

THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON SAMSUNG SMARTPHONE CUSTOMER SATISFACTION (Case Study on Students of The Faculty of Economics, Makassar State University)

Nandi Rasdina Sri Sandro¹, Abdi Akbar², Muhammad Ilham Wardhana Haeruddin³

¹Management Study Program, Faculty of Economics, Makassar State University

²Management Study Program, Faculty of Economics, Makassar State University

³Management Study Program, Faculty of Economics, Makassar State University

Email: 1)nandi.rsri7@gmail.com, 2)abdi.akbar@unm.ac.id, 3)wardhana83@yahoo.com

Abstract

This study is a quantitative study that aims to determine the effect of product quality and price on consumer satisfaction of Samsung smartphones (a case study on students of the Faculty of Economics, State University of Makassar). The independent variables in this study are product quality and price, while the dependent variable is consumer satisfaction. The population in this study were all active students of the Faculty of Economics, State University of Makassar class of 2018, using the Sampling method, a sample of 100 respondents was obtained. Data collection techniques used are questionnaires, literature study, and documentation. The data analysis technique used is multiple linear regression analysis using Statistical Product and Service Solution (SPSS) v. 13. The results of this study indicate that product quality (X1) partially has a significant effect on consumer satisfaction for Samsung smartphones. Price (X2) partially has a significant effect on consumer satisfaction of Samsung smartphones. And product quality (X1) and price (X2) simultaneously have a significant effect on consumer satisfaction for Samsung smartphones.

Keywords: Product Quality, Price, and Consumer Satisfaction.

1. INTRODUCTION

The development of today's business world is so rapid that it causes competition between companies to become increasingly stringent. The emergence of this very tight competition caused the business community to compete with each other to be able to face the competition and gain competitive advantage. The telecommunications sector is no exception. Efforts to retain consumers for a company need to be prioritized compared to getting new customers. The requirements that must be met by a company in order to achieve

THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON SAMSUNG SMARTPHONE CUSTOMER SATISFACTION

Nandi Rasdina Sri Sandro, Abdi Akbar, Muhammad Ilham Wardhana Haeruddin

success in competition are trying to achieve the goal of creating and retaining customers (Musa, 2017). Consumer satisfaction and dissatisfaction are important concepts that companies need to understand because they can influence subsequent consumer decisions (Gaol, Hidayat, & Sunarti, 2016: 126). The company designs a good marketing strategy in order to create satisfaction for its customers by understanding the needs, wants and demands of consumers. According to Gaol, et al (2016: 126). Satisfaction is a feeling of pleasure or disappointment that arises after comparing perceptions and impressions of the performance or results of a product and their expectations.

Product quality is one of the main factors in assessing the level of customer satisfaction. Consumer satisfaction is very closely related to the quality of a product, if consumers are satisfied with product quality, then consumers will be loyal to the product (Amalia, 2013: 66). The more fulfilled consumer expectations of the products offered, the higher the satisfaction felt by consumers, this will bring benefits to the company.

In addition to product quality, price is also one of the factors that influence consumer satisfaction. Price is an important factor in consumer satisfaction, because price can be one of the main reasons consumers choose a product or service. As well as suitability in determining the price will also affect the sales of a product. Price is a value expressed in rupiah for exchange/transaction or the amount of money that must be paid by consumers to obtain goods and services (Shinta, 2011: 102).

Smartphones currently being used en masse and in large quantities throughout the world, including in Indonesia. It cannot be denied that smartphones are a technology that is easily accepted by society. Samsung is one of the well-known smartphone vendors in the world which dominates the smartphone market and Samsung's position as the largest smartphone manufacturer. The data obtained from the International Data Corporation (IDC), 2021 contains the level of market share of the top 5 smartphone companies in Indonesia based on the 2019-2020 quarter.

