



Price, Product Quality and Service Quality on Customer Satisfaction in Purchasing at PT. Puri Wira Mahkota Medan

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ABSTRACT

This study aims to determine the effect of price, product quality, and service quality towards customer satisfaction. This type of research is explanatory research. The entire population is 352 store. Due to a large population, the sampling technique will be reduced by using the Slovin formula with an error tolerance level of 5% so that there are as many as 187 respondents in the study which will be distributed with questionnaires measured by a Likert scale. The data analysis used multiple linear regression analysis, and the coefficient of determination as well as simultaneous test, and partial test. The results showed that price, product quality and service quality partially, and simultaneously have a positive, and significant effect on customer satisfaction. Based on the results of this study, the implications for management are to further improve the better price, product quality and service quality.

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1. Introduction

At present, two-wheeled motorized vehicles are an absolute necessity for various circles of society so that economic actors must be able to see opportunities that can be entered, such as parts of the spare part's body. The number of companies providing body spare parts makes companies have to compete in providing satisfaction to customers. Customer satisfaction is a key concept in contemporary marketing theory and practice which is seen as the main element that determines the success of a marketing organization, both business and non-profit organizations. With good customer satisfaction and customers feel that their expectations are fulfilled, the customer will be loyal to the company so that they will make repeat purchases if they need the products they need. Maintenance of good customer satisfaction will be able to continue to support the company in making continuous sales so that the main goals of the company can be easily achieved.

PT. PuriWiraMahkota is a company engaged in the distribution of motorcycle spare parts for motorcycles, body parts of the WIN brand, which have started operating in 2006 until now. Since the beginning of its operation, product sales at the company have developed due to the lack of companies engaged in body spare parts making it easier for their products to enter the market and consumers who have no other choice but to take original spare parts whose prices can be said to be less affordable for every consumer. Nowadays, with the increasing number of companies engaged in body spare parts and the number of balanced products from competitors that are equal to WIN, the company's product sales have decreased. The beginning of the decline in sales that occurred due to customer satisfaction with the company began to decline where the feeling of dissatisfaction experienced by customers after buying products at retail and wholesale made some customers who used to make purchases to not repurchase the company's products while for new consumers themselves started rarely seen making a purchase. Likewise, customer satisfaction is not fulfilled after purchasing because it is not by the wishes of each customer so that companies need to pay attention to various things and factors in maintaining customer satisfaction.

The first factor that is thought to influence the decline in customer satisfaction is pricing. Good and appropriate pricing can increase customer satisfaction in making purchases because according to him it is by their income and affordable to their purchasing power. As for WIN products, the prices set for most of the same products are higher than those of competitors so that wholesale customers start not to take back products because consumers have decreased interest in WIN products, which makes it difficult for wholesale customers to sell products due to price differences. more expensive.

Another factor that must be considered in fulfilling customer satisfaction apart from setting an appropriate price is product quality. Product quality is one of the factors that affect customer perceptions



where customers prefer products of good quality so that improving the quality of certain products is very important. Even though a product has an appropriate and affordable price, if it is not of good quality then the product will be disappointing to customers. The poor performance of a product can create a bad impression in the minds of customers so that it can affect customer satisfaction in making further purchases.

Another factor is service quality where service quality is a measure of how well the level of service provided can match customer expectations. Service quality is very important in increasing customer satisfaction. Customers who feel the service is disappointing are certain not to make repeat purchases of the products offered. In this case, the company has several deficiencies in the services it provides, such as a place where the cleanliness is not maintained so that customers feel uncomfortable when they want to make transactions both in terms of unpleasant smells and equipment and equipment such as incomplete catalogs. The responsiveness of employees in providing services is also felt to be lacking so that it makes customers feel less satisfied with the services provided and in the end decide to make purchases at competitors who are said to have better service.

Based on the phenomenon that occurs above, the researchers conducted a study entitled "Price, Product Quality, and Service Quality on Customer Satisfaction in Purchasing at PT. PuriWiraMahkota."

2. Research Method

2.1 Location, and Time

The research was conducted at PT. PuriWiraMahkota, which is located at LetdaSujono, No. 222 street, Medan. The research time is planned from February 2020 to September 2020.

2.2 Population, and Sample

The research population that will be used in the study are all stores that have made purchases at PT. PuriWiraMahkota Medan in 2019 with a population of 352 stores.

