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The Effect of Service Quality and Price on Customer Satisfaction with Business Innovation as an Intervening Variable at Airah Undangan Printing

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Abstract

The rapid development of the creative service industry requires business actors to provide optimal customer satisfaction amidst intense competition. Shifting trends have given rise to a business phenomenon where local printing customers are no longer satisfied merely with low rates or standard services without an element of novelty. This paper investigates this phenomenon by formulating a single research question: how does business innovation mediate the effect of service quality and price on customer satisfaction at Airah Undangan Printing? The novelty of this study lies in the introduction of business innovation as an intervening variable within the context of regional MSME-scale creative industries, aiming to address the inconsistency of previous research that predominantly examined the macro sector while ignoring the dynamics of visual novelty. This quantitative explanatory research uses primary data from a sample of 45 customers (purposive sampling), analyzed using the PLS-SEM method via SmartPLS software. Empirical results show that service quality does not have a significant effect; however, price flexibility is proven to strongly trigger the emergence of business innovation, which then successfully mediates the creation of customer satisfaction. In conclusion, business innovation operates as an absolutely essential strategic bridge to transform price advantages into sustainable satisfaction. These findings provide practical implications for the management of printing MSMEs to prioritize budgets on exploring design novelty and ordering technology, rather than simply competing through price cut.

Article Information

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INTRODUCTION

The increasingly rapid development of the business world has caused competition among business actors, particularly in the creative service and printing sectors, to become increasingly fierce. To survive and thrive, every business actor is required to provide satisfactory service in line with the dynamics of customer needs and expectations. Customer satisfaction is a crucial factor determining the sustainability of a business; satisfied customers will not only make repeat purchases loyally but also act as promotional agents through word-of-mouth recommendations (Kotler & Keller, 2016). In the context of the printing industry, the creation of customer satisfaction is traditionally influenced by excellent service quality and

Intensi: Jurnal Riset Manajemen

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Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

competitive pricing that corresponds with the perceived value (Suwardi & Rini, 2023; Putri et al., 2024). This is tangibly experienced by Airah Undangan Printing in Dompu Regency, a business entity engaged in printing services, specifically the production of invitations and administrative needs. As the number of similar competitors in the region increases, customers now have higher bargaining power and more diverse options. This condition gives rise to empirical problems at Airah Undangan Printing, where, in practice, various customer complaints are still found regarding service speed, the accuracy of print results, and sensitivity to price suitability. Furthermore, with continuously evolving design and technology trends, customers demand novelty. Good service and low prices are insufficient if the products offered are monotonous and outdated (Fauzi et al., 2025; Tarigan et al., 2026), thereby indicating the need for value renewal through business innovation.

Based on a literature review, service quality, comprising the dimensions of reliability, responsiveness, assurance, empathy, and tangibles, has a direct impact on satisfaction (Tjiptono, 2019). Research by Marpaung et al. (2021), Fernando et al. (2024) and Sabarulloh & Kurniawaty (2026) further confirms that responsive and accurate service significantly increases consumer satisfaction. In addition, the perception of price fairness plays an important role; a price deemed commensurate with the benefits obtained will create distinct satisfaction for printing service customers (Badriah et al., 2024; Tooy, 2024; Pramistiningrum et al., 2025). However, the invitation printing industry possesses unique and dynamic characteristics. Customers do not merely evaluate employee attitudes or low prices, but also pay close attention to creativity, design variety, and the efficiency of the ordering process. Therefore, this study introduces business innovation as an intervening variable. According to Schumpeter (1942), innovation theory, renewal in products, processes, or services is the key to creating added value that cannot be provided by competitors. Business innovations, such as the provision of digital invitation templates, online ordering systems, and the use of the latest printing materials, serve as a strategic bridge. Good service quality and optimal pricing will have a much greater impact on customer satisfaction if the company is able to translate them through business innovations that are relevant to current trends.

