

The Influence of Product Quality and Price on Customer Satisfaction in Chicken Tangan Mas Salam Cikrang West Java

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ABSTRACT

This study aims to determine the effect of product quality and price on customer satisfaction in soft bone chicken Mas Salam Cikarang, West Java. The independent variables in this study are product quality and price. While the dependent variable is customer satisfaction variable. Research using quantitative methods. The sample in this study were customers at Mas Salam Soft Bone Chicken, Cikarang, West Java. Data collection was carried out by distributing questionnaires directly to 65 respondents. Statistical method using SmartPLS 3, with statistical test hypothesis testing t. The results of this study indicate that product quality has a positive and significant effect on customer satisfaction. Price has a positive and significant effect on customer satisfaction.

Keywords: Product Quality, Price and Customer Satisfaction

INTRODUCTION

At present the development of the business world is growing rapidly which has an impact on increasingly fierce business competition. This makes business actors must be able to maintain their business in order to compete with other business actors.

One of the businesses that is growing rapidly and the competition is very tight at the moment is the cooking business, one of which is processed chicken which is very popular with the people of Indonesia. As time goes by, more and more traders are starting to sell various menus made from chicken. The various choices of chicken food will make it easier and more flexible for chicken lovers to choose the chicken menu they are going to buy.

Food is also a basic need for everyone, and culinary business opportunities are still open, but today's society is very careful in choosing products, especially food, to be consumed. With that, business owners must ensure that the products sold are of high quality and make price adjustments accordingly customer.

Wrong One chicken culinary business is Mas Salam Soft Bone Chicken. Mas Salam Soft Bone Chicken is a business founded by Mr. Salim Mukodar which is located in the Gandasari area, West Cikarang District, Bekasi, West Java. Mas Salam's Soft Bone Chicken sells processed chicken such as serundeng fried soft chicken, creamy fried soft chicken and sweet grilled soft chicken. Every day Mr. Salim's business is able to sell up to 65 servings of soft bone chicken and regular fried chicken for offline sales, both takeaway and dinein. If you want to

Ordering Mas Salam Soft Bone Chicken, customers can come directly to the place or you can also order via the Gofood or Grabfood applications, you can also order via WhatsApp.

Product quality

Taste, although taste is relative, food with good taste can be an important element in food quality. Quantity. Next is quantity, in the sense that for the portion of the food itself, speaking of the portion in the Mas Salam Soft Bone Chicken, one portion is enough for one person. Variation Regarding variety, in Mas Salam's Soft Bone Chicken, the chicken variants are not very diverse because they only rely on the serundeng variant. Mas Salam's Soft Bone Chicken should have created a new chicken menu variant so that customers don't get bored quickly. As for the main menu at Mas Salam's Soft Bone Chicken, namely serundeng fried soft chicken, creamy fried soft chicken and sweet bakra soft chicken. As for the duck menu, they are crispy fried tender duck, crispy fried tender duck and sweet roasted tender duck.

The distinctive taste, in Mas Salam's Soft Bone Chicken, is already delicious, but does not have a distinctive taste that distinguishes Mas Salam's Soft Bone Chicken from similar products. Hygiene, In the Mas Salam Soft Bone Chicken, the cooking process also pays attention to the cleanliness of the food itself.

Price

There is a measure that characterizes price, namely: affordability. Affordable prices are indeed an important factor in buying a product, especially food products. At Ayam TulangSoft Mas Salam, the prices offered are quite diverse, but these prices are relatively more expensive than other similar products. besides that the price tends to go up. price competitiveness, when comparing the price of Mas Salam's Soft Bone Chicken with similar chicken products. The price offered at Mas Salam's Soft Bone Chicken for chicken and duck menus starts from Rp. 18,000 to Rp. 22,000 rupiahs.