Table 1. Level of Market Share of the Top 5 Smartphone Companies in Indonesia based on the 2019-2020 Quarter

Company	Q2 2019	Q3 2019	Q2 2020	Q3 2020	Q4 2020
Samsung	26.9%	19.4%	18.7%	17.2%	13.5%
OPPO	21.5%	26.2%	21.2%	21.7%	23.2%
Vivo	17.0%	22.8%	26.8%	24.1%	23.3%
Xiaomi	16.8%	12.5%	16.9%	18.1%	15.3%
Realme	6.1%	12.6%	14.2%	14.5%	14.0%
Other	11.7%	6.5%	2.2%	4.4%	10.6%
Amount	100%	100%	100%	100%	100%

Source: IDC, 2021 (Processed Data)

Based on table 1 above, it shows that Samsung maintained its market share in the 2nd quarter of 2019. However, the Samsung brand began to experience a decline in market share

levels in the 3rd quarter of 2019. Price was one of the factors in Samsung's declining market share in Indonesia. Samsung's competitors offer smartphones with high quality, but at relatively affordable prices. Meanwhile, Samsung has in recent years positioned itself as a premium class smartphone. In the same year, Samsung launched a new smartphone, but with a quality that was not much different from the previous series that was released, namely the Galaxy A. The launch of a new smartphone that was too fast, but the quality was not much different, was considered confusing to consumers. While its competitors also often release new smartphones,

Samsung continues to experience a decline in market share until the end of 2020, ranking last of the top five companies in Indonesia with only a market share of 13.5%. This is due to the fact that Samsung smartphones are difficult to compete with other brands that offer smartphones of fairly good quality but at relatively affordable prices. This phenomenon indicates how important it is for Samsung to maintain consumer satisfaction with the quality and price of its products so that Samsung's position as the market leader is not displaced by competitors.

According to Tjiptono (2012) in Lukman (2020:27) consumer satisfaction is a core concept in business and management discourse. The consequence of consumer satisfaction is very important for business, government and consumers. For businesses, satisfaction is seen as a dimension of market performance. Increased consumer satisfaction has the potential to lead to long-term and short-term sales growth, as well as market share as a result of repeat purchases. According to Aulia and Hidayat (2017: 2) product quality is a characteristic of a product or service that depends on its ability to satisfy stated or implied consumer needs. Quality has a direct impact on product or service performance. Therefore, quality is closely related to customer value and satisfaction.

2. IMPLEMENTATION METHOD

2.1. Population and Sample

The population in this study were students of the Faculty of Economics, State University of Makassar class of 2018, totaling 825 students. The sample in this study were active students of the Faculty of Economics, State University of Makassar, class of 2018. The respondents obtained were 100 students or around 12% of the total population.

2.2. Data collection technique

Data collection is carried out to obtain the information needed in order to achieve research objectives. Data collection techniques used in this study were questionnaires, literature studies, and documentation.

THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON SAMSUNG SMARTPHONE CUSTOMER SATISFACTION

Nandi Rasdina Sri Sandro, Abdi Akbar, Muhammad Ilham Wardhana Haeruddin

3. RESULTS AND DISCUSSION

3.1 Research Results

1. Multiple Linear Regression Analysis

Table 2. Multiple Linear Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	-7,290	1,723		4,232	.000
PRODUCT QUALITY (X1)	.385	.050	.615	7,750	.000
PRICE (X2)	.302	.082	.294	3,705	.000

a. Dependent Variable : CUSTOMER SATISFACTION (Y)

Source: Primary data processed using SPSS V.13, 2021

Based on the results of the multiple linear regression analysis test above, the multiple linear regression equation is obtained and the explanation is as follows:

$$Y = -7.290 + 0.385 X_1 + 0.302 X_2$$

2. Partial Test (t test)

Table 3. Partial Test Results (t test)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	-7,290	1,723		4,232	.000
PRODUCT QUALITY (X1)	.385	.050	.615	7,750	.000
PRICE (X2)	.302	.082	.294	3,705	.000

b. Dependent Variable : CUSTOMER SATISFACTION (Y)

Source: Primary data processed using SPSS V.13, 2021

Based on the table of partial test results (t test) above, it is obtained that $t_{count} (7.750) > t_{table} (1.984)$ and $t_{count} (3.705) > t_{table} (1.984)$ with a significance value (Sig.) $0.00 < 0.05$ then H_0 rejected and H_1 and H_2 accepted. From this it can be concluded that price partially has a significant effect on consumer satisfaction with Samsung smartphones.

3. Simultaneous Test (Test F)

Table 4. Simultaneous Test Results (Test F)

Model	Sum of Squares	df	MeanSquare	F	Sig.
1 Regression	1561.264	2	780,632	137,491	0.000
residual	550,736	97	5,678		
Total	2112	99			

a. Predictors: (Constant), PRICE (X2), PRODUCT QUALITY (X1)

b. Dependent Variable: CUSTOMER SATISFACTION (Y)

Source: Primary data processed using SPSS V.13, 2021

Based on the table of simultaneous test results (F test) above, it is obtained that the value of Fcount (137.491) > Ftable (3.09) with a significance value (Sig.) 0.00 < 0.05 then H0 is rejected and H3 is accepted. From this it can be concluded that product quality and price simultaneously have a significant effect on Samsung smartphone consumer satisfaction.

