

The Influence of Digipos Aja Application Product Quality, Price, and Promotion on Customer Satisfaction in Makassar City

Ismu Widodo^{1*}, Edi Witjara², Siska Noviarisanti³, Muhammad Luthfi Siraj⁴

^{1,2,3}Telkom University, Indonesia

⁴ Universitas Negeri Makassar, Indonesia

E-mail: ismu_widodo@telkomsel.co.id

ABSTRACT

This study explores Digipos Aja application product quality, prices, and promotions impact on consumer satisfaction in Makassar City. Methodology, This study employs correlational research that utilizes statistical correlations to describe and measure the relationship between two or more variables with multiple regression method. Finding: This study suggests that all variables have valid values. While the results of hypothesis testing show that partially each variable has a significant influence and simultaneously the variable quality of the Digipos Aja application product, price, and promotion on consumer satisfaction in Makassar City. Which means that the three X variables have a significant influence to variable Y. Conclusion: Product quality, price, and promotion simultaneously affects consumer satisfaction in Makassar City and all of them are statistically significant. The higher quality level of Digipos Aja product subsequently elevate consumer confidence level towards the product. Additionally, with high level of trust for Digipos Aja products, therefore consumers are able to select and create purchasing decisions for these products.

Keywords: Product Quality, Price, Promotion, Consumer Satisfaction.

INTRODUCTION

Business transformation for companies is a solution to deal with and adjust to developments in technological advances and customer behavior that have turned into digital solutions. Companies are required to innovate in order to fulfill customers' needs whom have very dynamic expectations. As the largest telecommunications company in Indonesia, PT Telkomsel continues to adapt and transform its business model. Telkomsel's Digital Transformation is currently a means of cellular communication that is an important requirement for all levels of consumers. Telkomsel focuses on carrying out its role in three digital business domains, namely digital connectivity, digital platforms and digital services (Do et al., 2022; Sadigh et al., 2021; Winasis, 2020). The company's operations and business are now focused on meeting all customer needs according to their frequently changing needs (customer oriented) through the Digipos Aja application innovation.

Digipos Aja Telkomsel, in carrying out digital transformation, also makes innovations in the digital world, one of which is creating Digipos Aja. Based on Telkomsel's internal data for 2021, there are 532,538 Digipos Aja Telkomsel registrations. This number is still relatively small compared to similar applications, Telkomsel has assets in the form of 175 million subscribers and 120.9 million data subscribers, with this potential Digipos Aja, can be super apps. Digipos Aja which actively conducts transactions of at least 1 transaction per month is 55%, meaning that there are still many opportunities for development. The number of daily transactions of 1.9 million is a very large number for super apps.

Competitive Price and Package products shown in Prices & Packages on Digipos Aja must be more affordable than other apps. Apart from the Digipos Aja application, there are many similar applications for selling credit and PPOB, such as the Langit Pay application, PAYFAZZ, Topindo, and so

on. selling pulses for applications other than Digipos Aja is cheaper and more aggressive, so the price for Digipos Aja is sometimes more expensive and makes resellers have many applications and sell pulses at a lower price. In addition to the price of pulses in the Digipos Aja application, it is even more expensive for voice packages, and this also makes resellers less enthusiastic about using Digipos Aja to become the main application because prices are less competitive. Price has become the main factor influencing the choice of buyers (Kotler & Keller, 2012).

Based on the rate categories given by users 1 to 5 for a period of 3 months from April to June 2022, the first 46% gave a rating of 1, the second 22% gave a rating of 3, the third 13% gave a rating of 5, the fourth gave a rating of 4 and the fifth 9% gave rating 2. With category 1 with 46% being the first priority that must be resolved by making ideas that can provide customer satisfaction, for Digipos Aja the main problem can provide space to grow.

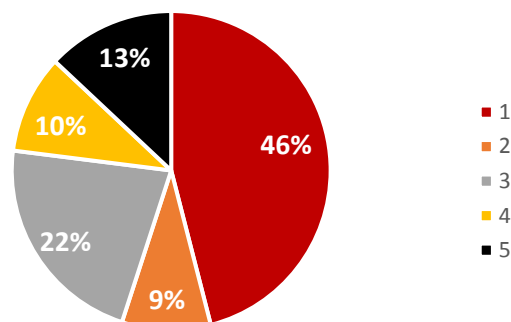


Figure 1.
Digipos Aja rating category on the Google Play Store
Source: Google Play Store (2022)

Another problem with the Digipos Aja application is that the network quality drops due to power outages by 13% (64) which is shown through Digipos Aja transactions which often fail because the network is unstable during power outages. The quality of the internet network is not good at 10% (49) which is shown in the quality of the internet network that needs to be improved so that it is more stable during transactions. In this case, the cause is a poor network in certain areas which results in the continuity of credit sales, and data packets from the Digipos Aja application being constrained.

