



The Effect of Price and Product Quality on Customer Satisfaction in UMKM Bakso Berkah Berjaya

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ABSTRACT

UMKM Berkah Berjaya is a Home Industry for making raw meatballs. With a tool that is still simple, but can continue to operate even though the Covid-19 Pandemic hits. The price is quite affordable and the taste that is not inferior to branded packaging products is supported by cleanliness during the manufacturing process making this business even more successful. This research wanted to see how much influence price and product quality have on customer satisfaction. The results of the research that the author conducted using SPSS 20 obtained results from 40 respondents in the form of fixed customers, that price affects customer satisfaction. Product quality also affects customer satisfaction. Simultaneously also the price and quality of the product affect customer satisfaction.

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INTRODUCTION

Meatballs are meat and flour with a certain dose that is finely ground and then shaped like a small ball. Meatballs can last up to approximately a month if stored in the refrigerator at the freezing place. In addition to a fairly affordable price and practical in storage, raw meatballs can also be processed into a delicious meal. To observe the quality of meatballs, it is determined by raw materials in the form of meat, flour used and the ratio in the dough. The meat used in the manufacture of meatballs must be fresh, non-fatty meat because with high fat it will produce a coarse meatball texture. Other factors that affect the quality of meatballs include the additional ingredients used and how to cook them. The quality of meatballs will be better if more meat components are added from flour (Natari & Mutaqin, 2021). This is what makes Mrs. Adel, a housewife, interested in making this business. In 2019 he opened this business operating in his own home on Johor Metrology street Medan.

Although he knows that the rivals of packaged meatballs sold in supermarkets with POM and MUI labels are enough for consumers to buy, and UMKM in the raw meatball business like this are also quite a lot, but the unyielding spirit does not fade, so this business continues to run without hesitation. By carrying out the theme of product quality that is not inferior to packaged meatballs, clean and affordable prices, this business is still standing today. Starting product marketing by

offering to neighbors, friends and relatives, as well as utilizing online media, now there are more and more consumers and *resellers* of this business, Even during the Covid-19 pandemic, it does not make this business falter. The consumers of these meatballs are mostly housewives, where at an affordable price and product cleanliness is the attraction of the product. The price of a good or service is an amount of money paid by consumers in the hope of getting a reward in the form of benefits from the goods or services. The price of a product will provide its own value for consumers (Nasution, 2019) A company should set a price that is proportional to the quality and value of the product. A very high price or vice versa can be a determining factor for buyers. High prices can make consumers switch to other similar products and vice versa. (Prihartono, 2020) Research conducted by Widyaningsih Putri Ariyanti and friends obtained the results The effect of price on consumer satisfaction stated that prices partially have a positive effect on customer satisfaction (Haromain & Suprihhadi, 2016).

Which means that price has an influence on consumer satisfaction. There is also research conducted by Maria Veronika Marpaung and Marheni Eka Saputri The results of statistical analysis show that there is a strong relationship and positive value between product quality and customer satisfaction. In addition, it is also obtained that product quality has a significant influence on customer satisfaction. (Robby & Angery, 2021). The price indicators presented by Philip Kotler (Indrasari, 2015) are Affordability of prices, Suitability of prices with product quality, price competitiveness, Suitability of prices with benefits and prices can influence consumers in making decisions. With the target consumers being the lower middle class, making the affordability of this product is enough to make consumers able to afford it. The suitability of the price with the quality of the taste and cleanliness of the product is the advantage of this business. The price offered by Berkah Berjaya meatball products is below the average of competitors, making the strength of the price competitiveness of this product. After buying and consuming this meatball product, it makes consumers feel satisfied because there is a price match with the benefits they get. So that in the future this will affect the decision of consumers to repeat their orders again. The effect of price with consumer satisfaction is when the customer perceives the price according to the quality whose result ends in satisfaction or dissatisfaction. Price fairness also plays an important role in creating customer satisfaction. (Albani et al., 2022).

A product is something that can be offered to the market to satisfy the desires or needs of consumers (Korowa et al., 2018) The dimensions of product quality according to Kottler (Astuti, 2021) are level (Performance Quality) and Consistency (Conformance Quality). Performance Quality includes Comfort, durability, Model, and material quality. Product quality is the advantage of products offered by companies based on compatibility with customer tastes or the presence of conformity with customer needs and requirements. Thus, meeting or not meeting customer expectations, depending on the company's ability to offer product quality that is felt by customers (Razak, 2019). This raw meatball product makes it easy to obtain it by sending it directly to the place as long as the consumer is still domiciled in Medan City, with a transfer payment system or payment after the product is received. The convenience of consuming this product is also a satisfaction of consumers Because of the cleanliness of this product, both in its manufacture and in packaging. The durability of this product can more or less last up to a month, if it is frozen in the refrigerator, and it cannot be up to months, because it does not use preservatives in the manufacture of this product. While this meatball size model is not too big and not too small. So that consumers like it, although because this product is made with human hands, the shape of the meatballs cannot be exactly the same as each other, but this does not affect consumer satisfaction. For product quality, using the main ingredients is chicken meat and flour with a certain dose so that it still feels the aroma of chicken meat even though it has been processed into various forms of food. While from the point of view of Conformance Quality This product is error-free in the manufacturing process. Because the manufacture is by hand, the risk of manufacturing process errors experiencing failures is very small. The consistency of the product is maintained by the

