

THE EFFECT OF PRODUCT QUALITY, SERVICE QUALITY, AND PRICE FAIRNESS ON CUSTOMER SATISFACTION

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ABSTRACT: This study aims to analyze the effect of product quality, service quality, and price fairness on consumer satisfaction (a study on consumers of Gacoan Noodles in Denpasar City). This research was conducted in Denpasar City, using purposive sampling technique which is one of the non-random sampling techniques, with a total of 120 respondents. Collecting data through distributing questionnaires online. The data analysis technique used is multiple linear regression analysis. The results showed that product quality had a positive and significant effect on customer satisfaction, service quality had a positive and significant effect on customer satisfaction, and price fairness had a positive and significant effect on customer satisfaction. Gacoan Noodles should always maintain and improve product quality, service quality and price fairness so as to maintain customer satisfaction for Gacoan Noodles.

Keywords: product quality, service quality, price fairness, customer satisfaction

I. INTRODUCTION

A successful business must arise as a result of customer satisfaction. Companies must be able to understand what consumers want so that consumers feel satisfied with what the company offers. Consumer satisfaction is closely related to the success of a company, because if consumers are satisfied when using or consuming a product, then consumers will be loyal to the company and vice versa when consumers are not satisfied, consumers will not come back and complain about their dissatisfaction with other consumers. so that this will be a threat to the company. Consumer satisfaction is a feeling of pleasure or disappointment resulting from comparing the product or service's perceived performance according to expectations. If the performance is far from expectations, the consumer will feel dissatisfied, if the performance is as expected, the consumer will be satisfied, and when it exceeds what the consumer expects, the consumer will feel very satisfied and happy (Kotler and Keller, 2016: 153). Consumer satisfaction is influenced by product quality, service quality, and price fairness (Putra and Seminary, 2020).

Product quality is the main focus in the company, quality is an important policy in increasing product competitiveness which must be able to provide satisfaction to consumers and of course can exceed the quality of products offered by competitors. Product quality is closely related to consumer satisfaction because the quality of the product can be assessed by the ability of a product to satisfy consumers (Dewi, et al. 2019). The results of research conducted by Putra and Seminary (2020) show that product quality has a positive effect on consumer satisfaction, these results indicate that the higher the quality of the product, the consumers feel more satisfied with the products offered. The results of the research conducted by Putra and Seminary (2020) contradict the results of research conducted by Santoso (2019) which showed that product quality had no effect on consumer satisfaction, this was due to the unequal distribution of sizes / portions and the inaccuracy of time calculations. presentation.

The next variable that can affect customer satisfaction is service quality. Service quality is the level of excellence expected by consumers and control over this level of excellence is to fulfill the desires of consumers (Budiarsih, 2017). Efforts that can be done to create and maintain customer satisfaction are by providing good service to consumers. The results of research conducted by Novrianda (2018) show that service quality has a significant positive effect on customer satisfaction. In contrast to research conducted by Sitingjak (2018) which shows that service quality does not have a real effect on customer satisfaction, this is because respondents in research conducted by Sitingjak (2018) state that service quality is not a concern in fulfilling their satisfaction. but more to other factors such as price.

Fairness of price is seen as a determinant of the level of customer satisfaction (Hassan et al., 2013). Fairness of price as an assessment of a result and how a process will get an acceptable result and of course in a fairness in another sense is reasonable (Amryanti et al., 2013). The fairness assessment also depends on how comparative the parties involved in the transaction are. Research conducted by Premayani and Yoga (2019)

shows that price fairness has a significant effect on customer satisfaction. In contrast to research conducted by Atmaja (2016), it shows that price fairness has an insignificant effect on consumer satisfaction, this is due to the high price offers by Garuda Indonesia that are not in accordance with the services provided in terms of flight schedule accuracy, so that consumers feel the price given is not fair.