Based on the Digipos Aja service, Digipos Aja users can make complaints related to services, in Digipos Aja there is a help menu that can help users submit customer complaints by displaying the categories of customer complaints which can be seen at the percentage level of customer complaints.

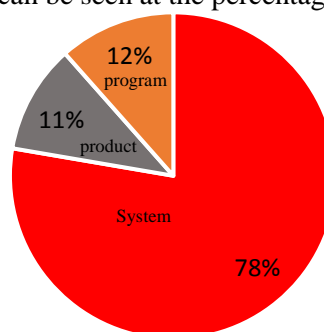


Figure 2.
Categories of Digipos Aja Complaint Tickets
Source: Telkomsel Internal Report (2022)

Digital services that are present today have many advantages to make something complicated easier, simpler, faster and more accurate. The presence of digital services makes every transaction activity be it promotion, sale, purchase, and marketing of products or services can be carried out electronically or better known as an e-commerce type business. According to (McCleod Jr & Schell, 2007). "E-commerce is using the internet and computers with web browsers to introduce, offer, buy and sell products. The benefit of implementing e-commerce is that a company can have an international market." This business can be run without being limited by a country, with the existence of digital technology, operational costs can be reduced because it can collaborate with Couriers, delivery times are faster and its position can be tracked and reduce human error. There are several types of e-commerce in which are popular in Indonesia (McCleod Jr & Schell, 2007) : 1). Business to Business (B2B): Company sells its products to other companies or businesses to be used for further business, this e-commerce is the largest because it includes transactions made between companies or types of businesses. These B2B platforms such as Indonetnetwork, Ralali.com; 2). Business to Consumers (B2C): The company sells its products to consumers or end users. And these are the most popular in our society, namely Lazada, Blibli, Mapemall; 3). Consumer to Consumer (C2C): Consumer-to-consumer in nature to make transactions. In this platform, consumers who act as sellers can post various products for other consumers to buy on a platform. The ones that are popular among us are Tokopedia, Bukalapak, Shopee; 4) Online to Offline (O2O): The producer carries out promotions online but the transaction is then carried on by doing it offline at a retail store or where the goods are picked up. This type is widely used in the transportation sector such as Gojek and Grab as well as accommodation such as Airbnb, Airy, and so on; 5). Business to Business to Consumer (B2B2C): E-commerce model that combines (B2B) and (B2C). deliver to consumers mutually beneficial results of collaboration.

The business model of Digipos Aja is B2B2B2C which is a combination of B2B and B2C, here Telkomsel is a company that sells products and services which are then distributed to Partners Strategic Business Partners (SBP) in the form of bulk products which SBP partners have the duty and responsibility to managing cluster areas, for products used by consumers through Partners again as Resellers who sell to end customers in the form of products with denominations. This type of business provides products and services to business clients. Business clients or Resellers maintain and look after their customers in the form of products and services provided without adding other added value.

Resellers for each sales transaction gets a profit in the form of a front margin by increasing the sales price and in the form of a back margin with incentives from Telkomsel. Business to Business to Consumer (B2B2C) is an e-commerce model that combines (B2B) and (B2C). deliver to consumers mutually beneficial results of the collaboration. Digipos Aja The business model of Digipos Aja is B2B2B2C which is a combination of B2B and B2C, here Telkomsel is a company that sells products and services which are then distributed to Partners Strategic Business Partners (SBP) in the form of bulk products which SBP partners have the duty and responsibility to managing cluster areas, for products used by consumers through Partners again as Resellers who sell to end customers in the form of products with denominations. This type of business provides products and services to business clients. Business clients or Resellers maintain and look after their customers in the form of products and services provided without adding other added value.

