
The Influence of Product Quality and Price on Customer Satisfaction in UD Yuli Yadnya Wood Company in Kerobokan, Badung

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Abstract

In managing a business, the most important element in marketing a product is how the quality of the product itself and what prices will be sold to attract consumers. The products offered at UD Yuli Yadnya are teak wood, bengkirai wood and camphor. These products have different prices that match the quality of the product. The problem discussed in this research is the influence of Product Quality (X1) and price (X2) simultaneously and partially on customer satisfaction in UD. Yuli Yadnya wood company in Kerobokan, Badung. The samples used in this research were 30 respondents by distributing the Likert scale questionnaire with a simple random sampling method and accidental sampling technique. The instruments of this research were validity test and reliability test. The data analysis technique used is the classical assumption test that consists of a normality test with Kolmogorov-Smirnov analysis method, multicollinearity test and heteroscedasticity test with Glesjer analysis method that is then followed by multiple linear regression analysis. Hypothesis testing used the simultaneous significance test (f-test) and partial significance test (t-test). The results of the research of all independent variables are the f test showed that the independent variables consisting of product quality (X1) and price (X2) simultaneously have a positive and significant effect on consumer satisfaction in the wood company of UD Yuli Yadnya in Kerobokan, Badung. The t test shows that the product quality (X1) and price (X2) variables have a positive and significant influence on consumer satisfaction (Y) at UD Yuli Yadnya in Kerobokan, Badung.

Keywords: Consumer satisfaction; Price; Product Quality

I. INTRODUCTION

The developments of the economic field in Indonesia is very rapid as is the case in the house property sector that also develop rapidly. The requirement that has to be met by a company in order to succeed in the competition among companies is trying to achieve the goal of creating and retaining customers. In order to achieve the goal, then every company should strive to produce goods and services desired by consumers and pay attention to all the activities of the company including products produced by sales promotion, price and distribution channel.

In addition, competition in the company is very high and tight causes the entrepreneurs should be able to make the latest product breakthrough to sell on the market. In order to support the company's strategy to compete in maintaining the market share, a business owner should improve the product quality and reasonable price for the customer to feel satisfied. According to Kotler in (Sunyoto, 2013), consumer satisfaction is the level of a person's feelings after comparing (performance or results) perceived, compared to his expectations. The consumers can experience one of three levels of general satisfaction namely if the performance is under expectation, consumers will feel disappointed but if the performance in accordance with the expectation of customers will be satisfied and if the performance exceeds expectations then the customer will feel very satisfied or happy.

Product quality is one of the determining factors of satisfaction obtained by consumers after purchasing and using a product. Not only the production is highlighted but also in the service must be suitable with what consumers desired so that consumers can trust the production made because it has been proven to satisfy consumers' desires and also for producers to earn the profit.

Price is one of the important factors in sales. A lot of companies are bankrupt because they set prices that are not suitable for the market. To find out the price that is suitable for consumers, the company must conduct deep research in order to determine the price that is suitable for consumers so that it makes transactions between buyer and seller fluently.

Customer satisfaction is essential in a world full of rigorous competition. The companies that do not prepare new products will face competition with their competitors. One of the ways that can be attempted by companies is doing product innovation. According to (Buchari, 2013) innovation means observing consumers to find and satisfy the customers by delivering new ones. By creating innovations, a product is able to have a strategic position in the market, have a longer life cycle, and are able to withstand the attacks of competitors and meet the market's demand.

At present, the company of wood industry in Bali especially in Badung is offering many wood and house properties at an affordable price as well as the quality of the product is quite good. This fact attract researcher to do a deep analysis to the influence of product quality (X1) and price (X2) simultaneously and partially on customer satisfaction in UD. Yuli Yadnya wood company in Kerobokan, Badung.

UD Yuli Yadnya is one of the wood companies in Badung, it engaged in the wood industry that produces wood-shaped building materials products. The community's need for wood is increasing because besides to strengthen a building, home interiors made of wood can beautify a building, therefore, consumers from abroad are very interested.

II. METHOD

UD. Yuli Yadnya wood company, located at Banjar Muding Kelod, Kerobokan village in the North Kuta district of Badung Bali, was the research place chosen because it offered various prices that match the quality of the product. Considering it, this company given contribution to this research to see the influence of the product quality and price to the customers' satisfaction. The object of this research is the satisfaction of consumers of wood products that are measured from the price variable and quality of products at UD Yuli Yadnya wood Company. The population in this research was 40 people and all populations here were sampled. In this research, sampling was carried out with simple random sampling methods and accidental sampling techniques. There are two types of data used in this research i.e. quantitative and qualitative data. Data analysis in this research used multiple linear regression analysis.