Price conformity with product quality, price agreement with product quality Quality in Mas Salam's Soft Bone Chicken from the taste is indeed good but there are several factors that are still lacking such as the absence of a distinctive taste that distinguishes Mas Salam's Soft Bone Chicken from other similar chicken products, besides that there is a lack of menu variety and innovation at Mas Salam's Soft Bone Chicken.

Customer satisfaction

In measuring customer satisfaction with Mas Salam's Soft Bone Chicken, there are several elements, namely: Feelings of satisfaction. If the customer has purchased the Mas Salam Soft Bone Chicken product and tasted it, the customer will feel satisfied if the product and service are at Mas Salam's Soft Bone Chicken. Always buying products, customers will make repeat purchases at Ayam TulangSoft Mas Salam if the food meets customer expectations.

In addition, customers will recommend to others,

although many buy food at Mas Salam's Soft Bone Chickencustomers tend not

recommending to others to buy food at Ayam TulangSoft Mas Salam, especially since the price is not affordable. Customer expectations are fulfilled after buying the product. Customer expectations, of course, Ayam TulangSoft Mas Salam are in accordance with their expectations, starting in terms of taste and service.

To stay in increasingly fierce business competition, it is important for entrepreneurs to focus on customer satisfaction. Customer satisfaction is necessary because it can affect the increase or decrease in sales. Increased customer satisfaction helps businesses achieve their goals, increase their sales, and enable their businesses to profit from it.

By paying attention to product quality and price, entrepreneurs can compete with other business owners. In addition, product quality and price also affect customer satisfaction. These factors affect customer satisfaction when buying soft bone mas salam chicken. Customers will be satisfied if the product they buy meets expectations.

Based on the discussion above, product quality and price have a large impact on customer satisfaction. The author is interested in submitting a proposal entitled "The Influence of Product Quality and Price on Customer Satisfaction of Mass Salam Soft Chicken Bones".

PRODUCT QUALITY

Afnina and Hastuti (2018) product quality is an effort to meet or exceed customer expectations where quality includes products, services, people, processes, and the environment; quality is a condition that is always changing, for example, what is considered quality today may be considered less qualified in the future.

According to Tjiptono (2010) in (Soleh in Wahyuni, 2018) product quality is everything that can be offered by producers to customers to pay attention to, ask for, look for, buy, use, consume by consumers as fulfillment or customer desires. (Kurnia, 2018)

According to Ernawati (2019) that product quality is one of the factors that can influence consumer product purchases, therefore business owners need to pay attention to product quality, because the better the product quality, the greater the consumer's buying interest in these products. If the service product offered is of lower quality than customer expectations, the customer will feel dissatisfied, but if the service product offered has the same quality as expected, the customer will feel satisfied (Tjiptono & Diana, 2018).

According to the description above, the authors conclude that the quality of the product is a characteristic of the product itself. If the business owner pays attention to product quality, the company will be superior to its competitors. therefore business owners must understand what they want and

needed by consumers to be able to meet customer needs and satisfaction.

According to Essinger and Wylie (2003) in (Komala 2019) indicators of food product quality are as follows:

1. Flavor
2. Quantity
3. Variation
4. Distinctive taste
5. Hygiene

PRICE

According to Kotler and Armstrong (2018) Price is the amount of money exchanged for a product or service. Furthermore, price is the amount of value that customers exchange for a number of benefits by owning or using an item or service.

According to Mahendra (2018) price is an amount of money that has been agreed upon by sellers and buyers to be exchanged for products or services in normal business transactions.

Meanwhile, according to Setyawan et al (2020), prices must reflect the value consumers are willing to pay, rather than reflecting only the cost of making a product or service.

Price is the expected value of the product or service and its services, and must be issued or paid by consumers to obtain a number of products. (Erik, 2018)

From some of the theories above, the authors argue that price means the true value of a product in the form of money that must be spent by consumers to get it

consume the product, and the price maker or trader earns the income. (Ahmadun, 2018)

Kotler and Armstrong (2012) in Roddy et al (2021) price indicators are as follows:

1. Price Affordability.

Customers are able to reach the price set by the business owner. Prices that tend to be cheap will be an attraction for customers to buy the product earlier.