3.2 Discussion

1. Effect of Product Quality on Consumer Satisfaction

Based on the results of the analysis of product quality variable descriptions, it was found that Samsung succeeded in creating a smartphone that was easy to use so that it became an attraction and met consumer expectations so that consumers were satisfied. This is supported by the results of the analysis of the consumer satisfaction variable, which obtained item Y1.2 with the highest total score, namely "Samsung smartphones offer ease of use that meets my expectations".

However, as many as four respondents were not interested in Samsung smartphones because of the features available, and 16 respondents thought that Samsung smartphones had incomplete features. On the reliability indicator, as many as 15 respondents thought that Samsung smartphones had a poor level of speed and comfort when used. In terms of durability indicators, 19 respondents thought that Samsung smartphones had a shelf life and battery life that didn't last long. On the aesthetic indicator, 14 respondents thought that the design of the Samsung smartphone was not innovative, so that consumers were not interested. In terms of quality impression indicators, Samsung smartphones do not have superior quality and good impressions so consumers are not interested according to five respondents. On the conformity indicator with specifications, nine respondents said that Samsung smartphones did not have the specifications that met expectations and three respondents thought that Samsung smartphones had poor software performance. This is in accordance with the responses of 50 respondents in item X1.3.2, that Samsung smartphones

**THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON SAMSUNG SMARTPHONE
CUSTOMER SATISFACTION**

Nandi Rasdina Sri Sandro, Abdi Akbar, Muhammad Ilham Wardhana Haeruddin

have a deficiency in product quality. Thus, product quality is an important factor affecting consumer satisfaction.

The results of this study are also consistent with the theory put forward by Kotler and Armstrong (2008) in Aulia & Hidayat (2017) stating that product quality is a characteristic of a product or service that depends on its ability to satisfy stated or implied consumer needs. And in line with the research of Lukman (2020) and Ofela & Agustin (2016) which states that product quality partially has a significant effect on consumer satisfaction.

2. Effect of Price on Consumer Satisfaction

Based on the results of the analysis of the description of the price variable, the respondent's answer with the highest total score was item X2.2.1, namely "The price given is in accordance with the performance of the Samsung smartphone according to the user". The price given is sufficient according to the performance produced from the Samsung smartphone so that consumers are satisfied.

However, the price of Samsung smartphones is not affordable and does not match consumer purchasing power according to eight respondents. As many as six respondents thought that the features on Samsung smartphones did not match the price given. Whereas four respondents thought that the price given was not in accordance with the benefits obtained after using a Samsung smartphone, and the price given did not satisfy consumers. On the price competitiveness indicator, as many as 42 respondents thought that the price of Samsung smartphones was neither cheaper nor less competitive with other brands of smartphones.

This means that consumers can switch to other brands of smartphones with product quality equal to or better than Samsung smartphones at the same price. In other words, Samsung must maintain prices that are relatively affordable for consumers and further improve the quality of the products obtained as well as the suitability of the benefits or functions of the expected Samsung smartphones so as to increase consumer satisfaction. Thus price becomes one of the important factors that can affect consumer satisfaction.

The results of this study are also in accordance with the theory put forward by Tjiptono (2002) in Musyaffa (2019), price seen from a consumer's point of view, is often used as an indicator of value when the price is associated with the perceived benefits of an item or service. Value can be defined as the ratio between perceived benefits to price. Thus it can be concluded that at a certain price level, if the benefits felt by consumers increase, then the value will increase. If the perceived value of consumers is higher, it will create maximum customer satisfaction. And in line with research conducted by Pratama, (2019) and Purnamasari (2015) which states that prices partially have a significant effect on consumer satisfaction.

3. Effect of Product Quality and Price on Consumer Satisfaction

Based on the results of the analysis, it was found that the respondents' answers in the consumer satisfaction questionnaire (Y), as many as 15 respondents felt that the benefits obtained after using a Samsung smartphone made consumers not interested in making repeat purchases and were not willing to recommend them to others. As many as 13 respondents were not interested in repurchasing because of the advantages gained after using a Samsung smartphone.

