The Effect of Price and Product Quality on Customer Satisfaction

Putri Nilam Kencana

Universitas Pamulang

E-mail: putrinilamkencana@gmail.com

(Received: June-2018; Reviewed: August-2018; Accepted: September-2018;

Avalaibel Online: September -2018; Published: September -2018)

This is an open access article distributed under the Creative Commons Attribution License
CC-BY-NC-4.0 ©2018 by author (<https://creativecommons.org/licenses/by-nc/4.0/>)

ABSTRACT

One example of a franchise that has increased in a number of outlets is fast-food restaurants or often called fast food. The purpose of this study was to determine the effect of price and product quality on customer satisfaction on Giant Fried Chicken Citra Raya. The research method uses quantitative with a population of 22,577 customers, the determination of the sample using the Slovin formula with an error rate of 10% obtained 100 respondents. Data collection methods using primary data and secondary data. Test the instrument using the validity and reliability test, the prerequisite data test uses the normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test, while the statistical test uses multiple regression equations, correlation coefficient test, coefficient of determination test and significance test. The results show that the price and quality of the product have a positive effect on consumer satisfaction with a regression equation $Y = 19.846 + 0.329X_1 + 0.312X_2 + e$. The better the price determination and the higher the quality of the product, the more it will increase customer satisfaction. Vice versa, if the price and quality of products are low, customer satisfaction will also decrease. The simultaneous contribution of price and product quality is 40.8% while the remaining 59.2% is influenced by other factors. the calculated F value is greater than the F table or ($9669 > 3.090$), it is also reinforced by the significance of $0,000 < 0.05$. Thus H_0 is rejected and H_1 is accepted. This means that there is a positive and significant effect simultaneously between price and product quality on customer satisfaction on Giant Fried Chicken Citra Raya.

Keywords: Price; product quality; customer satisfaction

INTRODUCTION

The development of retail in Indonesia is divided into two, namely traditional retail and modern retail (Pandini, 2009; Soliha, 2008; Suryadarma, Poesoro, Budiyati, Akhmadi, & Rosfadhila, 2007). But over time, many traditional retailers were abandoned by consumers (Puccinelli et al., 2009; Sunarsi, 2018). So that the increase in modern retail business in Indonesia increased rapidly. The difference between traditional retail business and modern retail business is that traditional retail business is a business that is built and managed by the

government, regional government, private sector, regional-owned business entity including cooperation with the private sector with business places in the form of shops, kiosks and tents owned or managed by small traders. , medium, non-governmental organizations or cooperatives with small scale businesses, small capital with the process of buying and selling merchandise through bargaining such as traditional markets, grocery stores, and others (Sunyoto, 2012; Swastha, Basu, 2014).

One example of a franchise that has increased in the number of outlets is fast-food restaurants or often called fast food. The number of outlets from fast food restaurants is now very mushrooming, existing franchise brands want to add new outlets or brand franchises that want to compete in the franchise industry. (Mandasari & Tama, 2011; Nurcahyo & Wahyuati, 2016; Putri, 2014). This makes the competition very visible among fast-food restaurants in Indonesia, one example of fast-food restaurants in Indonesia is GFC (Giant Fried Chicken).

Giant Fried Chicken is a trademark of the franchise produced by Giant Extra and Giant Express, this restaurant is still under the auspices of PT. Hero Group Supermarket, Tbk. The beginning of the existence of Giant Fried Chicken was a transition from RTE (Ready To Eat) which was also produced by Giant Extra and Giant Express and as an initial pilot shop, it was established at Giant Extra Citra Raya in 2010. Fried chicken with crispy, crisp and delicious taste images has a fairly positive response from various groups to the menu offered. The increasing competition of similar and different types of restaurants, makes the company must retain customers so that customers feel satisfied and do not switch to other products (Kotler dan Armstrong, 2008; Sediawan, 2015; Tulasi, 2012). And this is where managers have to work hard to create strategies in an effort to create customer satisfaction. In maintaining customer satisfaction is not easy, coupled with a different culture of society that causes each individual has different needs and desires, as for the factors that influence customer satisfaction including price and product quality (Amanah, 2017; Dapkevičius & Melnikas, 2011; Razak, Nirwanto, & Triatmanto, 2016).