2. Price Competitiveness.

Customers often compare the price of a product with other products.

3. Price Compatibility with Product Quality.

Between quality and price should be comparable. when the price is higher people tend to assume that the quality is also better.

4. Price Compatibility with Product Benefits.

Customer decidebuy a product if the perceived benefits are greater or equal to what has been spent to get them.

CUSTOMER SATISFACTION

According to Tjiptono (2001) in Kristianti et al (2020) customer satisfaction or dissatisfaction is a customer opinion that comes from a customer comparison that does not match what he bought with what he felt and expectations that did not match his wishes.

According to Richard L. Oliver in Tjiptono & Diana (2018), customer satisfaction is a customer's feelings of pleasure or displeasure from a service or result received as expected.

From the theory of the experts above, it can be concluded that customer satisfaction means the customer's response to the comparison between quality and price that the customer feels after using a product.

Indicators of Customer Satisfaction (according to Irawan, 2008) in (Izzah et al 2022), namely:

- a. Product satisfaction
- b. Always buy products
- c. Will recommend to others
- d. Fulfilledhope
customerafter buying the product

RESEARCH METHODS

This research is included in quantitative research. The population in this study were customers of Mas Salam's Soft Bone Chicken.

Sample is defined as part of the population to be studied. theory according to Hairs in Ferdinand (2014) which states that sampling is done by calculating the number of indicators multiplied by five. For the number of indicators in this study there are 13 indicators. So the number of samples in this study is13 times 5 which gives 65 samples.

The data analysis method used by researchers is the Partial Least Square (PLS) analysis method which was carried out with the help of SmartPLS version 3 software which was run using computer media.

The first PLS testing steps in this study are the Measurement Model (Outer Model) including Convergent Validity, Discriminant Validity, Composite Reliability and Cronbach Alpha, then the second is the Model Structure (Inner Model) which includes R Square, Estimate for Path Coefficients and hypothesis testing. .

RESULTS AND DISCUSSION

Hypothesis testing in this study uses Partial Least Square (PLS). PLS is an alternative method of statistical analysis using variant-based Structural Equation Modeling (SEM). The tool used in this research is SmartPLS Version 3 software which is specifically designed to estimate structural equations on the basis of variance. The structural model in this study is shown in Figure 5.1 below:

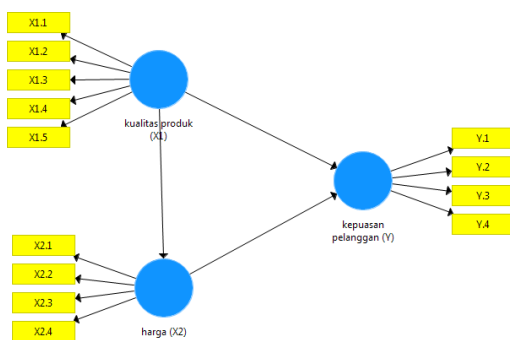


Figure 5.1 Structural Model

a. Measurement Evaluation (Outer Model)

1. Validity test

An indicator is said to be valid if it has a loading factor above 0.5 for the intended construct. The validity test for reflective indicators is using the correlation between item scores and construct scores.

Measurements with reflective indicators indicate a change in an indicator in a construct another indicator in the same construct changes (or is removed from the model). Reflective indicators are suitable for measuring perceptions, so this study uses reflective indicators. The table above shows that the loading factor gives a value above the recommended value of 0.5. The smallest value is 0.613 for the Y3 indicator. This means that the indicators used in this study are valid or have met convergent validity. The following is a factor loading diagram for each indicator in the research model:

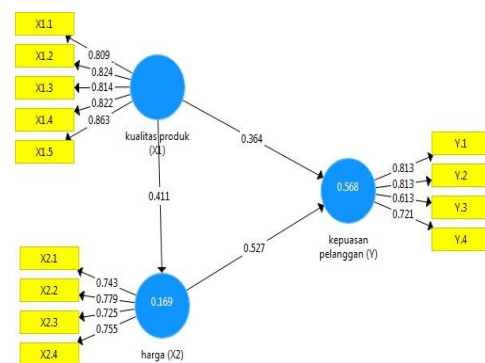


Figure 5.2 Loading Factor Value

Table 5. 1 Average Variance Extracted

| | Average Variance Extracted (AVE) |
|-----------|----------------------------------|
| X1 | 0.684 |
| X2 | 0.564 |

| | |
|----------|--------------|
| Y | 0.554 |
|----------|--------------|

The table above gives an AVE value above 0.5 for all constructs contained in the research model. The lowest value of AVE is 0.554 in construct Y (customer satisfaction).

2. Reliability Test

The reliability test is carried out by looking at the composite reliability value of the indicators that measure the construct. The composite reliability value will be satisfactory if the value shows above 0.7. The following is the composite reliability value in the output:

Table 5. 2 Composite Reliability

| | Composite Reliability |
|-----------|------------------------------|
| X1 | 0.915 |
| X2 | 0.838 |
| Y | 0.831 |

The table above shows that the composite reliability value for all constructs is above 0.7 which indicates that all constructs in the estimated model meet the discriminant validity criteria. The lowest composite reliability value is 0.831 in the Y construct (customer satisfaction).

The reliability test can also be strengthened with Cronbach's Alpha where the output of SmartPLS Version 3 gives the following results:

Table 5. 3 Cronbach's Alpha

| | Cronbach's Alpha |
|-----------|-------------------------|
| X1 | 0.886 |
| X2 | 0.743 |
| Y | 0.726 |

The recommended value is above 0.6 and the table above shows that the Cronbach's Alpha value for all constructs is above 0.6. The lowest value is 0.726 on Y (customer satisfaction).

b. Structural model testing (Inner Model)

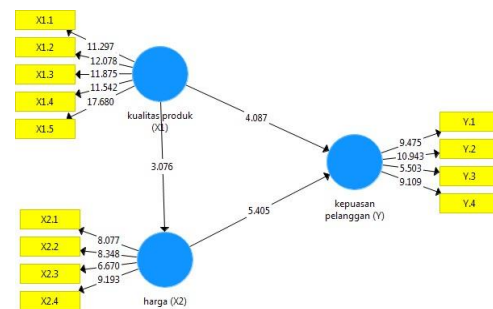


Figure 5.3 Validity Test, T-Statistics

After the estimated model meets the Outer Model criteria, then testing the structural model (Inner Model) is carried out. The following is the R-Square value in the construct:

Table 5. 4 R-Square

| | R Square | R Square Adjusted |
|----------------------------------|-----------------|--------------------------|
| Price (X2) | 0.242 | 0.244 |
| Customer Satisfaction (Y) | 0.747 | 0.728 |

The table above gives a value of 0.42 for the price construct which means that customer satisfaction is able to explain the price variance of 24.2%. Mark

R is also found at 0.747 which is influenced by product quality and price, which is 74.7%. Hypothesis testing is as follows:

Table 5. 5 Hypothesis Test Results

| | Original Sample (O) | Sample Means (M) | Standard Deviation (STDEV) | T-Statistics (O/STDEV) | P Value |
|---|---------------------|------------------|----------------------------|------------------------|---------|
| Product Quality (X1) -> Customer Satisfaction (Y) | 0.364 | 0.380 | 0.089 | 4,087 | 0.000 |
| Price (X2) -> SatisfactionCustomer (Y) | 0.527 | 0.514 | 0.098 | 5,405 | 0.000 |
| Product Quality (X1) -> Price (X2) | 0.411 | 0.424 | 0.134 | 3,076 | 0.002 |

Table 5. 6 Hypothesis Testing Results

1. Proof of hypothesis 1: Product quality has a positive and significant effect on customer satisfaction.

The table above shows that the relationship between product quality (X1) and customer satisfaction (Y) is significant with a T-Statistics of 4.087 (> 1.96). The original sample estimate value is positive, which is equal to 0.364 which shows the relationship between quality

product (X1) with customer satisfaction (Y) is positive. Thus the H1 hypothesis in this study which states that product quality (X1) affects customer satisfaction (Y) is accepted.