2.3 Data Collection Method

Collecting data through a questionnaire is done by asking questions to parties related to the problem under study. To assess respondents' responses, the author uses the Likert scale which uses several question items to measure individual behavior by responding to 5 choice points on each item.

2.4 Validity, and Reliability Test

The data obtained needs to be tested for its accuracy, and reliability so that the results of data processing can be more precise, and accurate. Therefore, it is necessary to know how high the validity, and reliability of the measuring instrument (instrument) used.

Based on the research, each variable of the questionnaire item that was tested for validity, all the questionnaires had met the valid criteria and were eligible to be used as a questionnaire in further research. While in a reliability test, all variable questionnaire item is reliable and can be used as a research instrument.

3. Research, and Analysis

3.1 Normality Test

The normality test is used to test whether the residual value resulting from the regression is normally distributed or not. A good regression model is to have residuals that are normally distributed.

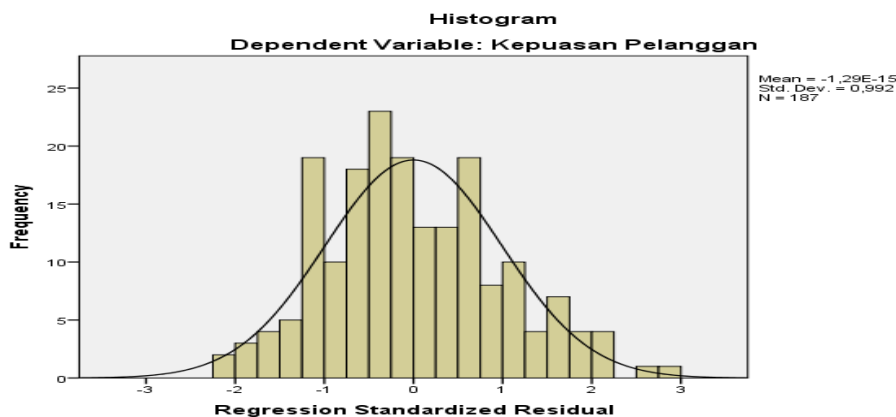


Fig 1 Histogram Graphic

Based on the picture above, it can be seen that the line forming a bell, not going left or right. This shows that the data is normally distributed, and meets the assumptions of normality.

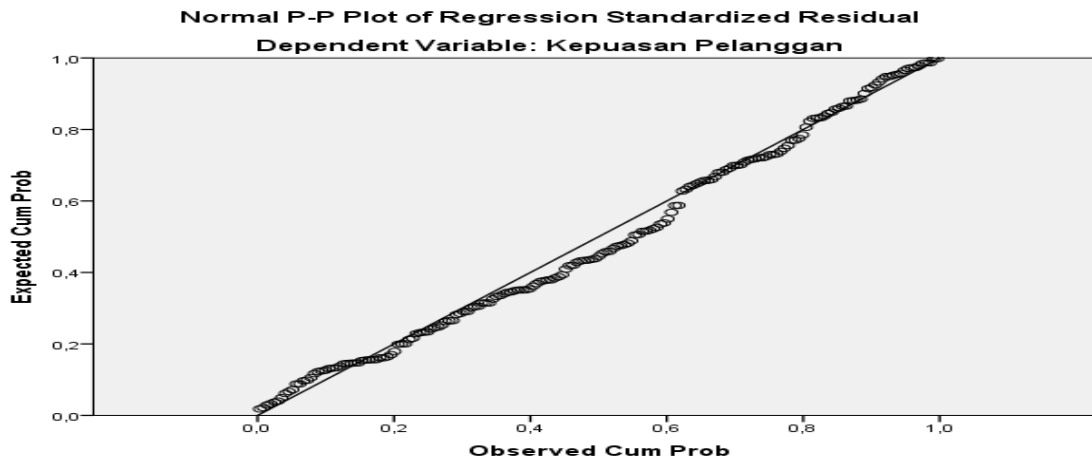


Fig 2 Normal Probability Plot of Regression Graphic

Based on the picture above, it shows that the data (dots) spread around the diagonal line, and follows the diagonal line. So from this Fig, it is concluded that the regression model residuals are normally distributed.

Table 1
One-Sample Kolmogorov Smirnov Test

		Unstandardized Residual
N		187
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,10530569
Most Extreme Differences	Absolute	,064
	Positive	,064
	Negative	-,035
Kolmogorov-Smirnov Z		,875
Asymp. Sig. (2-tailed)		,429
a. Test distribution is Normal.		
b. Calculated from data.		