One of several attributes that support customer satisfaction (Cahyani, 2016; Devi, Hoyyi, & Abdul Mukid, 2015; Lubis & Hidayat, 2017; Samhah & Suprihhadi, 2016). This will result in price competition from various brands available in the market, so consumers who are sensitive to price changes will likely switch to other cheaper brands. But consumers who are loyal to the brand they like may not be able to switch to another brand. Many things are related to the price behind why consumers choose a product to have. Companies that can compete in the market are companies that can provide quality products. Consumer demands for a product, both in the form of goods or services offered by the company are increasingly increasing. Consumers expect the products they buy are products that have good quality (Ariani, 2016; Cahyani, 2016; Tanady, 2015). Quality is the most important concept in creating a product. Quality products are products that are received by customers according to the needs and desires of customers. It can be interpreted that the quality of a product is the ability that can be assessed from a product in carrying out its functions, which is a combination of durability, reliability, accuracy, ease of maintenance and other attributes of a product.

METHOD

The nature of this research is quantitative descriptive. The population in this study were customers of Giant Fried Chicken Citra Raya Tangerang for three months as many as 22,577 customers. To streamline time, after the questionnaire was filled in by the customer immediately returned the number of samples taken in this study was determined by the Slovin formula. Data collection methods using primary data and secondary data. Test the instrument using the validity and reliability test, the prerequisite data test uses the normality test, autocorrelation test, multi-

collinearity test, and heteroscedasticity test, while the statistical tests use multiple regression equations, correlation coefficient test, coefficient of determination test and significance test (Creswell & Creswell, 2017).

RESULT AND DISCUSSION

Consumers will feel satisfied if the product bought is able to exceed what is expected, if consumers are satisfied with the product consumed it will tend to arise a desire to make purchases regularly or continuously. The desire to make repeat purchases is the attitude that most determines consumers loyal to the product.

Uji Regresi Linear Berganda

This multiple regression test is intended to find out how much influence the variables X1, X2 on the variable Y. In this study are the price (X1) of product quality (X2) and customer satisfaction (Y). The following are the results of processed regression data with SPSS version 22 which can be seen in the following table:

Table 1
Results of Multiple Regression Processing Variable Prices (X1) and Product Quality (X2)

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	19.986	2.573		.000
	Harga (X1)	.329	.089	.149	.001
	Kualitas Produk (X2)	.312	.068	.120	.003

a. Dependent Variable: Kepuasan Pelanggan (Y)

Based on the results of the regression calculations in the above table, the regression equation can be obtained $Y = 19,986 + 0,329X_1 + 0,312X_2$. A constant value of 19,986 means that if the variables X1 and X2 do not exist then there is customer satisfaction 19,986. A value of 0.329 is interpreted if the constant is constant and there is no change in the X1 variable, then every 1 unit change in the X1 variable will result in a change in Y of 0.329 points. A value of 0.312 is interpreted if the constant is constant and there is no change in the X2 variable, then every 1 unit change in the X2 variable will result in a change in Y of 0.312 points.

Product Moment Correlation

Based on the test with the SPSS program the product-moment correlation results are obtained as summarized in the following table:

Table 2.

Product Moment Coefficient Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.408 ^a	.266	.149	1.874

a. Predictors: (Constant), Produk (X2), Harga (X1)

b. Dependent Variable: Kepuasan Pelanggan (Y)

Based on the output model summary above on SPSS 22 The value of the correlation coefficient of prices and products to customer satisfaction which obtained r of 0.408 where the level of relationship is at 0.40 to 0.599 means that prices and products have a "Strong enough" relationship to customer satisfaction " .408.

The determination coefficient (Kd) is used to find out how much the level of relationship or influence between the price variable (X1) and product quality (X2) to the customer satisfaction variable (Y). As for how to find out the level of the relationship using the following formula: $KD = R^2 \times 100\%$ processed with SPSS version 22, shown in the table below:

Table 3.
Determination Coefficient Data Processing Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.408 ^a	.266	.149	1.874	1.393

a. Predictors: (Constant), Kualitas Produk (X2), Harga (X1)

b. Dependent Variable: Kepuasan Pelanggan (Y)

Based on the table above, the R-square value (determination coefficient) of 0.266 can be concluded that the price (X1) and product quality (X2) variables affect the customer satisfaction variable (Y) on Giant Fried Chicken Citra Raya by 26.6% while the remaining 73.4% is influenced by other variables not examined in this study.