2. Proof of Hypothesis 2: Price has a positive and significant effect on customer satisfaction.

table above showing that the relationship between price (X2)

with customer satisfaction (Y) is significant with a T-Statistics of 5.405 (> 1.96). The original sample estimate value is positive, which is equal to 0.527 which shows the relationship between price (X2) and customer satisfaction (Y) is positive. Thus the H2 hypothesis in this study which states that price (X2) has an effect on customer satisfaction (Y) is accepted.

3. Proof of Hypothesis 3: Product Quality has a positive and significant effect on Price

The table above shows that the relationship between product quality (X1) and price (X2) is significant with a T-Statistics of 3.076 (> 1.96). The original sample estimate value is positive, which is equal to 0.411 which shows the relationship between product quality (X1) and price (X2) is positive. Thus the H3 hypothesis in this study which states that product quality (X1) affects price (X2) is accepted.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Based on the results of SEM (Structural Equation Modeling) analysis and the discussion that has been carried out in this study, there are several conclusions as follows:

1. The results of data analysis show that product quality has a positive and significant effect on customer satisfaction. This means that if the product quality is good, it will increase customer satisfaction. Vice versa if the quality of the product

bad will certainly reduce customer satisfaction.

2. The results of data analysis show that price has a positive and significant effect on customer satisfaction. This means that price is an important factor in increasing customer satisfaction. Prices that match the quality and benefits of the product will increase customer satisfaction.
3. The results of data analysis show that product quality has a positive and significant effect on price. This means that product quality determines the price of a product. The better the quality of the product, the price offered will follow the quality of the product.

Suggestion

Based on the research results obtained, the suggestions given are as follows:

1. Product quality has a positive and significant effect on customer satisfaction.
 - a. In accordance with the research above, the menu variation indicator (X1.3) in the product quality variable gets the lowest score even though the results are still positive, this shows that Mas Salam's Soft Bone Chicken should increase the menu variations, especially chicken variations which are superior products, because it will so customers don't get bored quickly because the menu is the same.
 - b. In general, Mas Salam's Soft Bone Chicken should be

- continuously improve product quality starting from taste, portion food, menu variations, products that are different from the others and food hygiene because this will certainly increase customer satisfaction at Ayam Tulang Mas Salam.
2. Price has a positive and significant effect on customer satisfaction.
 - a. According to the research above, the indicator of inviting other people to buy (Y.3) on the customer satisfaction variable gets the lowest score even though the results are still positive, this shows that customers will recommend a product to others if the customer is satisfied with the product, the things that can be done are such as holding promos/discounts for customers.
 - b. In general, Mas Salam's soft bone chicken should pay attention to the factors that influence customer satisfaction in addition to product quality and price factors, all parties must be unified in developing strategies that can increase customer satisfaction at Mas Salam's Soft Bone Chicken.
 3. Product quality has a positive and significant effect on price.
 - a. In accordance with the research above, the price indicator corresponds to product quality (X2.3) in the price variable gets the lowest value even though the value is still positive, this shows that the bone mas salam chicken in determining the selling price of the product needs to be adjusting to the quality of the products sold so that these prices can be accepted by customers of Ayam Tulang Mas Salam Cikarang, West Java.
 - b. In general, Mas Salam Cikarang West Java Soft Bone Chicken should adjust the product price according to the quality of the product to be marketed so that the quality and price of the product can be balanced.

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