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Influence of Price and Product Quality on Consumer Satisfaction in Royyan Gems Shop in Martapura City, Banjar Regency South Borneo

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ABSTRACT

The purpose of this study was to examine and analyze the effect of price and product quality on consumer satisfaction at the Royyan Permata Store in Martapura City, Banjar Regency, South Kalimantan. The sample in this study were 30 consumers. The sampling technique used in this research is purposive sampling method. Data analysis in this study used Multiple Linear Regression Analysis, while hypothesis testing used F, R^2, and t-test. The results showed that product quality had a positive and significant effect on consumer satisfaction and was acceptable. These results also prove the first hypothesis, that product quality has an effect on consumer satisfaction at the Royyan Permata Store, Martapura City. The results show that t arithmetic is greater than t table (2.563 > 1.989), with a significant value of 0.012 which is smaller than 0.05 (0.012 < 0.05), and the regression coefficient has a positive value of 0.255. Price has a positive and significant effect on consumer satisfaction and can be accepted. These results also prove the second hypothesis, that price has an effect on consumer satisfaction at the Royyan Permata Store in Martapura City. The results show that t arithmetic is greater than t table (4,470 1,989), with a significant value of 0.000 less than 0.05 (0.000 < 0.05), and the regression coefficient has a positive value of 0.389.

Keywords: Price, Product Quality, Consumer Satisfaction

INTRODUCTION

At the end of 2018 the share of the trend for gemstones appeared in parts of Indonesia, therefore many parties were suddenly interested in doing business in this service sector. Because the business potential is quite promising. Many parties, both the general public and existing entrepreneurs, as well as ordinary people. This of course has an impact on product improvement, due to the increasing public interest in the demand for stones and their accessories. But this, of course, does not necessarily increase product sales at the Royyan Permata Martapura Store because there are many similar businesses and services, namely the sale of gemstones and accessories of better quality, with many similar businesses opening up job opportunities for the wider community. Likewise, the sale of gemstones and accessories

managed by Toko Royyan Permata Martapura, maybe this can make it easier and can be enjoyed by people who need it.

The survival of the company, especially in the service sector, has an important meaning, not only for owners and employees who earn income in the form of remuneration for the investment of funds and energy and thoughts. In business activities, whether it is in the field of trade or industrial services, the main target that must be considered is customer satisfaction and our hospitality to consumers. Because if you can't give satisfaction to consumers, the products or services that we offer will quickly be abandoned.

A company will only earn profits at a reasonable rate, grow, develop, and be able to compete if the company gains the trust of the public, especially community groups that are expected to become customers or customers by the company concerned. Their tastes, needs, social status and abilities should be the focus of the company's attention. Because only then can they continue to be preserved. The development of the business world today is marked by the increasing number of products with good quality, especially in managing the company's business units. This is marked by the emergence of companies that offer types of quality products at competitive prices in marketing. To overcome this, in increasing product sales in the marketing of gemstones and accessories sales services, one of the efforts made by the company is to implement a marketing strategy, where in implementing this strategy the company seeks to determine product quality, price, and good distributors, so that sales continue to increase.

Given the increasing number of gem sales services, the company must improve the company's performance, including improving service, to build long-term relationships with its customers or other potential customers. In addition to products, prices, and distributors, the thing that has the most influence on increasing sales volume is the marketing strategy that is implemented. Marketing is one of the most important activities in the business world. In today's business conditions, marketing is a driving force to increase sales so that company goals can be achieved. Knowledge of marketing becomes important for companies when faced with several problems, such as declining company revenues caused by declining consumer purchasing power for a product so that the company's growth slows down. Therefore, in carrying out marketing activities, each company seeks to determine its marketing strategy and target market. The marketing strategy is a strategy about the marketing mix that starts from producing a product until the product is received by the customer. All activities carried out in the field of marketing are aimed at determining products and prices.

Regarding the importance of marketing issues, this needs to be considered by the Toko Royyan Permata Martapura company, which is a company engaged in the sale of gemstones and accessories, where in an effort to anticipate increasingly fierce competition with service companies selling gemstones and other accessories, and to further increase sales of gemstones and accessories sales services, the company needs to evaluate the product quality and pricing issued by the company as well as product processing. The following is sales data from the Royyan Permata Martapura Store

Table 1: Royyan Martapura Jewelery Sales Report 2018 to 2020

No	Year	Sales (Rp)	Operational Expenses (Rp)	Profit/Loss (Rp)
1	2018	1.550.785.900	478.568.400	1.072.217.500
2	2019	1.458.934.800	420.450.700	1.038.484.100
3	2020	1.288.500.600	360.455.600	928.045.000

Source: Royyan Martapura Jewel Shop

From table 1, it can be seen that there are problems in the decline in sales, so that it has an impact on decreasing profits, this is allegedly due to the implementation of inappropriate marketing strategies.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Marketing Management

Marketing management is the process of planning and executing the thinking, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Generally people assume that marketing management is concerned with finding large numbers of customers to sell the products the company has produced. But this view is too narrow, because usually an organization (company) will face conditions of product demand at different levels. At times there may be no demand for the product, there may be insufficient demand, the demand is irregular, or there is too much demand, so marketing management must find ways to cope with these changing demand conditions. So, marketing management is not only concerned with finding and increasing demand, but also managing demand at any given time. Marketing management can be applied in all markets. Suppose a food company. The director of personnel handles the labor market, the director of purchasing handles the market for raw materials. They must set goals and develop strategies to achieve satisfactory results in these markets. But usually these executives are not called marketers, nor have they been trained in marketing. At least they are "part-time" marketers. On the other hand, marketing management is usually associated with the tasks and people who handle the customer market.