Hypotesis Test

Determining the formulation of the hypothesis is:

H0: $\rho_1 = 0$ There is no effect between price on customer satisfaction partially.

H1: $\rho_1 \neq 0$ There is an influence between price on customer satisfaction partially.

H0: $\rho_2 = 0$ There is no effect between price on customer satisfaction partially.

H1: $\rho_2 \neq 0$ There is an effect between price on customer satisfaction partially.

The results of data processing regarding the price variable using the SPSS Version 22 program, with the following results:

Table 4.
Price Variable T-Test Results (X1)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	19.986	2.573		7.769	.000
Harga (X1)	.329	.089	.149	3.449	.001
Kualitas Produk (X2)	.312	.068	.120	3.100	.003

a. Dependent Variable: Kepuasan Pelanggan (Y)

Based on the table above, the value of the $t_{\text{count}} > t_{\text{table}}$ ($3.449 > 1.984$) was also proved by the significance of $0.000 < 0.05$. Thus, H_0 is rejected and H_1 is accepted, this shows that there is a positive and partially significant effect between price on customer satisfaction on Giant Fried Chicken Citra Raya.

The results of product quality data processing using the SPSS Version 22 program, with the following results:

Table 5.

Product Quality Test Variable t-Test (X2)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	19.986	2.573		7.769	.000
Harga (X1)	.329	.089	.149	3.449	.001
Kualitas Produk (X2)	.312	.068	.120	3.100	.003

a. Dependent Variable: Kepuasan Pelanggan (Y)

Based on the table above, the value of $t_{\text{count}} > t_{\text{table}}$ ($3.100 > 1.984$) is also evidenced by the significance of $0.000 < 0.05$. Thus, H_0 is rejected and H_1 is accepted, this shows that there is a positive and partially significant effect between product quality on customer satisfaction on Giant Fried Chicken Citra Raya.

To test the effect of product quality variables, simultaneous price on customer satisfaction on Giant Fried Chicken Citra Raya, carried out by the statistical test F (simultaneous test) with a significance of 5% and comparing the calculated F value with F table.

Significance criteria of 5% (0.05) by comparing the value of t arithmetic with the value of t table, as for the test results are as follows:

Table 6.
Simultaneous F Test Results

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67.912	2	33.956	9.669	.000 ^b
	Residual	340.648	97	3.512		
	Total	408.560	99			

a. Dependent Variable: Kepuasan Pelanggan (Y)

b. Predictors: (Constant), Kualitas Produk (X2), Harga (X1)

From the table above, the calculated F_{count} is greater than the F_{table} or ($9669 > 3.090$), this is also strengthened by the significance of $0,000 < 0.05$. Thus H_0 is rejected and H_1 is accepted. This means that there is a positive and significant effect simultaneously between price and product quality on customer satisfaction on Giant Fried Chicken Citra Raya.

CONCLUSION

Based on the results of the study, showed that the price had a positive and significant effect on customer satisfaction by 32.9%. Product quality has a positive and significant effect on customer satisfaction by 31.2%. Product price and quality have a positive effect on consumer satisfaction with a regression equation $Y = 19.846 + 0.329X_1 + 0.312X_2 + e$. The better the price determination and the higher the quality of the product, the more it will increase customer satisfaction. Vice versa, if the price and quality of products are low, customer satisfaction will also decrease. The simultaneous contribution of price and product quality is 40.8% while the remaining 59.2% is influenced by other factors. the calculated F_{count} is greater than the F_{table} or ($9669 > 3.090$), it is also reinforced by the significance of $0,000 < 0.05$. Thus H_0 is rejected and H_1 is accepted. This means that there is a positive and significant effect simultaneously between price and product quality on customer satisfaction on Giant Fried Chicken Citra Raya.