Although the relationship between service quality, price, and customer satisfaction has been widely studied, a significant research gap still exists. Most previous studies have predominantly been conducted in the banking, hospitality, or transportation sectors, while specific studies on the local creative printing industry in developing regions such as Dompu Regency remain highly limited. Furthermore, as the digital era progresses, the urgency of physical variables such as location is beginning to be overshadowed by the importance of product and service innovation. There are also inconsistencies in the results of several previous studies regarding how strongly price affects long-term satisfaction, indicating the presence of a missing mediating variable. This study seeks to fill this gap by positioning business innovation as an intervening variable to explain how quality and price can effectively result in customer satisfaction. The urgency of this investigation lies in the practical need for printing MSMEs to understand that winning the competition is no longer achievable merely by cutting prices or offering friendly service; it must be accompanied by the ability to innovate. Based on this problem formulation and theoretical gap, this study aims to analyze the direct effect of service quality and price on customer satisfaction, analyze the effect of both on business innovation, and examine the role of business innovation in mediating the effect of service quality and price on customer satisfaction at Airah Undangan Printing in Dompu Regency. The findings of this study are expected to enrich marketing management literature regarding innovation mediation models in the service sector, while simultaneously providing practical guidance for companies in optimizing their resources.

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

METHODS

This quantitative explanatory research utilizes cross-sectional primary data collected through a 5-point Likert scale questionnaire (Sugiyono, 2019). Sampling was conducted using a purposive sampling technique targeting customers of Airah Undangan Printing in Dompu Regency who had completed at least one transaction within the last six months. A sample size of 45 respondents was determined based on statistical power analysis (Cohen, 1988) to detect an adequate effect size. This number is considered appropriate given that the variance-based regression analysis method (PLS-SEM) is highly robust in handling small samples without requiring strict assumptions of normal distribution (Hair et al., 2014).

The operational measurement of the variables was developed from various previous marketing management and innovation literature to accurately capture customer perceptions. The independent variables examined include Service Quality and Price, which are linked to Customer Satisfaction as the dependent variable, through Business Innovation as an intervening variable. To avoid textual repetition, comprehensive details regarding the indicators, measurement scales, and their primary references are fully summarized in Table 1 below.

Data were analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS) via SmartPLS, which is highly relevant for evaluating predictive models with small sample sizes (Hair et al., 2014; Ghozali, 2018). The evaluation was conducted through Outer Model testing for instrument validity using the superior Heterotrait-Monotrait Ratio (HTMT) criterion (Henseler & Sarstedt, 2013), followed by Inner Model testing (R^2, f^2, and path significance via bootstrapping with 5,000 subsamples). The structural equation model in this study is defined through the following two main linear equations (where X1 represents Service Quality, X2 represents Price, Z represents Business Innovation, and Y represents Customer Satisfaction): $Z= \beta_1 X_1 + \beta_2 X_2 + \varepsilon$. $Y= \beta_3 X_1 + \beta_4 X_2 + \beta_5 Z+ \varepsilon$.

Table 1. Indicators and Measurements

Variable	Code	Indicator	Reference
Service Quality (X1)	SQ.1	Speed and accuracy of order completion	Parasuraman et al. (1988) Tjiptono (2019)
	SQ.2	Promptness and responsiveness of employees in handling complaints	
	SQ.3	Assurance of employee competence in the printing process	
Price (X2)	PR.1	Price affordability compared to customer income	(Kotler & Armstrong, 2021)
	PR.2	Price suitability with the quality of printed products	
	PR.3	Price competitiveness compared to other printing shops	
	PR.4	Price suitability with product benefits/utility	
	PR.5	Price transparency without hidden costs	
	PR.6	Payment flexibility or discount provision	
Business Innovation (Z)	BI.1	Renewal and variety of print designs (creativity)	Schumpeter (1942) Baregheh et al. (2009)
	BI.2	Ordering process innovation (online/WhatsApp convenience)	
	BI.3	Use of the latest paper/printing materials	
	BI.4	Addition of specific customization services (flexibility)	
	BI.5	Presence of value-added services beyond standard products	
Customer Satisfaction (Y)	CS.1	Overall satisfaction with Airah Undangan Printing	Kotler & Keller (2016) Zeithaml (1994)
	CS.2	Fulfillment of customer expectations	
	CS.3	Desire to make repeat purchases/printing	
	CS.4	Willingness to provide positive recommendations (Word of Mouth)	
	CS.5	Satisfaction with the provided value-added/innovation	

Source: Previous Research (2026)