The success of the company in carrying out its general activities and marketing activities in particular cannot be separated from its efforts to deal with and adapt to the development of the environment in which the company is located. This is because, because there are so many factors and aspects that affect the success or collapse of the company in general and marketing in particular as a result of the company's ability or inability to deal with environmental influences that are so rapidly changing, so that the level of ability or inability to deal with environmental influences can generate opportunities. or challenges for companies in carrying out company activities in general and marketing activities in particular. Therefore, companies must be able to deal with environmental influences that are always changing even by anticipating early changes that will occur both locally, nationally, regionally, and internationally. now and in the future. On the other hand, if the company, especially in the marketing sector, is not able to face the influence of an ever-changing environment, it will create serious challenges and even disaster for the company as a whole to maintain its survival.

Marketing strategy

Each management function makes a specific contribution to strategy formulation at different levels. Marketing is the function that has the greatest contact with the external environment, whereas the company has only limited control over the external environment. Therefore, marketing plays an important role in strategy development. In its strategic role, marketing includes every effort to achieve conformity between the company and the environment in order to find a solution to the problem of determining two main considerations. First, what kind of business are you in? Second, how the selected business can be run successfully in a competitive environment on the basis of product, price, promotion and distribution (Marketing mix) perspectives to serve the target market.

Environmental factor

An analysis of environmental factors such as population growth and government regulations is very important to determine the impact on the company's business. In addition, factors such as technological developments, inflation rates, and lifestyles should not be ignored. These are environmental factors that must be considered according to the company's product and market.

Market Factor

Every company needs to always pay attention and consider factors such as market size, growth rate, stage of development, trends in the distribution system, buyer behavior patterns, seasonal demand, market segments that currently exist or can be developed again, and opportunities that have not been developed. fulfilled.

Product

A product is anything that a producer can offer to be noticed, requested, sought, purchased, used, or consumed by the market as a need or desire of the relevant market. The products offered include physical goods. Products can be tangible or intangible benefits that can satisfy customers. Conceptually, the product is the subjective understanding of the producer on 'something' that can be offered in an effort to achieve organizational goals through meeting consumer needs and desires, according to competition and organizational capacity and market purchasing power. In addition, the product can also be defined as consumer perceptions that are described by producers through their production.

Price

In order to be successful in marketing a product or service, every company must set the price correctly. Price is the only element of the marketing mix that provides income or income for the company, while the other three elements (product, distribution, and promotion) cause costs (expenses). In addition, price is an element of the marketing mix that is flexible, meaning that it can be changed quickly. This is different from product characteristics or commitment to distribution channels. The last two things cannot be changed/adjusted easily and quickly, because they usually involve long-term decisions. Price is the marketing mix that generates sales revenue, while the other elements are only cost elements. Although pricing is an important issue, there are still many companies that are less than perfect in dealing with these pricing issues. Because it generates sales revenue, the price affects the level of sales, the level of profit, and the market share that can be achieved by the company.

RESEARCH METHODOLOGY

The population in this study are the consumers of the Royyan Permata Martapura Store. The sampling criteria in this study were the customers of the Royyan Permata Martapura Shop, the sample was drawn using purposive sampling method with a sample size of 30. The data sources used in this study were primary data obtained through questionnaires and interviews. The data analysis method used is the Multiple Linear Regression Analysis method, because the purpose of this study is to determine the effect of the independent variable on the dependent variable. Several stages were carried out in data analysis, namely: descriptive analysis, classical assumption test, normality test, multicollinearity test, autocorrelation test, heteroscedasticity test, F test, coefficient of determination test and hypothesis testing. The regression equation for this study is as follows: Consumer Satisfaction = a + β_1Price+ β_2Product Quality+ ε

RESULTS AND DISCUSSION

Reliability Validity Test

The validity test was conducted to determine the validity or suitability of the questionnaire that the researcher used to obtain data from the respondents. By comparing the value of rcount with the value of rtable using a 95% confidence level, e = 5%, df N-2 or 30 – 2 = 28 (n is the number of samples, the results obtained by rtable are 0.201). The validity test is said to be valid if rcount is greater than rtable, but if rcount is smaller than rtable then the questionnaire is declared invalid. The results of the validity test at 5% significance with a 2-sided test and n = 30, based on the results of the analysis, the correlation value for all questions is greater than 0.201 so it can be concluded that all questions are declared valid.

