

CUSTOMER SATISFACTION, PRICING STRATEGY, AND MARKETING PERFORMANCE IN SELF-SERVICE LAUNDRY BUSINESS

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ABSTRACT

The global laundry industry is experiencing significant growth in line with urbanization and changes in modern lifestyles, with a market value of USD 180.6 billion in 2022. In Indonesia, the coin-based independent laundry model is increasingly relevant, especially in big cities like Surabaya because it offers a practical and efficient solution for urban communities. However, academic studies examining the influence of customer satisfaction and price on marketing performance in the self-service laundry model are still very limited, causing research gaps that need to be filled.

This study aims to partially or simultaneously analyze the role of customer satisfaction and price in improving the marketing performance of laundry services, with a case study on Prime Express Coin Laundry Surabaya. The research method used a quantitative approach through a questionnaire survey to 36 regular customers. Data were analyzed by validity, reliability, multiple linear regression tests, as well as t-tests, F tests, and determination coefficients using SPSS.

The results showed that customer satisfaction had a positive and significant effect on marketing performance ($B = 0.467$; $\text{Sig.} = 0.001$), price had a significant effect but with a smaller contribution ($B = 0.387$; $\text{Sig.} = 0.019$). Simultaneous tests of customer satisfaction and price together had a strong effect ($F = 52.218$; $\text{Sig.} = 0.000$), with the ability to explain 74.5% of variations in marketing performance. These findings confirm that quality of service is more dominant than price, although the two need to be strategically integrated to create a sustainable competitive advantage.

In conclusion, the marketing strategy of independent laundry should focus on improving service quality to strengthen customer satisfaction while maintaining price competitiveness. Further research recommendations include digital promotion, machine technology innovation, and cross-contextual comparative studies to expand the understanding of the modern laundry industry.

Keywords: customer satisfaction, price, marketing performance, self-laundry, self-service

INTRODUCTION

The laundry service industry is one of the service sectors that is experiencing rapid growth globally. According to the (Allied Market Research, 2022), the market value of laundry and dry-cleaning services is projected to reach USD 180.6 billion in 2022 and is expected to continue to grow in line with increasing urbanization and modern lifestyles. This global trend is in line with developments in Indonesia, especially in big cities such as Surabaya which are characterized by high population density and increasing busyness in urban communities. This condition encourages the demand for practical, efficient, and fast laundry services. Empirical data from Prime Express Coin Laundry Surabaya shows an increasing trend in the number of repeat order customers from 121 people in January 2024 to 215 people in December 2024, which indicates positive growth in the marketing performance of coin-based independent laundry services (Natania, 2025).

Although growth opportunities are wide open, the laundry business faces challenges in the form of fierce competition and consumer demands for quality of service and competitive pricing strategies. In the context of marketing management, prices that do not match consumer perceptions have the potential to reduce customer attraction and loyalty (Kotler & Keller, 2018). Furthermore, research shows that customer dissatisfaction with services can have a direct impact on high churn rates, which has implications for decreased profitability (Schiffman & Wisenblit, 2019). In Surabaya, a metropolitan city with a high level of business competition, failure to maintain customer satisfaction can lead to a decline in competitiveness and slow down business growth. Thus, understanding the determinants of customer satisfaction and price perception is very

important for laundry entrepreneurs in developing adaptive and sustainable marketing strategies.

A number of previous studies have highlighted the role of customer satisfaction and price in improving service marketing performance. Lestari, (2024) found that digital marketing and price perception have a positive effect on home laundry customer satisfaction in South Tangerang. Similarly, Prayuda, (2023) proves that price perception and customer satisfaction simultaneously have a significant influence on the marketing performance of MSMEs. Another study by Zhao et al., (2021) confirms that price and product information influence purchasing behavior, with customer satisfaction acting as an important mediating variable in marketing success. However, most of the research focused on conventional MSMEs or full-service laundry models, not on independent laundry coins that have minimal personal interaction between service providers and customers. This business model has different dynamics, as customer satisfaction is heavily influenced by facility comfort, time efficiency, and self-service experience. Thus, there is a *research gap* in the literature regarding the influence of customer satisfaction and price on marketing performance in the coin laundry business in big cities such as Surabaya (Natania, 2025).