REFERENCES

- Amanah, D. (2017). Pengaruh Harga Dan Kualitas Produk Terhadap Kepuasan Konsumen Pada Majestyk Bakery & Cake Shop Cabang H.M. Yamin Medan. *Jurnal Keuangan & Bisnis*. <https://doi.org/10.17605/OSF.IO/HNGVJ>
- Ariani, W. (2016). Manajemen Kualitas. *Jurnal Manajemen*.
- Cahyani, F. G. (2016). Pengaruh Kualitas Produk, Kualitas Pelayanan, Dan Harga Terhadap Kepuasan Konsumen. *Jurnal Ilmu dan Riset Manajemen*. <https://doi.org/ISSN : 2461-0593>
- Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.
- Dapkevičius, A., & Melnikas, B. (2011). Influence of Price and Quality to Customer Satisfaction: Neuromarketing Approach. *Mokslas - Lietuvos ateitis*.

<https://doi.org/10.3846/144>

- Devi, B. C., Hoyyi, A., & Abdul Mukid, M. (2015). Analisa Faktor-Faktor Yang Mempengaruhi Keputusan Pembelian Dan Kepuasan Konsumen Pada Layanan Internet Speedy Di Kota Semarang Menggunakan Partial Least Square (PLS). *Jurnal Gaussian*. <https://doi.org/10.1016/j.corsci.2006.08.021>
- Kotler dan Armstrong. (2008). Prinsip-Prinsip Pemasaran Jilid I. In *Erlangga*.
- Lubis, D. I. D., & Hidayat, R. (2017). Pengaruh Citra Merek dan Harga terhadap Keputusan Pembelian pada Sekolah Tinggi Ilmu Manajemen Sukma Medan. In *Jurnal Ilman*. <https://doi.org/2355-1488>
- Mandasari, V., & Tama, B. (2011). Analisis Kepuasan Konsumen Terhadap Restoran Cepat Saji Melalui Pendekatan Data Mining: Studi Kasus XYZ. *Jurnal Generic*.
- Nurchahyo, F., & Wahyuati, A. (2016). Pengaruh Bauran Pemasaran Terhadap Volume Penjualan Pada Restoran Mcdonald ' S Delta Plaza Surabaya. *Jurnal Ilmu dan Riset Manajemen*.
- Pandin, M. L. (2009). Potret Bisnis Ritel Di Indonesia : Pasar Modern. *Economic Review*.
- Puccinelli, N. M., Goodstein, R. C., Grewal, D., Price, R., Raghubir, P., & Stewart, D. (2009). Customer Experience Management in Retailing: Understanding the Buying Process. *Journal of Retailing*. <https://doi.org/10.1016/j.jretai.2008.11.003>
- Putri, I. W. (2014). Dampak Fast Food Advertising Terhadap Perilaku Konsumtif Anak-Anak. *fakultas Ekonomi dan Bisnis Universitas Ma Chun*.
- Razak, I., Nirwanto, N., & Triatmanto, B. (2016). The Impact of Product Quality and Price on Customer Satisfaction with the Mediator of Customer Value. *An International Peer-reviewed Journal*.
- Samhah, H., & Suprihhadi, H. (2016). Pengaruh Kualitas Layanan Dan Harga Terhadap Kepuasan Konsumen Oost Kafe Surabaya. *Ilmu dan Riset Manajemen*.
- Sediawan, R. (2015). Kepuasan Konsumen. *Jurnal Ilmu Komunikasi (J-IKA)*.
- Soliha, E. (2008). Analisis Industri Ritel di Indonesia. *Jurnal Bisnis dan Ekonomi (JBE)*.
- Sunarsi, D. (2018). Pengaruh rekrutmen, seleksi dan pelatihan terhadap produktivitas kerja karyawan. *KREATIF: Jurnal Ilmiah Prodi Manajemen Universitas Pamulang*, 6(1), 14–31.
- Sunyoto, D. (2012). Dasar - Dasar Manajemen Pemasaran. In *dasar dasar manajemen pemasaran*.
- Suryadarma, D., Poesoro, A., Budiayati, S., Akhmadi, & Rosfadhila, M. (2007). Dampak Supermarket terhadap Pasar dan Pedagang Ritel Tradisional di Daerah Perkotaan di Indonesia. In *Lembaga Penelitian SMERU*.
- Swastha, Basu, I. (2014). Manajemen Pemasaran Modern. In *Liberty, Yogyakarta*. <https://doi.org/10.1017/CBO9781107415324.004>
- Tanady, H. (2015). Pengendalian Kualitas. *Cetakan Pertama*.
- Tulasi, D. (2012). Komunikasi Pemasaran. *Humaniora*.