owner, namely cleanliness and a fairly affordable price. Research that has been conducted by Afninsa and Yulia Hastuti (Afnina & Hastuti, 2018) obtained the results of statistical analysis showing that there is a strong and positive relationship between product quality and customer satisfaction. In addition, it is also obtained that product quality has a significant influence on customer satisfaction. Customer Satisfaction is a measurement or indicator of the extent to which customers or users of a company's products or services are very happy with the products or services received. Customer Satisfaction is a Comparison between expectations and perception of experience (perceived/accepted)(Didin Fatihudin & Anang Firmansyah, n.d.) .

According to Irawan, the factor that drives customer satisfaction (Rufliansah, 2018) is product quality, customers are satisfied if after buying and using the product it turns out that the product quality is good. Price, for sensitive customers, usually low prices are an important source of satisfaction because customers will get high value for money. Service quality, satisfaction with the quality of service is usually difficult to imitate. Service quality is a driver that has many dimensions, one of which is popular is SERVQUAL. Emotional Factor, customers will feel satisfied (proud) because of the emotional value provided by the brand of the product. Satisfaction is a function of the closeness between the claim and the perceived performance of the product. If performance does not meet expectations, consumers are disappointed, if they meet expectations, consumers are satisfied. This feeling determines whether the customer buys the product again and becomes a loyal customer (Irwansyah et al., 2021) Cost and convenience, customers will be more satisfied if it is relatively easy, convenient and efficient in getting products or services. The problem of product quality with consumer satisfaction is that the more quality the products and services provided, the higher the satisfaction felt by customers. If customer satisfaction is higher, it can cause benefits for the business entity. (Octavian, 2022) According to Lupiyoadi & Hamdani (Puspitasari & Widayanto, 2019) Product Quality is one of the factors that customers will be satisfied if the results of their evaluation show that the products they use are of high quality. The price of products that have the same quality but set a relatively low price will provide higher value to its customers. This is what this meatball business applies where the quality of cleanliness, and taste are not much different from competitors and with the target of the lower middle class making consumers satisfied with this product.

RESEARCH METHOD

This type of research is a Quantitative research, the methodology for implementing this research uses a research questionnaire with a question and answer method with the number of respondents as many as 40 buyers who have become permanent subscriptions. Furthermore, the questionnaire will be measured using a likert scale. The data from the Likert Scale is then processed in the SPSS 20 data processing. The Likert scale is used to measure the effect of price and product quality on consumer satisfaction

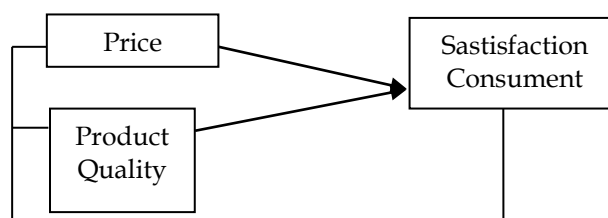


Figure 1. Conceptual Framework

RESULTS AND DISCUSSIONS

Reliability

Table 1. Reliability test results

Variable	Cronbach Alpha	N.of Item	Description
Price	0.922	7	Reliable
ProductQuality	0.933	7	Reliable
CustomerSatisfaction	0.913	7	Reliable

From the results obtained in table 1 it can be concluded that the overall question asked to the customer is reliable because the value of Cronbach alpha is above 0.60

Normality Test Results

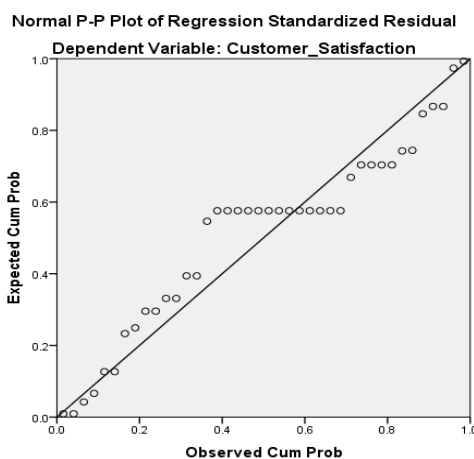


Figure 2. Normality Test Results

From figure 2, it can be seen that the pattern follows a line which means that if the data spreads around the diagonal line and follows the direction of the diagonal line, then the regression model meets the assumption of normality.