Based on the table above, the results of the Kolmogorov-Smirnov normality test prove that the significant value is greater than 0.05, namely 0.429, it can be concluded that the data is classified as normally distributed.

3.2 Multicollinearity Test

Multicollinearity is a condition in the regression model where there is a perfect or near-perfect correlation between independent variables where a good regression model should not have a perfect or nearly perfect correlation between the independent variables.

The commonly used test method is to look at the Tolerance, and Variance Inflation Factor (VIF) values in the regression model where the VIF value is less than 10, and has a Tolerance value of more than 0.1.

Table 2
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Price	,975	1,026
	Product Quality	,854	1,172
	Service Quality	,855	1,169

a. Dependent Variable: Customer Satisfaction
Source: Research Result, 2020

Based on the table above, the test shows that all the variables have a tolerance value of more than 0.1, and VIF value less than 10 which can be concluded that there is no problem found in the multicollinearity test.

3.3 Heteroscedasticity Test

Heteroscedasticity is a condition wherein the regression model there is an inequality of variants from the residuals from one observation to another where a good regression model does not occur heteroscedasticity.



Various kinds of heteroscedasticity test, such as the Scatterplots test, which is done by looking at the pattern points on the graph that spreads randomly, and is not in the form of a pattern on the graph, it is stated that there is no heteroscedasticity problem and the Glejser test where if it is significant above 0.05 then it is stated that there is no problem in heteroscedasticity.

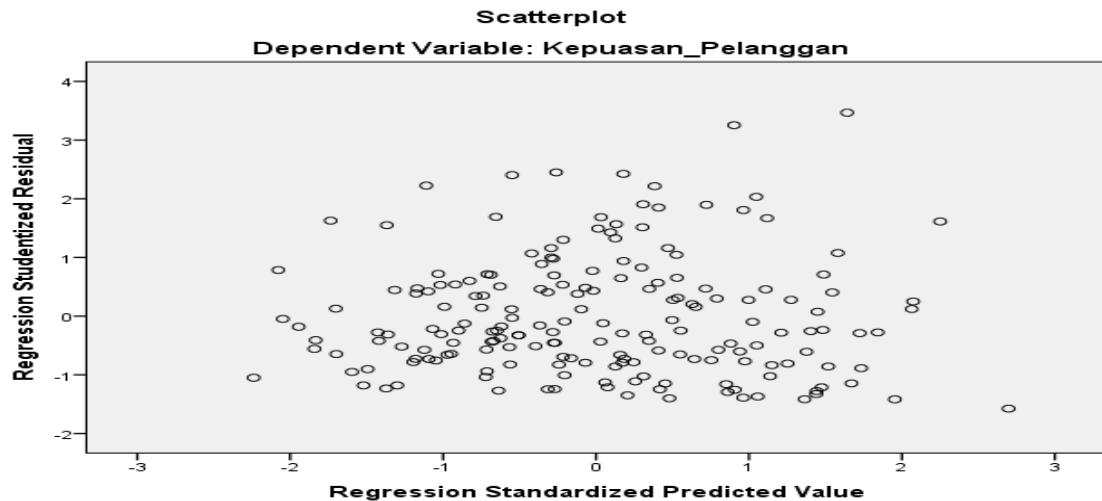


Fig 3 Scatterplot Graphic

Based on the scatterplot graph presented, it can be seen that the dots spread randomly, and do not form a clear pattern, and are spread either above or below zero on the Y-axis. This means that there is no heteroscedasticity in the regression model, so the regression model can be used to predict performance based on the input of the independent variable.

Table 3
Glejser Test

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	,298	1,202			,248	,805
Price	,010	,022	,035		,468	,641
Product Quality	,021	,030	,056		,704	,483
Service Quality	,015	,023	,051		,644	,520

a. Dependent Variable: Customer Satisfaction
Source: Research Result, 2020

Based on the table above, it can be seen that the level of significance of each variable is greater than 0.1. From the calculation results, and the level of significance above, it is not found that there is heteroscedasticity.

3.4 Multiple Linear Regression Analysis

Multiple regression analysis is an analysis to determine whether there is a partially or simultaneously significant influence between two or more independent variables on one independent variable.