Gacoan Noodles is a business venture engaged in the culinary field. In Bali Gacoan Noodles has 6 branches, namely the first branch located at Jl. Tukad Pakerisan No.76, the second branch is located at Jl. Teuku Umar Barat No.99, the third branch is located at Jl. Tantular Barat No.83, the fourth branch is located at Jl. Gatot Subroto Barat No.337, in October 2020 Gacoan Noodles added a fifth branch, which is located at Jl. Raya Padang Luwih No. 145, Dalung, Kec. North Kuta, Badung Regency and on November 15, 2020 Gacoan Noodles opened its sixth branch which is located at Batu Bulan, Kec. Sukawati, Kab. Gianyar. This noodle restaurant has become the best place to eat noodles for students and university students. Students and students can do assignments, gather with their friends while eating noodles and gacoan noodles providing a place equipped with various facilities such as: electric plugs, and accompanied by music, which makes consumers feel comfortable and satisfied when they are there. gacoan noodles. With the innovation of noodle products with various levels and equipped with various facilities, of course this is very triggering and influencing consumer satisfaction.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Product quality is something that must be maintained by a company, because good product quality will certainly form customer satisfaction. Companies always try to satisfy their consumers by offering quality products. A quality product is a product that has benefits for the wearer (consumers). Someone who needs a product will imagine what benefits can be obtained from the product that will be used. The benefits of a product are the consequences that consumers expect when buying and using a product (Lite, 2017). This can be proven by previous research that examined the relationship between product quality and customer satisfaction with significant positive results and some that showed non-significant results.

According to research conducted by Hidayat et al (2019), the results show that product quality has a significant effect on consumer satisfaction. Research conducted by Maulidah et al (2019) shows that product quality and service quality have a significant effect on customer satisfaction, this is in accordance with the first hypothesis, which is that it is assumed that product quality and service quality have a significant effect on customer satisfaction. Based on the results of research conducted by Oktari et al (2019), it is shown that the variable product quality partially has a significant effect on consumer satisfaction. Contrary to the results of research conducted by Santoso (2019) which shows product quality has no effect on consumer satisfaction. By referring to various references and the existence of a research gap, a conclusion or hypothesis can be obtained:

H1: Product quality has a positive and significant effect on consumer satisfaction

The quality of service provided by the company is an effort made in an effort to be able to provide satisfaction to its customers. Services include the completeness used, hospitality, activities, accuracy and responsibility if there is damage to the product that has been purchased. This service problem is very important for consumers, therefore it needs serious attention from the company. The services provided in connection with the sale and purchase of goods or services are the key to the success of a business in running a business (Arifin, 2011). Service quality is a crucial issue for every company, regardless of the form of product produced. In simple terms, service quality can be interpreted as a measure of how good the level of service provided is in accordance with customer expectations (Tjiptono, 2014: 157).

According to the results of research by Senthilkumar (2012) which shows that customer service has an effect on customer satisfaction, this indicates that high quality service will have a positive impact on customer satisfaction. Service quality is considered good if it meets what consumers expect, on the other hand, service quality will be perceived as bad if it does not meet consumer expectations. Therefore, to meet customer satisfaction, a company must pay attention to the quality of service offered to its customers. Based on research conducted by Novrianda (2018), service quality has a positive and significant effect on customer satisfaction, which means that the better the quality of service, the higher the customer satisfaction. Based on research conducted by Lite (2017), the results show that there is a significant positive effect between service quality and customer satisfaction. It is inversely proportional to research conducted by Sitingjak (2018) which shows that service quality does not have a significant effect on customer satisfaction. By referring to various research references and the existence of a research gap, a conclusion or hypothesis can be obtained:

H2: Service Quality has a positive and significant effect on Customer Satisfaction

Price is very important for customers because it will be a guide to measure the suitability between the benefits of the product received and the sacrifices that have been given either in the form of money or certain sacrifices, therefore price has a very strong influence on consumers. Customers will make price as one of the standards for the level of satisfaction they feel (Premayanti and Yoga, 2019). According to Hassan et al. (2013) fairness of price is seen as a determinant of the level of customer satisfaction, when companies use higher

consumer demand for their own benefits with price increases, consumers will feel exploited and perceive prices as unreasonable.

Research conducted by Aziza (2018), shows the results of hypothesis testing that there is a significant effect of the price fairness variable on consumer satisfaction. Based on the results of research conducted by Wicaksono and Untoro (2015), statistically it can be shown that price fairness does have a positive effect on customer satisfaction, this indicates that the better customer perceptions of the fairness of the price of a product, the higher customer satisfaction with the product. According to research conducted by Premayanti and Yoga (2019), the results show that price fairness has a significant effect on consumer satisfaction. The inversely proportional to research conducted by Atmaja (2016) shows that price fairness has no significant effect on consumer satisfaction. Based on various references to previous research accompanied by a research gap, a conclusion or hypothesis is obtained:

H3: Price fairness has a significant effect on consumer satisfaction

III. METHODS

This research was conducted in the city of Denpasar because the location of Gacoan Noodles is in the city of Denpasar. Besides that, Denpasar City has a dense, heterogeneous population, has a high level of consumption, and has a dense activity outside the home so that the people of Denpasar City spend a lot of time outside the home so they eat at restaurants or restaurants.