Intensi: Jurnal Riset Manajemen

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RESULTS AND DISCUSSION

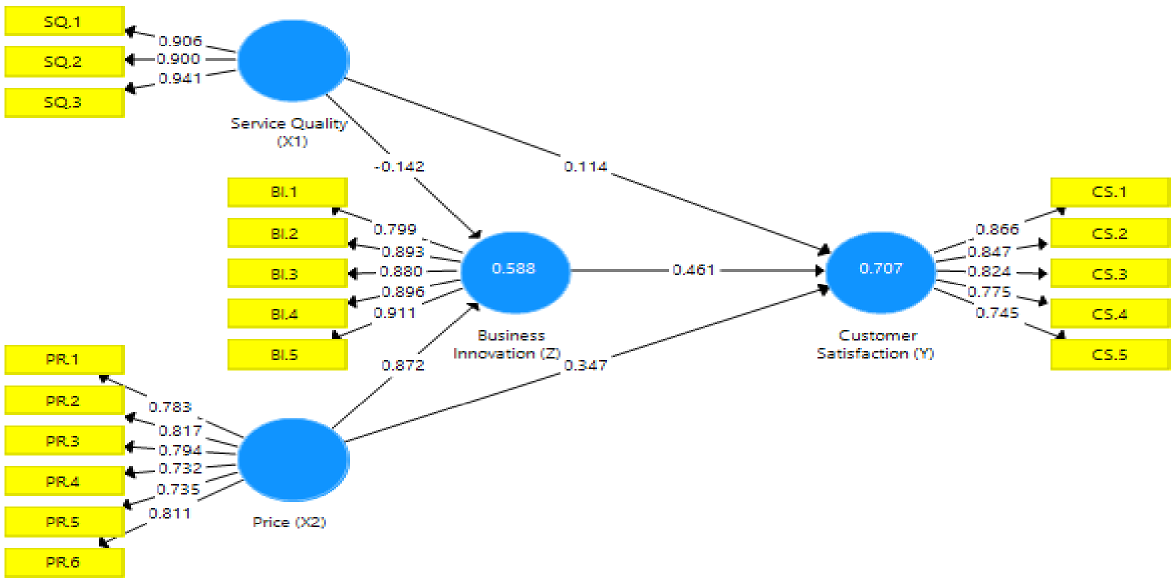
This study utilizes Airah Undangan Printing in Dompu Regency, a business entity engaged in the production of invitations and administrative materials, as the primary research object. The sampling process involved 45 respondents, consisting of customers with a history of at least one transaction within the last six months. Based on demographic characteristics, the majority of the sampled customers are male (80%), while female customers account for 20%. The age profile of the respondents is dominated by adults, specifically the 26–35 years range (51.11%) and the age group above 35 years (33.33%), with a small portion aged 18–25 years (15.56%). In terms of occupational background, the majority of these printing service users work as entrepreneurs or in other fields (53.33%) and as employees (40%), while the remainder are students (6.67%).

Table 2. Sample Demographic Statistics

Variable	Category	Frequency	Percentage (%)
Gender	Male	36	80%
	Female	9	20%
Age	18 - 25 Years	7	15.56%
	26 - 35 Years	23	51.11%
	> 35 Years	15	33.33%
Occupation	Student	3	6.67%
	Employee	18	40%
	Entrepreneur/Others	24	53.33%

Source: Processed Primary Data (2026)

Figure 1. Path Analysis



Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

Table 3. Convergent Validity and Construct Reliability Test Results

Variable	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Service Quality (X1)	SQ.1	0.906	0.904	0.940	0.839
	SQ.2	0.900			
	SQ.3	0.941			
Price (X2)	PR.1	0.783	0.871	0.903	0.608
	PR.2	0.817			
	PR.3	0.794			
	PR.4	0.732			
	PR.5	0.735			
	PR.6	0.811			
Business Innovation (Z)	BI.1	0.799	0.924	0.943	0.769
	BI.2	0.893			
	BI.3	0.880			
	BI.4	0.896			
	BI.5	0.911			
Customer Satisfaction (Y)	CS.1	0.866	0.870	0.906	0.660
	CS.2	0.847			
	CS.3	0.824			
	CS.4	0.775			
	CS.5	0.745			

