

Improving Product Quality and Satisfaction as Fundamental Strategies in Strengthening Customer Loyalty

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ABSTRACT

In the food industry, quality is a product guarantee. That is, the quality in a product is an absolute requirement. Because in reality, consumers will only consume products whose quality is guaranteed. The purpose of this study was to describe the variables of product quality and satisfaction statistically, in order to obtain a quantitative conclusion on increasing customer loyalty. In describing the phenomenon, the research uses a quantitative approach with a causal associative method. The number of respondents in this study were 97 people, namely consumers of PT Kobe Boga Utama, Tangerang Regency. Statistical technique using multiple linear regression with partial and simultaneous testing. The results of the study confirm that mathematically product quality and satisfaction are strong factors that affect loyalty. That is, customers become loyal because their physical and emotional needs are met, and this can be answered by quality and satisfaction.

Keywords : Satisfaction, Loyalty, Product Quality, Food Products

INTRODUCTION

Economic conditions in the current era of globalization make business competition increasingly sharp, both domestic and global markets. Even though customers are still there, their purchasing power is increasingly limited, as a result, customers are becoming more critical in making purchases of the products they need. Under these circumstances, it encourages every company to work more professionally in order to remain competitive and survive, every company must be able to attract customers by offering quality products accompanied by good service as well. A company will be successful if it prioritizes satisfaction for its customers.

Customer satisfaction is one of the determinants of the company's success, besides that customer satisfaction can be a competitive tool for a company in dealing with its competitors. In other words, satisfaction is the customer's response to the fulfillment of needs, which means that the customer's assessment of goods or services provides a level

of comfort related to the fulfillment of a need, including the fulfillment of needs that do not meet expectations or fulfillment that exceeds customer expectations.

It is hoped that with customer satisfaction, it can increase the viability of a company and be able to generate profits. Because a company that is able to satisfy the needs of its customers but is unable to generate profits, it is unlikely that it will survive and be able to develop.

PT. Kobe Boga Utama with its superior product Kobe Seasoned Flour is one of the brands of seasoned flour that is currently much favored by customers because of its practicality, good taste and affordable price, but in reality the current condition of customer satisfaction is far from expected. Many customers are disappointed with this seasoned flour product, there are customers who get seasoned flour that has expired so it is not suitable to eat, and the prices offered are currently increasing which of course has a very bad impact for middle to lower customers.

In determining customer satisfaction there are factors that must be considered by the company According to Swastha, et al. (2012) include product quality, price, *service quality*, *emotional factor*, cost and convenience. Of all the factors that have been mentioned, there are two dominant factors in causing an increase or decrease in customer satisfaction, namely product quality and price, because with product quality customers will feel satisfied if the products they use are of high quality, and with relatively cheap prices will provide higher value of satisfaction to customers.

Product quality according to Kotler and Keller (2019) is the overall characteristics and characteristics of a product or service on the ability to satisfy stated/implicit needs. Products have important meaning for companies because without products, companies will not be able to do anything from their business. Buyers will buy products if they feel suitable, therefore products must be adjusted to the wishes or needs of buyers so that product marketing is successful. In other words, the manufacture of products is better oriented to market desires or customer tastes.

In line with the explanation above, PT Kobe Boga Utama realizes that customer satisfaction is the most important thing in the marketing chain, therefore presenting quality products is a challenge for PT Kobe Boga Utama in order to create customer satisfaction. However, in practice, PT Kobe Boga Utama realizes that the large population or people of Indonesia certainly have very diverse characteristics, so PT

Kobe Boga Utama's efforts need to continue to improve the quality of its products, either through differentiation or innovation strategies.

Tripayana & Pramono (2020), Gultom & Ngatno (2020) suggest from a theoretical and empirical point of view that product quality can affect satisfaction which has implications for loyalty and trust. Meanwhile, according to Kusuma & Laily (2020) and Zulkarnain, et al. (2020) satisfaction has a significant effect on satisfaction.