In this study, the population is the people of Denpasar City who have bought gacoan noodles. In this study, the sample selected using purposive sampling technique. Purposive sampling is one of the non-random sampling techniques where the researcher determines the sampling by determining special characteristics that are in accordance with the research objectives so that it is expected to answer the research problem. The requirements of purposive random sampling in this study are:

- 1) Domiciled in Denpasar City
- 2) Have bought and consumed Gacoan Noodles (especially dine-in)
- 3) Already 17 years old

The sample size in this study was determined using multivariate analysis. If the research uses multivariate analysis, the number of sample members is at least 5 times the number of indicators to be studied. In this study using 24 indicators, 24 indicators x 5 = 120 respondents. The number of respondents needed to conduct this research was 120 respondents.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.629	1.021		.616	.539
	Product quality	.297	.074	.322	3.986	.000
	Service quality	.072	.019	.321	3.887	.000
	Price Fairness	.227	.082	.211	2.779	.006

a. Dependent Variable: Total_Y

The data collection method used in this study is a survey method that is distributed through a questionnaire. The questionnaire is a data collection method that is carried out by asking questions that have been prepared in the form of questions that have been prepared in the form of written questions regarding customer satisfaction, product quality, service quality, and price fairness for Gacoan Noodles consumers in Denpasar City. The question or statement used is the Likert scale method.

The analysis used in this research is multiple linear regression analysis (multiple regression). Multiple linear regression analysis is used to analyze the effect of the independent variables (product quality, service quality, and price fairness) on the dependent variable, namely customer satisfaction. The mathematical formula of multiple linear regression used in this study is:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Information:

- Y = Customer Satisfaction
- $\beta_1, \beta_2, \beta_3$ = Regression Coefficient
- X1 = Product Quality
- X2 = Quality of Service
- X3 = Fairness of Price
- E = error disturbances

IV. RESULT AND DISCUSSION

Multiple linear regression analysis

Multiple linear regression analysis was used to determine the effect of product quality (X1), service quality (X2), and price fairness (X3) on customer satisfaction (Y). The results of multiple linear regression analysis are shown in Table 1.

Table 1. Results of Multiple Linear Regression Analysis

Primary Data, 2020

Based on the results in Table 1, the regression equation is as follows.

$$Y = 0.322X_1 + 0.321X_2 + 0.211 X_3 + \varepsilon$$

The multiple linear regression equation can be interpreted as follows:

- 1) Product quality regression coefficient (X1) of 0.322 indicates that each increase in the product quality variable (X1) assuming the other independent variables are constant, then consumer satisfaction will increase by 0.322.
- 2) The service quality regression coefficient (X2) of 0.321 indicates that each increase in the service quality variable (X2) assuming the other independent variables are constant, then customer satisfaction will increase by 0.321.
- 3) The regression coefficient for price fairness (X3) of 0.211 indicates that each increase in the price fairness variable (X3) assuming the other independent variables are constant, then consumer satisfaction will increase by 0.211.

Hypothesis test

The F test is used to test whether the independent variables jointly affect the dependent variable. A good condition for use as a regression model is if sig. <0.05. The results of the feasibility test of this research model are shown in Table 2.

Table 2.F Test (Model Feasibility Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	264.991	3	88.330	32.696	.000 ^b
	Residual	313.378	116	2.702		
	Total	578.370	119			

Primary Data, 2020

Table 2 shows the sig value 0.000 <0.05 (sig < α) which means that the independent variables, namely product quality (X1), service quality (X2), and price reasonableness (X3) have a significant effect simultaneously or collectively on the dependent variable, namely customer satisfaction (Y), so that this study can be said to meet the feasibility test of this model or research model worthy of being used as a regression model.