This study aims to analyze the influence of customer satisfaction and price on the marketing performance of coin-based independent laundry services with a case study on Prime Express Coin Laundry Surabaya. Practically, the results of this study are expected to provide strategic recommendations for laundry business actors in designing competitive prices and improving service quality to maintain and expand the customer base. Theoretically, this study contributes to the service marketing literature by enriching the study of the integration of customer satisfaction and price strategies in influencing marketing performance, especially in the technology-based and self-service service sectors. The implications of this research are important not only for laundry business people, but also for other service sectors that face similar competition dynamics in the modern urban environment. Thus, this research is expected to be able to strengthen academic and practical understanding of evidence-based marketing strategies in the context of increasingly competitive service business competition. This study aims to analyze the influence of customer satisfaction and price, both partially and simultaneously, on the marketing performance of laundry services. The implications of this study provide a basis for laundry service managers to design competitive pricing strategies and improve customer satisfaction to strengthen marketing performance. Thus, the questions of this research are as follows: (1) To what extent does customer satisfaction affect laundry service marketing performance? (2) To what extent does price affect the marketing performance of laundry services? (3) How does simultaneous customer satisfaction and price affect laundry service marketing performance?

LITERATURE REVIEW

The literature on service marketing performance emphasizes that customer satisfaction and price are key variables in determining the success of a business, especially the laundry service sector. Heskett et al., (1994) through the concept of Service-Profit Chain explain that customer satisfaction is the result of the value of the services received, which further has implications for the loyalty and profitability of the company. Marketing performance itself is seen as an important indicator for companies to measure the impact of the strategies implemented, such as customer growth, sales volume, and profitability (Sari & Farida, 2020; Zuliasanti et al., 2020)

Customer satisfaction has been defined as the feeling of pleasure or disappointment that arises when product performance is compared to expectations (Kotler & Keller, 2018). Previous research confirms that customer satisfaction consistently has a positive effect on loyalty and marketing effectiveness (Gunawan, 2021; Lestari, 2024). The main indicators of satisfaction include the suitability of expectations, interest in returning visits, and willingness to recommend services (Prayuda, 2024).

Price as an element of the marketing mix also plays a vital role. According to Kotler & Keller (2018), price is a sum of value that customers pay to obtain the benefits of a product or service. Previous research has shown that price is closely related to value perception and purchasing decisions. Wijaya et al., (2023) found that competitive pricing is able to increase customer satisfaction and loyalty, while Prastiwi & Rivai, (2022) emphasize the significant influence of price on satisfaction and marketing performance.

A number of other studies confirm the simultaneous link of satisfaction and price to marketing performance. Zhao et al., (2021) revealed that price and product information affect purchase decisions with satisfaction as a mediator. Similarly, Prayuda, (2024) shows that price perception and satisfaction together determine digital marketing performance. Thus, the existing literature confirms that the synergy of customer satisfaction and the right pricing strategy is an important foundation for improving the marketing performance of laundry services.

HYPOTHESIS

In the study of service marketing, customer satisfaction is seen as a fundamental factor that determines the success of marketing performance. The *Service-Profit Chain* theory (Heskett et al., 1994) asserts that customer satisfaction will lead to loyalty, repurchases, and positive recommendations that ultimately increase the company's profitability. In line with that, Lestari's research (2024) found that customer satisfaction has a significant effect on the marketing performance of home laundry in South Tangerang. Gunawan, (2021) also revealed that customer satisfaction contributes positively to the marketing effectiveness of halal culinary MSMEs in Cirebon City. Furthermore, an international study by Eklof et al., (2020) shows a positive relationship between customer satisfaction and the financial performance of Scandinavian banks. These findings strengthen the theoretical basis that the higher customer satisfaction, the better the marketing performance of a business, including in the laundry service sector. Therefore, the first hypothesis proposed is:

H₁: Customer satisfaction has a positive and significant effect on the marketing performance of laundry services.