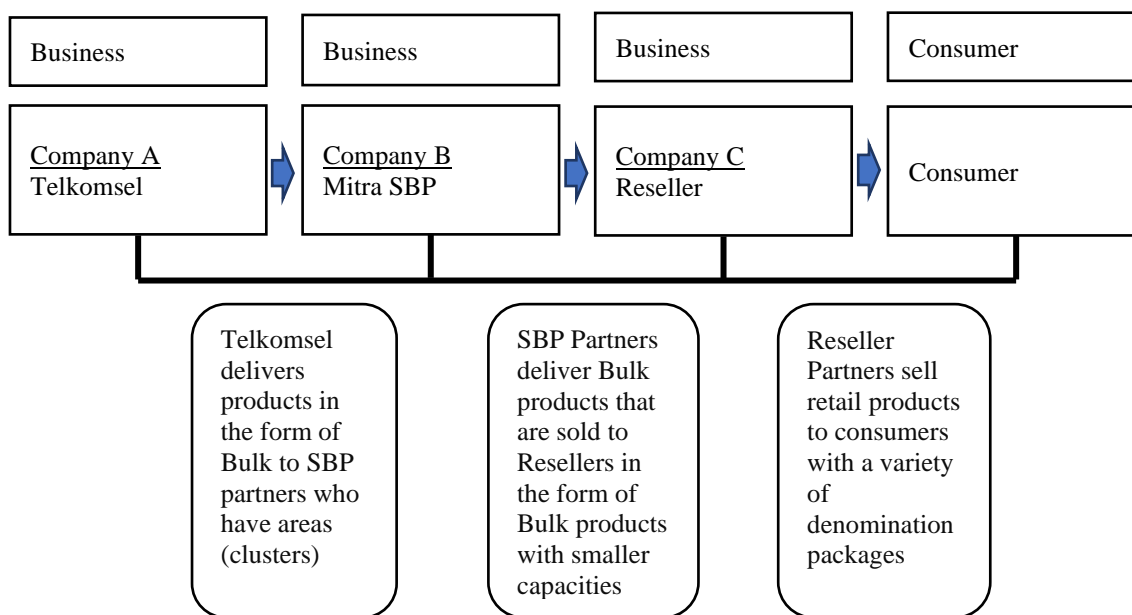


Figure 3.
B2B2B2C Business Model

Source: Telkomsel's Internal Reports (2022)

The Digipos Aja application raises value proposition as providing added value to SPB partners in managing clusters to increase Telkomsel's business growth and provide margin certainty, Telkomsel resellers provide additional incentives in the form of Bintang which can be exchanged directly in the form of product stock that can be resold for earn profits.

Based on customer complaint tickets in the April-June 2022 period, 130 complaint tickets were included, of all complaint tickets in the category: Complaints about system problems 78%, or as many as 101 who gave complaint tickets about the Digipos Aja application system, including: Regarding user registration and activation There were 20 LinkAja tickets with complaints of failure during initial registration, an error when changing the LinkAja PIN, how to top up the balance through a virtual account is also a problem because you have to enter a bank application. Transformation of Digipos Aja technology is needed so that if the quality of the Digipos Aja application is improved, it will provide even better performance and benefits so as to create consumer satisfaction. Consistently strengthening the digital

ecosystem from Telkomsel continues to open more opportunities for various elements of the nation in optimizing their potential through the appropriate use of advanced digital technology

This paper therefore explores various factors that which impacts consumers' satisfaction based on Makassar perspective. This paper contributes in several ways. First, to the best of our knowledge, this paper is the first to investigate various factors that examine consumers' satisfaction towards particular product, such as Digipos Aja application based on City/Municipality data. Second, this paper employs both questionnaires and multiple regression analysis to assess product quality, price, and promotion impact on consumers' satisfaction of Digipos Aja application in Makassar.

METHODS

This section examines the methodology that which utilized to answer the hypotheses. Quantitative approach is employed in this research to answer prior constructed hypotheses. The population of the research object is Digipos Aja users who are spread throughout Indonesia, totaling 532,538 Digipos Registers and the research sample from a total population of 532,538, from the table are in the population category of 500 with a confidence level of 90% so that the total research sample as many as 272.

Data collection was carried out through questionnaire techniques, observation techniques, and documentation techniques (Sugiyono, 2013). The data analysis techniques used in this study are descriptive and inferential statistical analyses which aim to examine the research variables. Multiple linear regression is deployed to test the hypothesis in this study between each variable X and Y (Arikunto, 2010). The results of the calculation of multiple linear regression analysis to test the presence or absence of the influence of product quality, price, promotion on consumer satisfaction.