T test (partial test)

The Effect of product quality on customer satisfaction

Based on the results of multiple linear regression in Table 1, it is known that the value of the beta coefficient of the product quality variable is positive, namely 0.322 with a significant value for product quality, namely 0.000. Sig value. 0.000 <0.05 indicates that H1 is accepted. Hypothesis testing on the effect of product quality on customer satisfaction of Gacoan Noodles in Denpasar City shows that product quality has a positive and significant effect on customer satisfaction for Gacoan Noodles in Denpasar City. This means, the higher the quality of the product, the customer satisfaction increases and vice versa, the lower the consumer satisfaction of Gacoan Noodles in Denpasar City decreases. In this study, the highest respondent's assessment of the product quality variable is shown in the indicators that state the product is of good quality, which in this study is a statement stating that "Gacoan Noodles serves good quality products". The results of this study are in accordance with previous research conducted by Hidayat, et al (2019), Maulidah, et al (2019) and Oktari, et al (2019) which states that product quality has a positive and significant effect on consumer satisfaction.

The Effect of service quality on customer satisfaction

Based on the results of multiple linear regressions in Table 1, it is known that the beta coefficient value of the service quality variable is positive, namely 0.321 with a significant for service quality, namely 0.015. Sig value. 0.000 <0.05 indicates that H2 is accepted. Hypothesis testing on the effect of service quality on customer satisfaction of Gacoan Noodles in Denpasar City shows that service quality has a positive and significant effect on customer satisfaction which means that if the quality of service is higher, customer satisfaction for Gacoan Noodles in Denpasar City increases and vice versa the lower the quality of service, the satisfaction. consumers are decreasing. Respondents' assessment of the quality of the Gacoan Noodle service is in the very high category. The indicator with the highest value is providing fast and responsive service which in this study is a statement

stating that "Gacoan Noodles employees give serious attention to consumers when the place is full". The results of this study are in accordance with previous research conducted by Senthikumar (2012), Novrianda (2018), and Lite (2017) which states that service quality has a positive and significant effect on customer satisfaction.

The effect of price fairness on customer satisfaction

Based on the results of multiple linear regressions in Table 1, it is known that the beta coefficient value of the price fairness variable is positive, namely 0.211, with a significant value for the fairness of price, namely 0.006. Sig value. $0.006 < 0.05$ indicates that H3 is accepted. Hypothesis testing on the effect of price fairness on consumer satisfaction in Denpasar City shows that price fairness has a positive and significant effect on consumer satisfaction of Gacoan Noodles in Denpasar, which means that if the fairness of the price is higher, the satisfaction increases and vice versa, the lower the fairness of the price, the consumer satisfaction of Gacoan Noodles in Denpasar City is decreasing. The highest assessment of respondents on the indicator of price affordability with the services offered, which in this study is a statement stating that "Gacoan Noodle consumers feel the price offered is affordable to consume Gacoan Noodles". The results of this study are in accordance with previous research conducted by Asiza (2018), Wicaksono and Untoro (2015), and Premayanti and Yoga (2019), which state that price fairness has a positive and significant effect on consumer satisfaction.

The coefficient of determination (R²)

The coefficient of determination (R Square) in essence measures how far the model's ability to explain the variation in the dependent variable. The coefficient of determination is 0 (zero) or 1 (one), the higher the coefficient of determination, the better the prediction of the variation in the dependent variable.

Table 3. Determination Coefficient Analysis (R²)

R	R Square	Adjusted R Square	Std. Error of the Estimate
,782 ^a	,612	,606	1.414221

Primary Data, 2020

Table 3 shows the magnitude of the influence of the independent variables on the dependent variable and is shown by the R Square value of 0.612 which means that 61.2 percent of the variation in customer satisfaction is influenced by variations in product quality, service quality, and price fairness. The remaining 38.8 percent is explained by other variables outside the regression model used in this case, which can be brand reputation (Hidayat., Et al, 2019) and location (Jum'yah & Syarfan, La Ode, 2018).

V. CONCLUSION

This study shows that product quality, service quality and price fairness have a positive and significant effect on customer satisfaction. Thus, the results of this study provide empirical support and can be stated to strengthen the results of previous studies. This research is expected to be used as input for the management of the Gacoan Noodles company, so that it can increase customer satisfaction so that consumers do not move to similar companies by increasing that product quality, service quality and price fairness so that consumers are always satisfied when consuming Gacoan Noodles and are loyal to the Gacoan Noodles company in Denpasar City.

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