The reliability test was carried out to determine the level of consistency of the questionnaire used by the researcher so that the questionnaire could be relied upon, although the research was conducted repeatedly with Cronbach Alpha <0.6, it is said to be unreliable. Based on the results of the analysis, all coefficient values are greater than 0.6 so it can be concluded that all questions are declared reliable.

Normality test

The normality test graphically produces a Normal P-P Plot graph from the regression residual data which can be seen in the figure. The graph shows that the distribution of the residual value points on the Normal P-P Plot graph spreads around and follows the direction of the diagonal line. This shows that the variable data used for multiple regression analysis comes from data that is normally distributed. The criteria for testing the normality test include if the sign in the Asymp Sig (2-tailed) column <0.05 then the data is not normally distributed, If the sign in the Asymp Sig (2-tailed) column > 0.05 then the data is normally distributed. The results of testing the normality of data on the variables of brand image, price, product quality and customer satisfaction can be seen in the Kolmogorov-Sminov table below

Table 2: One-Sample Kolmogorov-Smirnov Test

		Unstandardiz ed Residual
N		30
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,54355941
Most Extreme Differences	Absolute	,072
	Positive	,072
	Negative	-,065
Test Statistic		,072
Asymp. Sig. (2-tailed)		,200[c,d]

Multicollinearity Test

This test is to determine whether the independent variables in the regression equation are not correlated with each other. To detect multicollinearity is to look at the tolerance value and the Variance Inflation Factor (VIF) value, where the problematic variable is if the tolerance value is > 0.1 or the VIF value is < 10.

Table 3: Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)	,928	
	Kualitas Produk		1,078
	Harga	,551	1,814

Multiple Regression Analysis

Multiple linear regression analysis is used to measure the effect of more than one independent variable on the dependent variable.

Table 4

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,88	1,197		2,406	0,018
	Kualitas Produk	0,042	0,061	0,255	2,563	0,012
	Harga	-0,091	0,054	0,389	4,470	0,000

Based on Table 4 the form of the regression equation: Y = 2.88 + 0.042 - 0.091 + e

Hypothesis test

Hypothesis test of product quality on consumer satisfaction

The statistical results of the t-test for the price variable obtained the t-count value of 2.563. With a total of 26 data, where t table at a = 10%: 2 = 5% with degrees of freedom (df) n- k-1 = 26 then the obtained t table = 1.989. The results show that t arithmetic is greater than t table (2.563> 1.989), with a significant value of 0.012 which is smaller than 0.05 (0.012 <0.05), and the regression coefficient has a positive value of 0.255, meaning that product quality has a positive effect and significant to the customer satisfaction of the Royyan Permata Store in Martapura City.

Price Hypothesis Testing on Consumer Satisfaction

The statistical results of the t-test for the price variable obtained the t-count value of 4.470. With a total of 26 data, where t table at a = 10%: 2 = 5% with degrees of freedom (df) n- k-1 = 26 then the obtained t table = 1.989. The results show that t arithmetic is greater than t table (4.470> 1.989), with a significant value of 0.000 less than 0.05 (0.000 <0.05), and the regression coefficient has a positive value of 0.389, meaning that the price has a positive and significant effect. to customer satisfaction at the Royyan Permata Store in Martapura City.

DISCUSSION

The results of the analysis show that the majority of respondents think that the product quality and prices offered by the Royyan Permata Store in Martapura City have product quality and the prices offered are in good and quality categories. In addition, the majority of respondents think they are satisfied in using the products they have purchased. The results of statistical analysis show that there is a fairly strong and positive relationship between product quality and price on customer satisfaction. The product quality and prices offered by Royyan Permata Stores in Martapura City have a significant influence on customer satisfaction. Based on the results of the research in order to continue to strive to maintain and improve customer satisfaction by accelerating and simplifying the purchasing process, especially on credit. The Royyan Permata store in Martapura City can implement a sales strategy by providing gifts or discounts for customers who already have a purchase level above a certain range, and are willing to accept complaints from customers so that they can improve and improve services to provide satisfaction to their customers.

CONCLUSION

Product quality has a positive and significant effect on consumer satisfaction and can be accepted. These results also prove the first hypothesis, that product quality has an effect on consumer satisfaction at the Royyan Permata Store, Martapura City. The results show that t arithmetic is greater than t table (2.563 > 1.989), with a significant value of 0.012 which is smaller than 0.05 (0.012 < 0.05), and the regression coefficient has a positive value of 0.255.

Price has a positive and significant effect on consumer satisfaction and can be accepted. These results also prove the second hypothesis, that price has an effect on consumer satisfaction at the Royyan Permata Store in Martapura City. The results show that t arithmetic is greater than t table (4,470 1,989), with a significant value of 0.000 less than 0.05 (0.000 < 0.05), and the regression coefficient has a positive value of 0.389.

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