RESULTS AND DISCUSSION

Statistical Results

This section explores and discusses the impact of three factors, namely product quality, prices, and promotion on consumers' satisfaction of Digipos Aja in Makassar. This paper utilizes multiple linear regression where consumers' satisfactions is the dependent variable, whilst other three factors are independent. This paper summarized the statistical estimation in following table.

Table 1.
Summary of Regression Estimation

Model	R-Squared	Standard Error
Product Quality	0.807	4.3081
Prices	0.806	4.4293
Promotion	0.832	4.1314

Source: Authors' Calculation

The statistical estimation suggests as following. First, product quality model has 0.807 R-squared, therefore indicating that 80.7% of consumers' satisfaction is examined by product quality, whereas prices and promotion examine 80.6% and 83.2%, respectively. Furthermore, this estimation considers that promotion has the highest score in influencing consumers' satisfaction. Thus, it is essential to note that two main factors, namely promotion and product quality have dominantly affected consumers' satisfaction of Digipos Aja application in Makassar. After estimating the individual model, this paper next step is to assess simultaneous effect of product quality, prices, and promotion on consumers' satisfaction with

multiple regression. The result of multiple regression is summarized as follows.

Table 2.
Result of Multiple Regression Approach

Variables	Coefficient	Standard Error	t-statistics	p-value
Constant	0.818	1.097	0.746	0.456
Product Quality	0.142*	0.022	6.589	0.000
Prices	0.269*	0.037	7.260	0.000
Promotion	0.424*	0.061	6.942	0.000
R-Squared	0.879			

* Indicates statistical significance at 1%, 5%, and 10%. Source: Authors' Calculation

Based on multiple regression result, all variables are positively responded by consumers' satisfaction and also statistically significant. This estimation considers that there is a positive impact of product quality, prices and promotion towards consumers' satisfaction on Digipos Aja application. The R-squared coefficient is also considerably high (i.e. 0.879), further indicates that 87.9% consumers' satisfaction variations are simultaneously examined by product quality, prices and promotion.

Discussion

Product Quality Effect on Consumers' Satisfaction

This paper findings show that product quality of Digipos Aja Application through increased performance and higher quality can encourage an increase in consumer satisfaction, meaning that higher product performance will encourage customers to remain loyal because customers are satisfied consuming all Telkomsel products through the Digipos Aja application, expectations are fulfilled because of the benefits for resellers with the digipos Aja application which has various features to accommodate service accessibility for consumers. This significant effect is indicated by an increase in the conformity of all existing features in the application which can encourage increased customer satisfaction, meaning that conformity reflects Digipos Aja application has a quality standard innovated by PT. Telkomsel will encourage customers to remain loyal because customers feel satisfied using Telkomsel products.

The role of product quality greatly determines the desires of these consumers so that with product quality satisfaction will be achieved for consumers (Griva, 2022; Kumalasari et al., 2022; Loke et al., 2011; Saidani & Arifin, 2012). (Afnina & Hastuti, 2018) that there is a close relationship that is quite strong and has positive value between product quality and customer satisfaction (Ariyanto, 2020; Fang-Ming et al., 2015; Hoendervanger et al., 2019; Khairusy et al., 2021). The Digipos Aja application will be one of the super apps that will meet all consumer needs so that customers feel satisfied with the consuming experience. The importance for a company to maintain the quality of its products because a quality product, will maintain loyalty for consumers to use these products (Akbar, 2020; Eka, 2019; Keshavarz & Jamshidi, 2018; Susanti & Jasmani, 2020).

Product Prices Effect on Consumers' Satisfaction

When it comes to pricing, Digipos Aja application price can encourage an increase in consumer satisfaction. Consumers use price as a material consideration in determining the purchase of a product, when should the purchase be made and how much is needed for the product purchased in accordance with the purchasing power of consumers. A product must be precise in determining its selling price so that it can be accepted by consumers without ignoring the quality of product. Under normal circumstances,

demand and price have a negative or inverse relationship. That is, the higher the price is set the smaller the demand.

Price affects purchasing decisions because consumers feel that the price offered by Digipos Aja is classified as flexible which meets all levels of consumer needs according to the benefits and quality received, meaning that the price provided by Digipos Aja is in accordance with the quality and benefits received by consumers. Apart from that, the findings of this study also support the theory that low prices are an important source of satisfaction (Dash et al., 2021; Islam et al., 2021). If the price is cheap and the quality that is felt is useful will affect high customer satisfaction (Bakir & Atalik, 2021; Mustak et al., 2021; Prasetyo et al., 2021; Uzir et al., 2021).