Source: Processed Primary Data (2026)

Based on Table 3, the Outer Model data processing directly confirms the adequacy of the instruments used to measure all research variables. Convergent validity is comprehensively achieved, as indicated by the outer loading values of all indicators, which fall within the range of 0.732 to 0.941 (exceeding the critical threshold of 0.70), and the Average Variance Extracted (AVE) values ranging from 0.608 to 0.839 (exceeding the minimum standard of 0.50). Similarly, regarding the aspect of measurement reliability, the Cronbach's Alpha values (0.870–0.924) and Composite Reliability values (0.903–0.943), which are all above 0.70, prove that the research data possesses very strong consistency and is ready to be utilized to answer the research questions in the structural analysis stage.

The findings of this instrument evaluation tangibly confirm that the operational indicators adapted from prior literature can empirically represent the variables within the context of the Airah Printing industry. For the Service Quality variable, the high factor loadings directly validate the theories of Tjiptono (2019) and Parasuraman et al. (1988), which state that speed, responsiveness, and assurance of employee competence are accurate representations of expected service quality. The Price indicators are also confirmed to be consistent, reinforcing Kotler and Armstrong's (2021) concept regarding the dimensions of affordability, transparency, and the suitability of price with the benefits of printed products. Furthermore, the robustness of the Business Innovation measures empirically supports the theoretical foundations of Schumpeter (1942) and Baregheh et al. (2009), wherein process innovation and print design variation are validated as reflections of company value renewal. Finally, this valid and reliable Customer Satisfaction instrument confirms the arguments of Zeithaml (1994) and Kotler & Keller (2016), asserting that fulfilled expectations and the willingness to recommend services (Word of Mouth) are genuine reflections of overall customer satisfaction.

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

Table 4. Discriminant Validity Test Results (Fornell-Larcker Criterion)

Variable	Business Innovation	Customer Satisfaction	Price	Service Quality
Business Innovation	0.877			
Customer Satisfaction	0.786	0.813		
Price	0.761	0.786	0.780	
Service Quality	0.536	0.631	0.778	0.916

Source: Processed Primary Data (2026)

Based on Table 4, the data processing results directly indicate that all research instruments are free from discriminant validity issues. The data shows that the square root of the Average Variance Extracted (AVE) values, represented on the diagonal positions, are higher than the inter-variable correlation values in their respective columns. For example, the measure for Business Innovation records a value of 0.877, which is absolutely higher than its correlations with Customer Satisfaction (0.786), Price (0.761), and Service Quality (0.536). Similarly, Service Quality shows the highest diagonal value (0.916). These results confirm that each indicator focuses on measuring its own variable without any overlapping.

These empirical findings tangibly confirm the model evaluation criteria established by Fornell and Larcker (1981). The fulfillment of this diagonal ratio aligns with the strict PLS-SEM guidelines formulated by Hair et al. (2014) and Ghozali (2018), wherein a structural model can only proceed if each of its constructs is proven to be unique. The successful separation of the measurement values among Service Quality, Price, Business Innovation, and Customer Satisfaction proves that the questionnaire instruments, designed based on a review of marketing literature, have been interpreted clearly and differently by the respondents (customers of Airah Printing). Consequently, the model is ready and eligible to be confirmed in the hypothesis testing stage (causal effects).

Table 5. Discriminant Validity Test Results (HTMT Ratio)

Variable	Business Innovation	Customer Satisfaction	Price	Service Quality
Business Innovation				
Customer Satisfaction	0.872			
Price	0.842	0.899		
Service Quality	0.582	0.706	0.878	

Source: Processed Primary Data (2026)

Through the processing of the Heterotrait-Monotrait Ratio (HTMT) values, the research results directly prove the independence of all latent variables with estimated ratios ranging from 0.582 to 0.899. The highest value is found in the relationship between Price and Customer Satisfaction (0.899), while the lowest value is recorded in the relationship between Service Quality and Business Innovation (0.582). Since none of the values touch or exceed 0.90, the data is confirmed to be free from measurement bias issues and is deemed suitable for answering all research hypotheses.