In addition to customer satisfaction, price is also an important determinant in consumer decisions. Kotler and Keller (2018) state that price is the value that customers exchange to obtain the benefits of a product or service. Research by Tirtayasa & Daulay, (2021) proves that price, along with other elements of the marketing mix, has a significant effect on the marketing performance of small and medium industries in the construction sector. Wijaya et al., (2023) also found that competitive prices have a positive effect on restaurant consumer satisfaction, which has an impact on loyalty and marketing performance. Furthermore, Prastiwi & Rivai, (2022) emphasized that price perception has a positive effect on customer satisfaction, which in turn improves marketing performance. Based on these findings, the second hypothesis is formulated:

H₂: Price has a positive and significant effect on the marketing performance of laundry services.

In the literature it is emphasized that customer satisfaction and price are inseparable, but rather operate simultaneously in influencing marketing performance. Prayuda's research (2024) shows that digital marketing, price perception, and customer satisfaction together have a significant effect on marketing performance. Similarly, Lestari, (2024) states that price perception and customer satisfaction simultaneously contribute to improving laundry marketing performance. In addition, Zhao et al., (2021) emphasized that price and product information have a significant effect on purchasing decisions with customer satisfaction as an important mediator. Thus, the third hypothesis is formulated as follows:

H₃: Customer satisfaction and price simultaneously have a positive and

significant effect on the marketing performance of laundry services.

METHODS

This study uses a quantitative approach. According to Sugiyono, (2020), quantitative methods are based on the philosophy of positivism which is used to research certain populations or samples with generally random sampling techniques, data collection using research instruments, and statistical data analysis with the aim of testing hypotheses. The selection of a quantitative approach in this study is based on the characteristics of data in the form of numbers, so that it can be analyzed objectively, measurably, and systematically to determine the influence of customer satisfaction and price on the marketing performance of laundry services.

The research was conducted at Prime Express Coin Laundry Surabaya which is located at Jalan Raya Ngagel E209, I-E, Surabaya, East Java. This location was chosen because Prime Express Coin Laundry is one of the self-service-based laundry service businesses that has a regular customer base, and is willing to provide data access and allow research to be conducted. Another consideration is the high level of competition in the laundry business in the region, so this study is expected to be able to provide a relevant empirical picture of pricing strategies and customer satisfaction in improving marketing performance.

The type of data used in this study consists of primary data, namely data obtained directly from respondents through the distribution of questionnaires, and secondary data in the form of customer transaction records obtained from Prime Express Coin Laundry management. According to Sugiyono, (2020), primary data sources are original data collected by researchers from research objects, while secondary data is obtained from existing documents or reports.

The research population is all regular Prime Express Coin Laundry customers who make repeat orders throughout 2024. Population is defined as a generalized area consisting of objects or subjects that have certain qualities and characteristics (Sugiyono, 2020). The sample is determined by *the purposive sampling* technique, which is the selection of samples based on certain criteria that are relevant to the purpose of the research. The sample criteria are customers who make transactions at least five times in one month. Based on these criteria, the number of samples used in this study is 36 permanent customers. This number is considered representative to describe population characteristics as well as meet the needs of regression statistical analysis (Ghozali, 2021).

Data collection was carried out using a survey technique using a structured questionnaire. The research instruments are prepared based on the indicators of the dominant factor that affects marketing performance, although the contribution of other variables cannot be ignored. In terms of practical interpretation, these findings have significant strategic implications. Satisfied customers tend to repeat orders more often, reduce the cost of acquiring new customers, and increase brand loyalty. On the other hand, competitive pricing serves as a differentiation tool that can attract new consumers, while also retaining existing customers in conditions of intense competition. In other words, the laundry business strategy not only needs to maintain service quality to increase customer satisfaction, but also design a price scheme that suits consumers' purchasing power so that marketing performance can continue to improve.

RESULTS

The findings of this study confirm that customer satisfaction has a more dominant influence than price in improving the marketing performance of laundry services. This is reflected in the higher value of the customer satisfaction regression coefficient (0.467) compared to the price (0.387), as well as a stronger significance value. Thus,

companies need to prioritize improving service quality, such as cleanliness of laundry products, punctuality, ease of payment system, and convenience of supporting facilities, to maintain customer satisfaction. Price is still important, but it only plays an optimal role when customers feel that the service is in line with their expectations. These results are also in line with the reality of the service business, where emotional factors and customer experience are often more decisive than financial considerations alone.