Promotion Effect on Consumers' Satisfaction

Promotion of Digipos Aja application is also become one of three main factors that affecting consumers' satisfaction and has significant influence where this is indicated by the price discounts provided by the Digipos Aja application for various types of products and provides several other transaction service features in the form of electricity payments, water payments so that consumers become more interested in making purchases. Transactions through the Digipos Aja application. Various promotional efforts have been made by PT. Telkomsel through the Digipos Aja application to increase the number of transactions. Promotions carried out by Digipos Aja can help consumers with the availability of easy-to-use and flexible applications that can be used anytime and anywhere so that consumers are able to meet their telecommunications needs. This proves that Digipos Aja promotion helps build relationships with customers because everyone is looking for the best deal that has a match. Product information with discounts and other special offers on products can increase the level of consumer satisfaction . they want to buy a product and is in line with (Granero, 2019; Kotler & Keller, 2012).

CONCLUSION

Based on the findings of this paper, there are several conclusions that arise as following. First, Digipos Aja product quality has a significant influence on consumer satisfaction in Makassar City. this is marked by an increase in the suitability of all existing features in the application which can encourage increased customer satisfaction. Second, product prices significantly influence consumer satisfaction in Makassar. This indicates that consumers feel the price offered by Digipos Aja products is flexible, meeting all levels of consumer needs according to the benefits and quality received. In addition, promotion has a significant influence on consumer satisfaction in Makassar as evidenced by the existence of price discounts provided by the Digipos Aja Application for various types of products and providing several other transaction service features in the form of electricity payments, water payments so that consumers become more interested in making transactions through the Digipos application Aja.

For the development of PT. Telkomsel as one of the telecommunication companies that has loyal customers at the moment, this paper therefore recommends that the management should further improve product quality by minimizing the tendency for network interruptions because Telkomsel has a wide network coverage. Product price also plays a major role, where products that have the same quality but set relatively low prices will provide higher value to their customers. Therefore, PT. Telkomsel should be able to maintain the stability of the quality of its products as well as the price designs and promotions offered to consumers, because if this is not done then it can result in low consumer satisfaction.

REFERENCES

Afnina, & Hastuti, Y. (2018). Effect of product quality on customer satisfaction. *Ocean Journal of Economics and Business*, 9(1).

- Akbar, M. F. (2020). The Influence of Product Quality and Price on Purchasing Decisions at Mitraindo South Tangerang Online Shop. *Jurnal Ad'ministrare*, 6(2), 237–248.
- Arikunto, S. (2010). Metode peneltian. *Jakarta: Rineka Cipta*.
- Ariyanto, A. (2020). The Influence of Price and Service Quality on Customer Satisfaction at PT Sarana Estate. *Jurnal Ad'ministrare*, 6(2), 217–228.
- Bakir, M., & Atalik, Ö. (2021). Application of fuzzy ahp and fuzzy marcos approach for the evaluation of e-service quality in the airline industry. *Decision Making: Applications in Management and Engineering*, 4(1). <https://doi.org/10.31181/dmame2104127b>
- Dash, G., Kiefer, K., & Paul, J. (2021). Marketing-to-Millennials: Marketing 4.0, customer satisfaction and purchase intention. *Journal of Business Research*, 122. <https://doi.org/10.1016/j.jbusres.2020.10.016>
- Do, T. D., Pham, H. A. T., Thalassinos, E. I., & Le, H. A. (2022). The Impact of Digital Transformation on Performance: Evidence from Vietnamese Commercial Banks. *International Journal of Advanced Computer Science and Applications*.
- Eka, P. D. (2019). The Influence of Product Innovation and Product Quality on Consumer Purchase Interest in PT. Alfasindo Metal in Jakarta. *Jurnal Ad'ministrare*, 6(2), 197–206.
- Fang-Ming, H. S. U., Chen, T.-Y., Fan, C.-T., Lin, C.-M., & Chiu, C.-M. (2015). Factors affecting the satisfaction of an online community for archive management in Taiwan. *Program*.
- Granero, L. M. (2019). Strategic product variety and quality choice. *Economics Letters*, 182, 10–14. <https://doi.org/https://doi.org/10.1016/j.econlet.2019.05.033>
- Griva, A. (2022). “I can get no e-satisfaction”. What analytics say? Evidence using satisfaction data from e-commerce. *Journal of Retailing and Consumer Services*, 66, 102954. <https://doi.org/https://doi.org/10.1016/j.jretconser.2022.102954>
- Hoendervanger, J. G., Van Yperen, N. W., Mobach, M. P., & Albers, C. J. (2019). Perceived fit in activity-based work environments and its impact on satisfaction and performance. *Journal of Environmental Psychology*, 65, 101339. <https://doi.org/https://doi.org/10.1016/j.jenvp.2019.101339>
- Islam, T., Islam, R., Pitafi, A. H., Xiaobei, L., Rehmani, M., Irfan, M., & Mubarak, M. S. (2021). The impact of corporate social responsibility on customer loyalty: The mediating role of corporate reputation, customer satisfaction, and trust. *Sustainable Production and Consumption*, 25. <https://doi.org/10.1016/j.spc.2020.07.019>
- Keshavarz, Y., & Jamshidi, D. (2018). Service quality evaluation and the mediating role of perceived value and customer satisfaction in customer loyalty. *International Journal of Tourism Cities*, 4 (2), 220–244.
- Khairusy, M. A., Hurriyati, R., Dirgantari, P. D., & Suprayogi, Y. (2021). The Correlation of Value Chain, Service Quality, and Web Quality on Consumer Satisfaction. *Jurnal Ad'ministrare*, 8(2), 347–358.
- Kotler, P., & Keller, K. L. (2012). *Marketing Management (15th Edit)*. Pearson Prentice Hall, Inc.
- Kumalasari, R. A. D., Permanasari, K. I., Karismariyanti, M., & Munandar, D. (2022). Mobile Banking: System Quality, Information Quality, Service Quality, Customer Satisfaction and Loyalty. *Jurnal Ad'ministrare*, 9(1), 141–148.