Haerudin (2020) and Oktadiani & Laily (2020) stated that in general, consumer interest in a product and service is quality. So it's not surprising that many consumers are willing to spend a lot of money to get quality, however, other factors are still being built such as promotions, pricing strategies, location and so on.

THEORETICAL BASIS

For companies, presenting quality is fundamental. That is, quality is the first thing that is conceptualized to win the competition. In addition, quality is the meeting point between consumer needs and company goals. In other words, companies that win the competition are companies that consistently provide quality for customers, thus customers will give their money, trust, loyalty, and commitment because they are satisfied (Hartanto, 2019).

If the thread of the equation is drawn, it will be found that the essence of the main equation is hope, and hope will only be fulfilled by satisfaction, while satisfaction itself will only occur if there is quality. So, fundamentally and historically quality is presented as a tool to give birth to satisfaction, and from that satisfaction the company can form a certain pattern of consumption behavior or what is called dependence.

In fact, quality (both product quality and service quality) is proven to provide consumer/customer satisfaction (Dwiantari, 2020; and Wijaya & Nurcaya, 2017). In addition, quality has an influence on the company's marketing performance or performance, although not directly and or not significantly.

Quality in language means: 1) the level of good or bad something; rate. 2) degree or level (intelligence, skill, etc.); quality. The affirmation of this understanding is that quality is not only about the value and benefits attached to a product or service being sold, but also how consumers or customers perceive the use/use of a particular service

or product that provides value or benefit. Precisely consumers assess the quality of a product or service.

According to Kotler and Keller (2019), products are goods while services are services, meaning that both are commodities that are created or produced to meet consumer needs/wants. Furthermore, Kotler and Keller (2019) stated that product quality is related to the functional ability of a product that produces benefits for its users. Generally, product quality refers to the strength of the product (reliability), convenience (generating effectiveness), improvement (meaning the product can be renewed so as to reduce costs), and other values that provide benefits.

According to Kotler and Armstrong (2020) satisfaction is defined as the consumer's response to the performance of a product or service, whether it can meet needs plus expectations and added desires. Consumer satisfaction can at least be known by 3 indicators, namely the fulfillment of needs, the fulfillment of expectations, and the fulfillment of desires.

According to Griffin (2018) loyalty is a continuous buying behavior. Meanwhile, according to Lovelock and Wright (2017) loyalty refers to repeat purchase behavior and the desire to promote such as recommending or inviting or giving testimonials.

Based on the explanation above, it can be stated that the first thing the company must have is product quality, by combining various other marketing strategies, then the company assesses the extent to which customer satisfaction is formed with the current quality level, then the company conducts an evaluation that gives birth to recommendations for improvement in the form of creativity (differentiation/modification) and innovation (newness). It is hoped that this series of efforts can maintain and improve market segmentation and win the competition.

METHOD

The scope of this research is marketing management with quantitative methods. The quantitative method is a research based on a numerical approach with the aim of testing the established hypothesis. Descriptive statistics are statistics used to analyze data by explaining the description of the data that has been collected as it is or originally without intending to make conclusions that apply in general. Inferential or verification research is a statistical technique used to answer the proposed hypothesis.

According to Sugiyono (2012) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied which are then drawn conclusions. In other words, the population is an object or subject that is in an area and fulfills certain conditions related to the research problem. The population in this study are consumers who make purchases at PT. Kobe Boga Utama with an average number of customers during the second semester (July - December 2018).

The sampling technique used in this study is the *Accidental Sampling*. Sugiyono (2012) explains that this incidental sampling technique is a sample determination based on chance, that is, anyone who coincidentally meets a researcher can be used as a sample, if it is deemed that the person who happened to be met is suitable as a data source.

Guidelines for determining the number of samples in this study refer to the minimum sample size requirements. In this study, the technique of determining the number of samples used the formula from Slovin. Based on the calculations, the number of samples used as respondents in this study amounted to 97 people.