These empirical findings successfully confirm the reliability of the modern discriminant validity criteria established by Henseler and Sarstedt (2013) as well as Hair et al. (2014). HTMT values below the critical threshold of 0.90 confirm that each latent variable possesses high conceptual heterogeneity without any overlapping issues. The clear separation among Service Quality (X1), Price (X2), Business Innovation (Z), and Customer Satisfaction (Y) proves that each construct truly stands independently in the eyes of Airah Printing customers, thereby strengthening the model's feasibility for evaluation at the structural model stage (inner model).

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

Table 6. Evaluation of the Coefficient of Determination (R^2)

Endogenous Variable	R^2	R^2 Adjusted	Model Category
Business Innovation	0.588	0.568	Moderate Category
Customer Satisfaction	0.707	0.685	Strong Category

Source: Processed Primary Data (2026)

Through the evaluation of the coefficient of determination (R^2) in Table 6, the research results directly provide answers regarding the predictive capacity and the simultaneous contribution of the exogenous variables to the studied endogenous phenomena. The data proves that the R^2 value for Business Innovation is 0.588, which directly answers the research question that Service Quality (X1) and Price (X2) collectively have an ability of 58.8% to explain the variance of business innovation, falling into the moderate category. Furthermore, the R^2 value for Customer Satisfaction, which reaches 0.707, provides a direct answer that the integration of Service Quality (X1), Price (X2), and Business Innovation (Z) has a very large predictive power of 70.7%, classified as strong, in determining customer satisfaction at Airah Printing, while the remaining percentage is influenced by factors outside this model.

These empirical findings of the R^2 values successfully confirm the strength of the structural model (inner model) based on the PLS-SEM methodological criteria proposed by Hair et al. (2014) and Ghozali (2018). The acquisition of a high predictive contribution to the Customer Satisfaction variable (70.7%) confirms the appropriateness of integrating Kotler & Keller's (2016) Marketing Management Theory with Schumpeter's (1942) Innovation Theory, which states that customer satisfaction will be solidly achieved if price and service advantages are converted through the value of business novelty. In addition, these strong predictive evaluation results reinforce and support the findings of previous studies by Badriah et al. (2024) and Tarigan et al. (2026), proving that the model's ability to predict consumer satisfaction in the printing industry becomes significantly greater and more relevant when incorporating an innovation mediating variable into the business's operational system.

Table 7. Effect Size (f^2)

Path	f^2 Value	Effect Category
Service Quality → Customer Satisfaction	0.017	Very Weak
Price → Customer Satisfaction	0.094	Weak
Service Quality → Business Innovation	0.019	Very Weak
Price → Business Innovation	0.728	Strong
Business Innovation → Customer Satisfaction	0.299	Moderate

Source: Processed Primary Data (2026)

Through the evaluation of the effect size (f^2) in Table 7, Price is proven to dominantly provide the largest predictive contribution to Business Innovation (0.728), which subsequently has a moderate impact on shaping Customer Satisfaction (0.299). Conversely, the predictive power on the other paths is classified as weak; Price only provides a small direct effect on Customer Satisfaction (0.094), while Service Quality records a very minimal predictive contribution ($f^2 < 0.020$) towards all of its target variables.

These effect size evaluation findings empirically confirm the structural model robustness criteria formulated by Cohen (1988) and Hair et al. (2014), wherein the threshold values of 0.02, 0.15, and 0.35 sequentially represent small, moderate, and large effect levels. The substantially large effect of Price on Business Innovation provides logical and empirical confirmation that within the printing ecosystem, competitive pricing serves as the primary foundation triggering the emergence of various service innovations. On the other hand, the

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

exceedingly small effect of Service Quality fails to confirm Tjiptono's (2019) traditional theory and the research of Marpaung et al. (2021), which have traditionally positioned service quality as the absolute driver of satisfaction. This phenomenon instead confirms a new reality among Airah Printing consumers: that speed and friendliness alone no longer possess meaningful predictive power for satisfaction if unsupported by fair pricing and the presence of innovative products.