- Loke, Siew-Phaik, Taiwo, A. A., Salim, H. M., & Downe, A. G. (2011). Service Quality and Customer Satisfaction in a Relecommunication Service Provider. *International Conferences on Financial Management and Economics*, 11.
- McCleod Jr, R., & Schell, G. P. (2007). *Management Information Systems*.
- Mustak, M., Salminen, J., Plé, L., & Wirtz, J. (2021). Artificial intelligence in marketing: Topic modeling, scientometric analysis, and research agenda. *Journal of Business Research*, 124. <https://doi.org/10.1016/j.jbusres.2020.10.044>
- Prasetyo, Y. T., Tanto, H., Mariyanto, M., Hanjaya, C., Young, M. N., Persada, S. F., Miraja, B. A., & Redi, A. A. N. P. (2021). Factors affecting customer satisfaction and loyalty in online food delivery service during the COVID-19 pandemic: Its relation with open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1). <https://doi.org/10.3390/joitmc7010076>
- Sadigh, A. N., Asgari, T., & Rabiei, M. (2021). Digital Transformation in the Value Chain Disruption of Banking Services. *Journal of the Knowledge Economy*, 13.
- Saidani, B., & Arifin, S. (2012). The Influence of Product Quality and Service Quality on Consumer Satisfaction and Purchase Intention at Ranch Market. *Indonesian Science Management Research Journal (JRMSI)*, 3(1).
- Sugiyono. (2013). Metode Penelitian Pendidikan Pendekatan Kuantitaif, Kualitatif, dan R&DSugiyono. 2013. “Metode Penelitian Pendidikan Pendekatan Kuantitaif, Kualitatif, dan R&D.” Metode Penelitian Pendidikan Pendekatan Kuantitaif, Kualitatif, dan R&D. <https://doi.org/10.1.> *Metode Penelitian Pendidikan Pendekatan Kuantitaif, Kualitatif, Dan R&D*.
- Susanti, N., & Jasmani, J. (2020). The Influence of Product Quality and Service Quality on Customer Satisfaction at Mitra 10 in Depok. *Jurnal Office*, 5(2), 75–84.
- Uzir, M. U. H., Al Halbusi, H., Thurasamy, R., Thiam Hock, R. L., Aljaberi, M. A., Hasan, N., & Hamid, M. (2021). The effects of service quality, perceived value and trust in home delivery service personnel on customer satisfaction: Evidence from a developing country. *Journal of Retailing and Consumer Services*, 63. <https://doi.org/10.1016/j.jretconser.2021.102721>
- Winasis, S. (2020). Impact of digital transformation on employee engagement influenced by work stress on Indonesian private banking sector. *Proceedings of the International Conference on Industrial Engineering and Operations Management*.