III. RESULTS AND DISCUSSION

Table 1

Validity Test Results of Research Instruments about Product Quality and Price on Customer Satisfaction at UD Yuli Yadnya

No.	Variable	Indicators	Pearson Correlation	Description
1.	Product quality (X1)	X1.1	0.450	Valid
		X1.2	0.819	Valid
		X1.3	0.713	Valid
		X1.4	0.752	Valid
2.	Price (X2)	X2.1	0.774	Valid
		X2.2	0.767	Valid
		X2.3	0.703	Valid
		X2.4	0.823	Valid
3.	Customer Satisfaction (Y)	Y.1	0.823	Valid
		Y.2	0.737	Valid
		Y.3	0.710	Valid

Table 2

Reliability Test Results of Research Instruments about Product Quality and Price on Customer Satisfaction in UD Yuli Yadnya

No.	Variable	Cronbach's Alpha	Description
1.	Product quality (X1)	0.615	Reliable
2.	Price (X2)	0.766	Reliable
3.	Customer Satisfaction (Y)	0.629	Reliable

Based on Table 2 above can be seen the coefficient of Cronbach's Alpha is above 0.6 on each instrument variable then it can be declared reliable or feasible as a research instrument.

Table 3
Normality Test Result
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters ^{ab}	Mean	.0000000
	Std. Deviation	.80990515
	Absolute Positive	.144
Most Extreme Differences	Negative	.088
		-.144
Kolmogorov-Smirnov	Z	.789
Asymp. Sig. (2-tailed)		.562

- a) Test distribution is Normal.
b) Calculated from data.

Table 4
Multicollinearity Test Result
Coefficientsa

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
X1	.494	2.025
X2	.494	2.025

Dependent Variable: Y

Table 5
Heteroskedastisity Test Result
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.431	.789		-.548	.588
X1	.132	.066	.511	2.008	0.55
X2	-.063	.059	-.275	-1.081	.289

Dependent Variable: ABSU

Table 6
Multiple Linear Regression Analysis Result
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.515	1.591		.953	.349
X1	.409	.133	.512	3.073	.005
X2	.244	.119	.343	2.058	.049

Dependent Variable: Y

Table 7
Test Result of F-Test
ANOVAa

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	32.344	2	16.172		
Residual	19.022	27	.705	22.954	.000 ^b
Total	51.367	29			

- a) Dependent Variable: Y
b) Predictors: (Constant), X2, X1

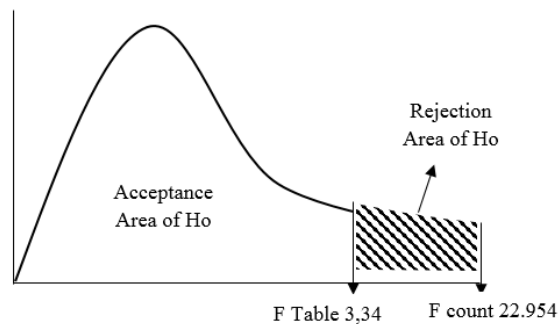


Figure 1

F Distribution Curve

Table 8
Test Results of t-Test
Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.515	1.591		.953	.349
X1	.409	.133	.512	3.073	.005
X2	.244	.119	.343	2.058	.049

Dependent Variable: Y

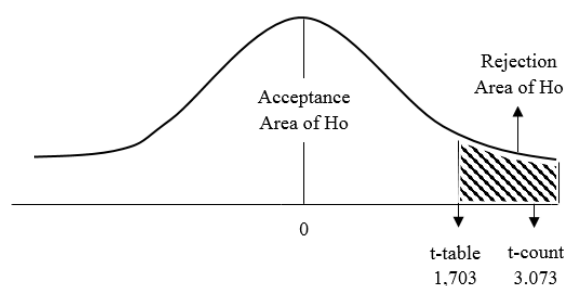


Figure 2

Area Acceptance and Rejection of Ho for Product Quality Variables (X1) to Consumer Satisfaction (Y) (T-Test)

IV. CONCLUSION

Based on the data analysis, it can be concluded; The results of the f-test indicate that the independent variables consisting of Product Quality (X1) and Price (X2) simultaneously have a positive and significant influence on Consumer Satisfaction at UD Yuli Yadnya in Kerobokan, Badung.

The results of the t-test indicate that the independent variable of Product Quality (X1) has a positive and significant effect on consumer satisfaction at UD Yuli Yadnya in Kerobokan. It means that the better product quality aspects can significantly increase consumer satisfaction.

The results of the t-test indicate that the independent variable of the price (X2) has a positive and significant influence on consumer satisfaction at UD Yuli Yadnya in Kerobokan. It means that the better price aspect is able to increase customer satisfaction significantly.

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