Table 8. Hypothesis Testing Results (Path Coefficients)

Hyp.	Path	Original Sample (O)	T-Statistics	P-Values	Decision
Direct Effect					
H1	Service Quality ➔ Customer Satisfaction	0.114	0.814	0.416	Rejected
H2	Price ➔ Customer Satisfaction	0.347	1.668	0.096	Rejected
H3	Service Quality ➔ Business Innovation	-0.142	0.845	0.399	Rejected
H4	Price ➔ Business Innovation	0.872	5.620	0.000	Accepted
H5	Business Innovation ➔ Customer Satisfaction	0.461	3.124	0.002	Accepted
Indirect Effect (Mediation)					
H6	X1 ➔ Z ➔ Y	-0.066	0.773	0.440	Rejected
H7	X2 ➔ Z ➔ Y	0.402	2.443	0.015	Accepted

Source: Processed Primary Data (2026)

The Effect of Service Quality on Customer Satisfaction

Based on the data processing in Table 8, the path of the effect of Service Quality on Customer Satisfaction shows an Original Sample value of 0.114, a T-Statistics value of 0.814, and a P-Value of 0.416. Because the T-Statistics value is below the critical threshold of 1.96 and the P-Value is considerably greater than 0.05, the statistical decision officially declares that the first hypothesis (H1) is rejected. This factual data directly answers the research question, indicating that service quality, when provided independently, does not exert a significant direct positive contribution or effect in determining customer satisfaction at Airah Undangan Printing.

These empirical findings fail to confirm the traditional marketing management theory of Tjiptono (2019) and tangibly refute the results of previous studies conducted by Marpaung et al. (2021), Fernando et al. (2024), and Sabarulloh & Kurniawaty (2026), which generally position service quality as the absolute driver of consumer satisfaction. This lack of confirmation specifically indicates a shift in consumer behavior in the digital era, particularly within the creative service sector in Dompu Regency. In the current competitive context, physical and standard interactional service dimensions, such as the speed of order completion, responsiveness, or employee friendliness, are merely regarded as absolute operational requirements (*must-have* or hygiene factors). This means that fulfilling excellent service standards is perceived as a given necessity, but it is not robust enough to trigger profound emotional satisfaction on its own. No matter how proficiently and amicably employees provide service, customers will remain dissatisfied if it is not accompanied by the provision of products relevant to current trends, such as invitation designs that lack creativity, are outdated, or monotonous. This is precisely what causes service quality to lose its direct predictive power on customer satisfaction at Airah Undangan Printing.

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

The Effect of Price on Customer Satisfaction

Through the evaluation of the path coefficients in Table 8, the direct effect of Price on Customer Satisfaction recorded an Original Sample value of 0.347, with a T-Statistics value of 1.668 and a P-Value of 0.096. Given that the T-Statistics result is < 1.96 and the P-Value is > 0.05, the second hypothesis (H2) proposed in this study is officially rejected. This statistical data directly answers the research question, indicating that the pricing policy or price affordability offered by the company has not been proven capable of providing a significant direct positive impact on customer satisfaction at Airah Undangan Printing.

This rejection result fails to empirically support the findings of previous studies by Badriah et al. (2024), Tooy (2024), and Pramistiningrum et al. (2025), which explicitly state that rational and affordable pricing is a direct trigger for consumer satisfaction. The divergence in these findings indicates the presence of unique characteristics in the observed object. Unlike standard service sectors or general commodities, creative printing products, particularly invitations, are closely related to special moments, aesthetic values, and the representation of the customers' personal identities. This empirical phenomenon tangibly succeeds in addressing the previously outlined research gap: within the ecosystem of today's local creative invitation printing industry, merely relying on a low-price strategy is no longer a guarantee. Competitive pricing will lose its appeal and absolutely fail to build customer satisfaction if the final product offered is deemed monotonous, outdated, lacking in customization options, and failing to keep up with current trends. Modern consumers tend to consider cheap prices worthless if their expectations regarding design novelty and visual quality cannot be realized.

The Effect of Service Quality on Business Innovation

Based on the visualization of the structural model testing in Table 8, the relationship between Service Quality and Business Innovation yields an Original Sample value of -0.142, with a T-Statistics value of 0.845 and a P-Value of 0.399. Because the obtained T-Statistics value is below the minimum standard of 1.96 and the significance P-Value > 0.05, the third hypothesis (H3) is declared rejected. The results of this analysis directly answer the research question, indicating that the level of service quality provided by employees does not possess a meaningful positive contribution or effect in triggering the emergence of business innovation at Airah Undangan Printing.