To obtain accurate data in this study using the primary method with a questionnaire instrument with a Likert scale as a measurement parameter. The analytical method used is regression analysis which consists of descriptive test, validity test, reliability test, correlation test, hypothesis testing, and coefficient of determination test.

RESULTS

Consumers perceive that the quality of Kobe's products is good, but it is not said to be good. This means that there are many substitute products, even products found in traditional markets. In addition, Kobe is not the main product that consumers use in making food. According to consumers, Kobe products are one of the alternative ingredients for making food. Thus, for consumers the presence or absence of Kobe does not matter, but consumers recognize that the existence of Kobe products makes many choices and makes cooking easier, and that is very helpful.

Consumers perceive satisfaction with Kobe products in a good category. What is meant by this, Kobe products help consumers as an alternative, easy to obtain and has a taste that competes with other well-known brands. Consumers judge Kobe's products to

be reliable based on their taste and the added variety of flavors allows consumers to experiment with various kinds of food.

Consumers gave their responses related to loyalty to buy Kobe products with good categories. The point is, that Kobe products are one of the leading products in Indonesia, thus overall have a good level of quality.

In the research instrument test, all statements have a *Cronbach alpha* greater than 0.50 and a reliability value greater than 0.60. This means that the questionnaire submitted is in accordance with the state of the research subjects, in accordance with the observed variables and the respondents answered with full responsibility.

The results of the correlation analysis show that; 1) the relationship between product quality and satisfaction and loyalty is strong. 2) however, relationship satisfaction has a great value on loyalty. This means that this finding confirms that the relationship between loyalty and satisfaction is very close, especially if both are built on the basis of product quality. In addition, the results of the regression analysis show:

1. Product quality has a significant effect on consumer satisfaction with a regression coefficient of 0.432. That is, if product quality increases by one unit, then consumer satisfaction increases by 0.432. In theory, this finding explains that a product with good quality can attract the attention of consumers to buy, then consumers get what they expect, thus consumers are satisfied with the product. In essence, product quality can meet the needs or expectations or desires of consumers, and with that consumers are satisfied. This finding is certainly in line with the theory and previous research, so the hypothesis which states that there is an effect of product quality on satisfaction is acceptable. Of course, the meaning of these findings for the industrial world is very important, especially in terms of competition.
2. Consumer satisfaction has a significant effect on loyalty with a regression coefficient of 0.622. That is, if customer satisfaction increases by one unit, then loyalty increases by 0.622. This finding confirms that the role of satisfaction on loyalty is very high. So, there is no shortcut for companies to make a profit, but by satisfying consumers. In this study, satisfaction is influenced by product quality, therefore the company needs to focus on improving product quality.

3. Product quality and customer satisfaction have a significant effect on loyalty with a contribution value of 0.736. The interesting thing from this finding is that to explain loyalty, efforts are needed to create product quality that has an impact on consumer satisfaction. So it is useless, if the company provides quality but is not right on target, it will not succeed in creating consumer loyalty. Therefore, the purpose of this finding is, companies must really make quality products. This means that products are presented in accordance with consumer needs, products are made according to consumer desires and products sold can meet consumer expectations.

CONCLUSION

Proven that the effect of service quality on satisfaction and loyalty has meaning; 1) companies must make product quality a top priority in the competition. 2) the company must maintain quality consistency for a long time. 3) companies must keep up with the times (changes in competition, changes in consumption behavior, changes in technology and information) in improving product quality.

The product quality models that need to be improved are; 1) variations in product quality, meaning that the company creates products of the same type but with different flavors (archipelago flavours, European flavors, oriental flavors, etc.). 2) differentiation, which means creating a new product as a substitute for the main product (creating internal market competition, in order to create a variety of choices/alternatives).

However, there are things to consider before making any product upgrades between them; 1) market characteristics (income level, consumption style, and demographics/consumption habits from the region). 2) market wars. 3) the potential of technology and information in changing consumption procedures or behavior in the future. and 4) domestic (political) conditions.

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