The Effect of Price on the Marketing Performance of Laundry Services

Based on the results of the partial test (t-test) in this study, the price variable (X2) shows a calculated t of $2.474 > t \text{ table } 2.0345$, with a significance value of $0.019 < 0.05$. This means that price has a significant effect on the marketing performance of Prime Express Coin Laundry Surabaya. The price regression coefficient of 0.387 confirms that an increase in the customer's positive perception of price—for example, judging prices commensurate with service quality, more competitive than competitors, and economically affordable—will increase the marketing performance of laundry services by 0.387 points, assuming other factors are constant.

These results confirm that pricing strategies are not just a transaction cost factor, but an important instrument that shapes the perception of customer value. In the context of laundry services, consumers tend to compare prices with the quality of service they receive. If the laundry rate is considered to be in accordance with the quality of the laundry, punctuality, and convenience of the facility, then the customer will consider the price fair and reasonable. Conversely, prices that are too high without added value can reduce repurchase interest, while prices that are too low can lead to a perception of low quality.

The findings of this study also show that the majority of respondents feel that the price offered by Prime Express Coin Laundry is comparable to the quality of service. The description of respondents' answers to the price variable showed that more than 80% of respondents agreed (S) and strongly agreed (SS) that the price they paid reflected the quality of service and was more competitive than competitors. Thus, Prime Express' pricing strategy not only increases the attraction of new customers but also strengthens the loyalty of existing customers through repeat orders.

The simultaneous effect of customer satisfaction and price on the marketing performance of laundry services

The results of the simultaneous test (F test) showed that the variables of customer satisfaction and price together had a positive and significant effect on the marketing performance of laundry services. The value of F cal of 52.218 is greater than the F table of 3.28 with a significance level of $0.000 < 0.05$. This indicates that the regression model used has good feasibility to explain variations in marketing performance. In addition, Square's Adjusted R value of 0.745 indicates that 74.5% of the variation in marketing performance can be explained by both independent variables, namely customer satisfaction and price, while the remaining 25.5% is influenced by other factors outside the model, such as the quality of additional services, promotional strategies, and business location.

Empirically, these findings confirm that the success of marketing in the service sector, especially at Prime Express Coin Laundry Surabaya, is not only determined by customer satisfaction or partial price, but also by the synergy of both. High customer satisfaction drives loyalty, word-of-mouth recommendations, and repeat orders. On the other hand, competitive prices and are considered fair by customers reinforce the perception of value and foster consumer confidence. The combination of the two creates a sustained competitive advantage amid the stiff competition of the *self-service laundry industry*.

The analysis of respondents' answers in this study showed a positive tendency in both variables. Most customers stated that Prime Express Coin Laundry's services met expectations, had consistent quality, and were worthy of recommending to others. In addition, the majority of respondents also assessed that the price charged was proportional to the quality received and relatively competitive compared to similar service providers. This shows that both satisfaction and price perception have a simultaneous effect on driving improvement in marketing performance, reflected in sales volume, customer growth, and profitability that continues to increase over time.

Discussion

The results of this study provide a comprehensive overview of the relationship between customer satisfaction, price, and laundry marketing performance. Key findings show that customer satisfaction has a significant and more dominant effect than price, even though the two simultaneously complement each other in increasing marketing effectiveness. A high value of the determination coefficient (Adjusted R^2 of 0.745) indicates that most of the variation in marketing performance can be explained by both variables. Thus, this study successfully answered the research questions posed and achieved the goal of testing the strategic role of satisfaction and price in increasing the competitiveness of the self-service laundry business.

The results of this study are consistent with the Service-Profit Chain theory which emphasizes the role of customer satisfaction as a driver of loyalty, profitability, and business growth (Heskett et al., 1994). In line with Kotler & Keller, (2018), customer satisfaction is proven to arise when service performance meets or exceeds expectations. This study also strengthens the findings of Eklof et al., (2020) which show a positive relationship between customer satisfaction and the financial performance of service companies. In the domestic context, these findings are in line with the studies by Lestari, (2024) and Prayuda, (2024) which found that satisfaction and price perception simultaneously improve the marketing performance of MSMEs, laundry services and digital businesses.