These findings are inconsistent with the general theoretical assumption which often posits that close daily service interactions between employees and consumers can automatically be converted into operational renewal ideas. In the context of MSMEs such as Airah Undangan Printing, these test results confirm an operational management reality on the ground; that service routines, regardless of how excellent and swift their execution may be, tend to focus purely on order completion and technical printing execution. Therefore, fundamental innovation creation activities—such as the renewal of design templates, diversification into more premium printing materials, and the adoption of ordering systems via WhatsApp and online platforms—are not triggered by input or evaluation of the daily service performance of frontline staff. Instead, these innovation renewals are born purely top-down through the independent strategic initiatives of the business owner. These renewal ideas are predominantly driven by proactive observation of shifting external technological trends, the increasingly rapid dynamics of the digital creative industry, and adaptation to competitor movements, rather than merely relying on the interaction processes or daily service complaints at the cashier desk.

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

The Effect of Price on Business Innovation

The structural analysis results in Table 8 show that the effect of Price on Business Innovation records a highly dominant outcome with an Original Sample value of 0.872, a T-Statistics value of 5.620, and a P-Value of 0.000. Because the T-Statistics value far exceeds the critical threshold of 1.96 and the P-Value is below 0.05, the statistical decision determines that the fourth hypothesis (H4) is absolutely accepted. The results of this data processing directly provide an empirical answer that the price variable has a very strong and significant positive effect in driving the acceleration of business innovation at Airah Undangan Printing.

These highly significant findings successfully provide robust empirical confirmation of Schumpeter's (1942) Innovation Theory and align with the multidisciplinary definition of innovation by Baregheh et al. (2009). In the context of these business dynamics, the management of economic value and price flexibility serves not merely as a tactic to attract consumer interest but functions essentially as the primary financial stimulus for the company to continuously carry out value renewal. The results of this study sharply prove that a competitive, transparent, and targeted pricing strategy at Airah Undangan Printing is capable of accelerating sales volume and generating a highly healthy business capital turnover (cash flow). The financial profits and cash turnover resulting from this price efficiency subsequently become the main modality as well as the driving force for management to continuously fund research for design novelty, conduct customization experiments with more premium printing materials, and invest in the provision of digital ordering infrastructure. This positive economic cycle proves to be an absolute requisite for local printing entities to continually evolve, maintain market relevance, and effectively avoid offering monotonous product lines amidst the rapid shifts in society's visual trends.

The Effect of Business Innovation on Customer Satisfaction

Based on the data in Table 8, testing the effect of Business Innovation on Customer Satisfaction yields an Original Sample value of 0.461, with a T-Statistics value of 3.124 and a P-Value of 0.002. Because the T-Statistics value > 1.96 and the P-Value < 0.05, the statistical decision determines that the fifth hypothesis (H5) is convincingly accepted. These data processing figures provide a direct answer to the research question, indicating that the implemented business innovation activities are proven to have a significant positive effect in building customer satisfaction at Airah Undangan Printing.

These empirical findings perfectly confirm Schumpeter's (1942) Innovation Theory and are reinforced by the contemporary research of Fauzi et al. (2025) and Tarigan et al. (2026), which asserts a fundamental shift in the consumer satisfaction paradigm within the creative industry. Currently, satisfaction is no longer determined exclusively by conventional operational services, but rather relies heavily on the company's ability to deliver added value through novelty elements. For the customers of Airah Undangan Printing, this innovation is tangibly represented through the provision of aesthetic and contemporary invitation design variations, the efficiency of remote ordering systems, and high flexibility in product customization. It is this series of renewals that allows consumers to realize their personal preferences precisely, which ultimately culminates in profound emotional satisfaction and drives the intention to recommend the service to others.

Intensi: Jurnal Riset Manajemen

E-ISSN: 3124-4882
Halaman Jurnal: https://jurnal.stieyapisdompu.ac.id/intensi

The Effect of Business Innovation in Mediating Service Quality on Customer Satisfaction

For the indirect effect testing in Table 8, the mediation path of Business Innovation on the effect of Service Quality on Customer Satisfaction yields an Original Sample value of -0.066, with a T-Statistics value of 0.773 and a P-Value of 0.440. Based on the PLS-SEM significance criteria (T-Statistics < 1.96 and P-Value > 0.05), the sixth hypothesis (H6) is officially rejected. This result directly answers the research question, indicating that business innovation has not been able to play a role as an intervening variable mediating the effect of service quality on customer satisfaction at Airah Undangan Printing.