The complete features of Samsung smartphones make 12 respondents unwilling to recommend others to buy or use Samsung smartphones. Meanwhile, nine respondents thought that the quality of Samsung smartphones did not meet consumer expectations.

Based on the test of the coefficient of determination, the R value was obtained at 0.860 or 86.0% indicating that the relationship between product quality and price on consumer satisfaction with Samsung smartphones is quite high. And based on the Adjusted R Square value obtained by 0.734 or 73.4%, Samsung smartphone consumer satisfaction is influenced by product quality and price, while the remaining 26.6% is influenced by other variables not examined in this study. So it can be concluded that 73.4% of Samsung smartphone consumer satisfaction levels are influenced by product quality and price. So that Samsung is expected to be innovative in improving indicators of product quality and maintaining affordable prices for consumers without having to reduce the value or benefits of the Samsung smartphone.

4. CONCLUSION

1. Product quality and price partially have a significant effect on Samsung smartphone customer satisfaction. This means that the better the quality of products from Samsung smartphones and the prices that are more in line with consumer perceptions will increase consumer satisfaction.
2. Product quality and price simultaneously have a significant effect on Samsung smartphone customer satisfaction.

REFERENCES

- Amalia, L. 2013. Analysis of the Relationship between Satisfaction and Consumer Loyalty for Yamaha Vixion Motorcycles at the Kebon Jeruk Motor Workshop, Central Jakarta. *Journal of Economics*, Esa Unggul University, Jakarta, 4(2), 65–77.
<https://www.neliti.com/id/publications/17897/analysis-connection-satisfaction-with-loyalty-consumer-to-bicycle-motorcycle-yamaha>.
- Aulia, M., & Hidayat, I. 2017. The Influence of Product Quality, Service Quality and Price on Amanda Brownies Consumer Satisfaction. *Journal of Management Science and Research*, 6(5), 1–17.

**THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON SAMSUNG SMARTPHONE
CUSTOMER SATISFACTION**

Nandi Rasdina Sri Sandro, Abdi Akbar, Muhammad Ilham Wardhana Haeruddin

- Gaol, AL, Hidayat, K., & Sunarti. 2016. The Effect of Product Quality on the Level of Consumer Satisfaction and Consumer Loyalty (Survey of Undergraduate Students of the Faculty of Administrative Sciences 2012/2013 Academic Year of Brawijaya University Using Samsung Smartphones). *Journal of Business Administration*, 38(1), 125–132.
<http://administrasibisnis.studentjournal.ub.ac.id/index.php/jab/article/view/1491>
- International Data Corporation (IDC). 2021b. Smartphone Shipments Return to Positive Growth in the Fourth Quarter Driven by Record Performance by Apple, According to IDC. International Data Corporation (IDC).
<https://www.idc.com/getdoc.jsp?containerId=prUS47410621>
- Lukman, S. 2020. The Influence of Product Quality and Price on Customer Satisfaction at PT. Bumi Tirta Pangan Kencana (Buddhi Dharma University Tangerang).
<http://repositori.buddhidharma.ac.id/768/>
- Musa, MI 2017. The Effect of Promotional Essence on Samsung Smartphone Purchase Decisions in Students of the Faculty of Economics, Makassar State University. *Economix Journal*, 5(2), 58–69.
- Musyaffa, NN 2019. The Effect of Price and Service Quality on Customer Loyalty Through Consumer Satisfaction as a Mediation Variable (Case Study on Argo Sindoro Executive Class Train Passengers PT. KAI DAOP IV Semarang). *ejournal3. Undip*, 8(4), 3–4.
- Nurmansyah, R., Hasbiah, S., Anwar. 2021. The Effect of Service Quality and Price Against Photo Studio Consumer Satisfaction. *Syntax Fusion: Indonesian National Journal*. 1(10), 521-531
- Ofela, H., & Agustin, S. 2016. Effect of Price, Product Quality and Service Quality on Kingabi Kebab Consumer Satisfaction. *Journal of Management Science and Research*, 5(1), 1–15.
- Purnamasari, IG. Y. 2015. The Influence of Product Quality and Price on Consumer Satisfaction of M2 Fashion Online Products in Singaraja in 2015. *Journal of the Department of Economic Education (JJP)*, 5(1), 1–12.
- Shinta, A. 2011. *Marketing Management* (1st ed.). Universitas Brawijaya Press (UB Press).
- Siyoto, S., & Sodik, MA 2015. *Basic Research Methodology*. Literacy Media Publishing.