Muticollinearity Test

Table 2. Value Tolerance and Variance Inflation Factor

Variable	Tolerance	VIF
Price	0.518	1.929
Quality Product	0.518	1.929

From the multicollinearity test table above, it can be seen that the price tolerance value and product quality of 0.452 > 0.10 means that multicholnearity does not occur. While the VIF value for price tolerance and product quality of 2,215 < 10 does not occur multicholnearity

Heteroskedastisitas Test

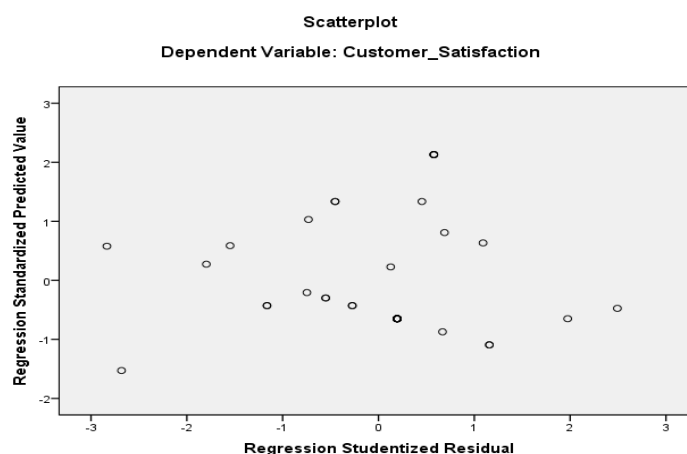


Figure 3. Uji Heteroskedastisitas

The results of the Heteroskedasity test in Figure three are visible dot points with a spreading pattern indicating that the above test results are homoskedasity.

Multiple Linear Regression Test

Table 3. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.354	2.165		0.625	0.536		
1 Price	0.527	0.094	0.543	5.596	0.000	0.518	1.929
Product Quality	0.417	0.092	0.440	4.538	0.000	0.518	1.929

Based on table 3, it can be seen that Customer satisfaction (Y) is influenced by a constant value of 1,354 with a Price coefficient value (X1) of 0.527 and a product quality value (X2) of 0.417. The regression equation is formulated as follows : $Y=1.354+0.527 X1+0.417X2$

Coefficient of Determination Test (R2)

Table 4. Coefficient of Determination Test

Variable	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,905 ^a	0.820	0.810	1.145

a. Predictors: (Constant), Price, Quality

b. Dependent Variable : Customer Satisfaction

The results of the R Square coefficient of determination test table look 0.820 thus it can be said that the price and quality of the product is only able to explain 82% of Customer Satisfaction, while the remaining 18% is influenced by other variables outside the research, such as service quality, ease of getting products, pleasant experiences in shopping, and others. Partial Test (t Test). This t test aims to determine the magnitude of the influence of each independent variable individually (partially) on the dependent variable. Regression equation showing the effect of Price (X1) and Product Quality (X2) on Customer Satisfaction (Y). The number of observations (respondents) that we use to form this equation is 40 people. Hypothesis testing with $\alpha = 5\%$.

T table = $t(\alpha/2; n-k-1) = 0.05/2; 40-2-1 = t(0.025; 37) = 2.026$

The calculated t value for the Price variable (X1) of 5,596 is greater than the t table of 2,026 or the sig.t value for the price variable of 0.000 is less than 0.05. meaning that Price has a significant effect on customer satisfaction (Ho rejected and Ha accepted) The calculated t value for the Product Quality variable (X2) is 4,538 greater than the t table 2,026 or the sig.t value for the Product Quality variable 0.000 is greater than 0.05. meaning Product Quality has a significant effect on customer satisfaction (Ho is rejected and Ha is accepted)

Unison Test (F Test)

Unison testing aims to determine the effect or not significantly of independent variables together (simultaneously) on dependent Variabel

F table = $F(k; n-k) = F(2; 40-2) = F(2;38) = 3.24$

Table 5. F Test

Model	Sum of Square	df	Mean Of Square	F	Sig
Regression	220.292	2	110.146	84.057	.000 ^b
Residual	48.483	37	1.310		
Total	268.775	39			

From the results of table 5 simultaneous tests it can be seen that F count= 84,057 with a significance level of 0.000. When compared to F the table at a confidence level of 5 % ($\alpha = 0.05$) is 3.24 then F calculate > F table (84,057 > 3.24). Because FHitung > F table so it is said that the free variable consisting of Price and Product Quality, simultaneously has a significant effect on its bound variable, namely Customer satisfaction. Together, dependent variables (Customer Satisfaction) are able to significantly affect independent variables (Price and Product Quality)

CONCLUSION

The results of the study showed that the price affects the customer satisfaction of Bakso Berkah Berjaya by 5,596 This is in line with the research of Widyaningsih Putri Ariyanti and friends obtained the results The effect of price on consumer satisfaction states that prices partially have a positive influence on customer satisfaction. The results of the study showed that product quality affects the customer satisfaction of Bakso Berkah Berjaya by 4,538. In line with the research that has been carried out by Afninsa and Yulia Hastuti (Afnina & Hastuti, 2018) which obtained the results of statistical analysis shows that there is a strong and positive relationship between product quality and customer satisfaction. In addition, it was also obtained that product quality has a significant influence on customer satisfaction Simultaneously the price and product quality affect the customer satisfaction of Bakso Berkah Berjaya. This is in line with the opinion of Lupiyoadi & Hamdani in the research of Puspitasari & Widayanto, 2019, namely Product Quality is one of the factors that customers will be satisfied if the results of their evaluation show that the products they use are of high quality. The price of products that have the same quality but set a relatively low price will provide higher value to its customers.

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