The rejection of this mediation hypothesis is a logical and empirical consequence of the insignificant effect of service quality on business innovation in the previous test (H3). These results deeply elucidate that efforts to improve external service quality—such as enhancing staff friendliness, response speed, or operational promptness in the field—cannot automatically be converted into innovative instruments to boost consumer satisfaction. This empirical phenomenon asserts a clear demarcation between daily operational routines and the company's strategic vision, where the dimension of frontline employee interaction is detached from the realm of creative product innovation design, which is purely controlled by top management initiatives. Consequently, regardless of how optimal the applied service standards are, they lose their essence as an effective bridge (intervening factor) in shaping customer satisfaction in Dompu Regency. This is because consumers realize that mere service friendliness will not be able to compensate for their disappointment if the resulting printed products ultimately remain monotonous, outdated, and lacking in novelty.

The Effect of Business Innovation in Mediating Price on Customer Satisfaction

Based on the indirect path testing in Table 8, the mediating effect of Business Innovation on the influence of Price on Customer Satisfaction yields an Original Sample value of 0.402, with a T-Statistics value of 2.443 and a P-Value of 0.015. Because the T-Statistics value exceeds the minimum threshold of 1.96 and the P-Value is below 0.05, the seventh hypothesis (H7) is convincingly declared accepted. This statistical data directly proves that business innovation acts as a successful and significant mediating (intervening) variable in bridging the effect of price on customer satisfaction at Airah Undangan Printing.

This mediation finding constitutes the most important theoretical contribution of this study, as it successfully resolves the inconsistency regarding the effect of price on long-term satisfaction (research gap) that frequently appears in previous marketing literature. These results fully confirm the integration of Schumpeter's (1942) Innovation Theory and reinforce the contemporary empirical studies by Fauzi et al. (2025) and Tarigan et al. (2026), which assert that the perception of price suitability or cheap rates will not directly culminate in an optimal level of satisfaction if the final product received by the consumer appears outdated and irrelevant to current trends. The success of this mediation path explicitly and empirically explains that the competitive pricing strategy at Airah Undangan Printing does not merely function as an initial transactional attraction; rather, it will only effectively realize profound and sustainable customer satisfaction when this economic value advantage is tangibly transformed through business innovation. This strategic transformation is manifested in the form of reinvestment for the provision of more dynamic digital invitation design templates, the exploration of modern printing materials, and the efficiency and convenience of WhatsApp-based online transactions, which collectively succeed in meeting the high expectations of visual consumers in the digital era.

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CONCLUSION

This study concludes that conventional operational factors, such as service quality and pricing, do not directly guarantee the creation of customer satisfaction in the creative printing industry. The service quality of field staff is also proven incapable of automatically triggering the emergence of operational renewals or business innovation. Consequently, business innovation cannot function as a bridge connecting service quality with consumer satisfaction. Conversely, a competitive pricing strategy serves as the primary driver and financial stimulus for the company to accelerate business innovation. This business innovation is subsequently proven to be a determining element that tangibly builds and enhances customer satisfaction. Overall, business innovation successfully plays a crucial mediating role in transforming the economic advantage of competitive pricing into profound and sustainable customer satisfaction.

The practical implications of these findings require MSME printing business owners to shift their strategic focus; winning market competition is no longer sufficient by merely cutting prices or being friendly, but it absolutely must be accompanied by the ability to create product and service novelty. Theoretically, this research reinforces the shift in consumer behavior in the digital era, which is no longer anchored to conventional physical variables but relies heavily on elements of value novelty. For future research, it is highly recommended to expand the research scope by involving a larger sample size across various creative industry subsectors outside Dompu Regency to test the consistency of this structural model. Furthermore, future studies need to explore the addition of other external variables, such as the effectiveness of digital marketing, brand image, or product aesthetic quality, to provide a more comprehensive mapping of the modern customer satisfaction ecosystem.

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