Table 4
Multiple Linear Regression Analysis Test

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	
1 (Constant)	11,573	2,057		
Price	-,085	,038		-,117
Product Quality	,410	,052		,443
Service Quality	,276	,040		,386

a. Dependent Variable: Customer Satisfaction
Source: Research Result, 2020

$$\text{Customer Satisfaction} = 11,573 - 0,085\text{Price} + 0,410\text{Product Quality} + 0,276\text{Service Quality} \quad (1)$$

Based on the above equation, then: Constant (a) = 11.573. This means that if the independent variable, namely pricing, product quality, and service quality is 0, then customer satisfaction at PT. Puri Wira Mahkota Medan amounted to 11,573. Where if there is a decrease in one-unit pricing, customer satisfaction will increase by 0.085. Likewise with product quality where if there is a one-unit increase, customer satisfaction

will increase by 0.410 and if there is a one-unit increase in service quality, customer satisfaction will increase by 0.276.

3.5 Coefficient Determination

Analysis of determination or also called R Square symbolized by R^2 is used to determine the magnitude of the influence of the independent variable (X) together on the dependent variable (Y) where the smaller the coefficient of determination, this means the effect of the independent variable (X) on the dependent variable (Y) is getting weaker. Conversely, if the coefficient of determination is closer to number 1, then the effect of the independent variable on the dependent variable is getting stronger.

Thus, if the coefficient determination is 0, this indicates that there is no percentage contribution of influence given by the independent variable to the dependent variable. However, if the coefficient of determination is 1, then there is a contribution that the independent variable gives to the dependent variable is perfect.

Table 5
Coefficient Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,715 ^a	,512	,504	2,122

a. Predictors: (Constant), Service Quality, Price, Product Quality
b. Dependent Variable: Customer Satisfaction

Based on the table above, the value of the Adjusted R Square coefficient of determination is 0.504. This shows that the variable ability of pricing, product quality, and service quality explains the effect on customer satisfaction at PT. PuriWiraMahkota Medan at 50.4%. While the remaining 49.6% is the influence of other independent variables not examined in this study such as consumer behavior variables, brand image, consumer trust, product completeness, consumer loyalty, distribution channels, and other factors.

3.6 Simultaneous Hypothesis Test (F Test)

F test or regression coefficient test is used to determine whether simultaneously the independent variable has a significant effect on the dependent variable. In this case, to find out whether simultaneously the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 5%. The criteria for evaluating the hypothesis in this F test are:

H_0 Accepted if: $F\text{-count} < F\text{-table}$, H_a Accepted if: $F\text{-count} > F\text{-table}$

Table 6
ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	863,975	3	287,992	63,928	,000 ^a
	Residual	824,410	183	4,505		
	Total	1688,385	186			

a. Predictors: (Constant), Service Quality, Price, Product Quality
b. Dependent Variable: Customer Satisfaction

Based on the table above, it is found that the value of Ftable (2.65) and significant $\alpha = 5\%$ (0.05), namely Fcount (63.928) and sig.a (0.000a). This indicates that the results of the study accept H_a and reject H_0 . Comparison between Fcount and Ftable can prove that simultaneously pricing, product quality and service quality have a positive and significant effect on customer satisfaction.

3.7 Partially Hypothesis Test (t-Test)

The t-test or partial regression coefficient test is used to determine whether partially the independent variable has a significant effect on the dependent variable or not. In this case, to find out whether partially the independent variable has a significant effect on the dependent variable or not. The test uses a significance level of 0.05, and a two-sided test. The criteria for evaluating the hypothesis are:

H_0 Accepted if: $t\text{-count} < t\text{-table}$, H_a Accepted if: $t\text{-count} > t\text{-table}$

Table 6
Coefficient Test

Model		t	Sig.
1	(Constant)	5,626	,000
	Price	-2,237	,026
	Product Quality	7,930	,000
	Service Quality	6,905	,000

a. Dependent Variable: Customer Satisfaction

Source: Research Result, 2020



Based on the table above, it can be concluded that price, product quality, and service quality partially have a positive, and significant effect on customer satisfaction which can be seen at the t-count is greater than t-table (1,973), and the significant is less than 0,05.

4. Conclusion

Based on the results of this study, it can be concluded several things such as:

- a. The results of the t-test and the F test state that both partially and simultaneously the variables of pricing, product quality, and service quality have a significant effect on customer satisfaction in purchasing products at PT. Puri Wira Mahkota Medan.
- b. The results showed that the variables of pricing, product quality, and service quality explained their effect on customer satisfaction at PT. Puri Wira Mahkota Medan at 50.4%. While the remaining 49.6% is the influence of other independent variables not examined in this study such as consumer behavior variables, brand image, consumer trust, product completeness, consumer loyalty, distribution channels, and other factors.

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