong relationships with customers and influence their decision to return to buy.

In this context, the customer satisfaction that drives the creation of WOM plays an important role in shaping repeat purchase intent. Customers who have experienced positive experiences at angkringan, including delicious food, friendly service, and a comfortable atmosphere, tend to feel satisfied and share their experiences with others. This positive recommendation from WOM is what will create confidence in the minds of potential customers.

Previous research that is in line with this research such as the research of Wulandari et al., (2019) and Sijabat (2016). which found that customer satisfaction had a significant effect on word of mouth. A good WOM will improve brand image and expand market reach through promotions carried out by satisfied customers.

The Effect of Customer Satisfaction in Mediating the Relationship between Service Quality and WOM (H6)

The results showed that angkringan Service Quality had a significant positive effect on Word of Mouth with Customer Satisfaction as a mediation variable. Customer satisfaction fully explains the relationship between service quality and WOM. Customers who are satisfied with their experience at angkringan will tend to give positive WOM, such as recommending angkringan to others. It is important for angkringan to ensure good service quality to increase customer satisfaction and take advantage of the WOM effect created by that satisfaction.

This research explains that customers must be satisfied first before they do WOM, because even though angkringan has provided good service quality, WOM will not be created if customers are not satisfied with the service. Angkringan as a service business relies on direct interaction with customers. If the quality of service provided does not meet customer expectations, they will not feel satisfied and most likely will not recommend the angkringan to others through WOM. Angkringan often competes in a competitive environment, where recommendations from satisfied customers through WOM can provide a significant advantage. Satisfied customers will share their positive experiences with their friends, family, and acquaintances, which can increase the popularity and reputation of angkringan.

This research is in line with Lupiyoadi's theory (2001: 158) in determining the level of customer satisfaction, there are five main factors that must be considered by companies, namely product quality, service quality, emotional, price and cost. In addition, research conducted by Suryaatmaja et al (2016) and Wulandari et al (2019) also stated the same thing that there is a positive influence of service quality on WOM mediated by satisfaction. In his research, it was explained that building a good reputation such as by improving quality will be able to increase satisfaction and create a positive WOM that is more intense.

The Effect of Customer Satisfaction in Mediating the Relationship between Price Perception and WOM (H7)

The results showed that the perception of angkringan prices had a significant positive effect on Word of Mouth with customer satisfaction as a mediating variable. When customers are satisfied, the price given by angkringan will encourage them to do a positive WOM. However, if customers are not satisfied with the price offered then they will be reluctant to do WOM. Angkringan business needs to ensure the creation of customer satisfaction derived from price perception, because it will affect the creation of WOM.

Customer satisfaction can mediate the relationship between price perception and WOM because these factors are interrelated and influence each other. First, price perception can affect customer satisfaction. If customers feel the price charged matches the value provided by the product or service, they are likely to feel satisfied. This can encourage them to give positive recommendations through WOM to others.

Second, customer satisfaction can also affect the WOM generated. Customers who are satisfied with a product or service have a tendency to share their positive experiences with others through WOM. They will recommend businesses to their friends, family, and acquaintances based on the satisfaction they feel. In this context, customer satisfaction acts as a mediator between price perception and WOM. When customers feel the price charged is proportional to the value provided and they are satisfied with the product or service received, they tend to give a positive WOM. Customer satisfaction becomes the link between the perception of fair prices and the beneficial effects of WOM for businesses.

Customer satisfaction is an important factor in explaining the relationship between price perception and WOM. Through customer satisfaction influenced by good price perception, businesses can build a positive reputation and get strong recommendations through WOM, which can ultimately have a positive impact on the growth and success of that business. This research is in line with the research of Wijaya et al., (2018) and Wulandari et al (2019). which found that customer satisfaction can mediate price perceptions of WOM. His research shows customer satisfaction can influence customer perception of price perception. If the customer perceives the perception of the price charged as reasonable and fair, so the customer will be satisfied and give a positive WOM about the perception of the price.

5. Conclusion

Based on the results of the statistical analysis conducted, it can be concluded as follows:

- a. There is a positive influence of service quality on WOM.
- b. Price perception has no influence on WOM.
- c. There is a positive influence of service quality on customer satisfaction.
- d. There is a positive influence of price perception on customer satisfaction
- e. There is a positive influence of price perception on customer satisfaction with WOM.
- f. Customer satisfaction mediates the relationship between service quality and WOM.
- g. Customer satisfaction mediates the relationship between price perception and WOM.

Implications

Management Implications

In relation to service quality, angkringan business owners can do several things as follows.

- a. Employee training: Train employees in service skills such as service responsiveness and having knowledge of.

- b. Responsive to feedback: Receive customer feedback well and respond positively to it.
- c. Strengthen customer interactions and increase empathy: Create good relationships with customers through courtesy, personal attention, and a welcoming environment.
- d. Strengthen facilities: Provide facilities such as tables, chairs, toilets, and *Wi-Fi facilities*.

By implementing these managerial implications, angkringan can improve service quality, customer satisfaction, and the positive effects of WOM that support business success.

- a. In the variable of customer satisfaction, the implications that can be done by the angkringan business are to continue to maintain the quality of products and services, improve communication with customers through effective channels, and implement good service quality can increase customer satisfaction. By paying attention to these implications, angkringan can improve repurchase indicators, achieve sustainable profits, and strengthen its position in the angkringan industry.
- b. In the WOM variable, the implication that can be done is that the angkringan business must continue to strive to be able to obtain positive WOM from customers. Things that can be done such as maintaining the quality of products and services, and increasing customer satisfaction. A positive WOM will greatly affect the sales of angkringan.

Theoretical Implications

This research is expected to expand understanding and become a reference for future research on the impact of service quality and price perception in creating WOM through customer satisfaction.

Advice for Further Researchers

Further researchers are expected to explore other variables besides price perception that affect WOM in angkringan, such as the atmosphere of angkringan and also expand the research area not only in Purwokerto. This will certainly provide deep insight into the factors that influence customer behavior and help angkringan owners understand and increase the influence of WOM as an effective marketing tool in the angkringan business.

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