On the other hand, the results of this study add empirical evidence to the limited literature on coin laundry in Indonesia. Most previous research has focused on home or full-service laundry that has the intensity of personal interaction with customers. In the self-service model, customer satisfaction is more influenced by the quality of facilities, speed of service, and the convenience of the self-service system. Thus, the new contribution of this research is to expand the relevance of service marketing theory in the context of technology-based business with minimal personal contact.

Theoretically, this study strengthens the understanding that customer satisfaction and price are not stand-alone variables, but work simultaneously in creating high perceived value. This emphasizes that an effective marketing strategy must integrate both aspects in a balanced manner. In practical terms, the implication of these findings is the need for a dual focus: improving service quality to ensure customer satisfaction, as well as setting competitive prices according to consumer purchasing power. In the context of the laundry business, these strategies can be in the form of improving the cleanliness of laundry products, time efficiency, facility comfort, and transparency of the payment system. For policymakers, these results emphasize the importance of regulatory support that encourages standardization of service quality and price transparency in the technology-based services sector.

One interesting result is the dominance of customer satisfaction over price in influencing marketing performance. Although the price remains significant, the effect is less than satisfaction. These findings indicate that in self-service-based services, consumers are more sensitive to the quality of the experience than the cost aspect alone. This may be related to changes in the consumption patterns of urban people who put convenience

and time efficiency as top priorities.

The strength of this research methodology lies in the use of a quantitative approach with validity, reliability, and multiple linear regression analysis tests that allow statistical testing of partial and simultaneous influences. The high Adjusted R^2 value adds credibility to the research results. However, there are limitations in the relatively small number of samples (36 respondents), even though they have met the representative criteria according to (Ghozali, 2021). In addition, this study only researched one location (Prime Express Coin Laundry Surabaya), so generalization of results to laundry businesses in other areas must be done carefully. External factors such as digital promotion, business location, and level of competition are also not analyzed in depth, even though they have the potential to affect marketing performance.

This research opens up space for further exploration of other factors that affect the marketing performance of laundry services. Digital promotion, the quality of machine technology, and the role of *customer experience* in self-service systems need to be studied more comprehensively. Comparative cross-regional or cross-country research is also needed to test the consistency of findings in different cultural and economic contexts. In addition, a mixed methods approach can provide richer insights by combining quantitative analysis and in-depth interviews about the customer experience.

CONCLUSION

The results of the study show that customer satisfaction and price are proven to have a positive and significant effect on the marketing performance of laundry services, both partially and simultaneously. Customer satisfaction has a more dominant influence than price, shown by a higher regression coefficient and a stronger significance value. This confirms that the quality of service that meets or exceeds customer expectations is the main key in increasing loyalty, repeat orders, and positive word of mouth. Price remains an important instrument, but its effectiveness is only optimal when customers feel a valuable service. The contribution of this research enriches the literature on service marketing, especially in the context of coin laundry self-service which is still rarely studied. In practical terms, these findings confirm that the integration of satisfaction enhancement and competitive pricing strategies is capable of creating a sustained competitive advantage, with empirical support that 74.5% of marketing performance variations are explained by both variables.

Suggestion

Given the limitations of the research involving only a small sample and a single business site, follow-up research with a wider scope and mixed methods is needed to obtain a more comprehensive picture. Future research should explore other factors such as digital promotion, the quality of machine technology, and the customer experience in self-service. Cross-regional or cross-country comparisons are also needed to test the consistency of findings in different cultural and economic contexts. For practitioners, the strategic focus must be directed to improving the quality of services through cleanliness, punctuality, convenience of facilities, and a transparent payment system, accompanied by pricing according to consumer purchasing power. Meanwhile, for policymakers, regulatory support in the form of service quality standards and price transparency in the technology-based service sector will strengthen a healthier and highly competitive laundry business ecosystem.

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