

THE EFFECT OF PRICE DISCOUNTS ON CUSTOMER SATISFACTION WITH IN STORE DISPLAY AS AN INTERVENING VARIABLE (Case Study on Rizky Net Bandar Masilam Customers Simalungun Regency)

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Abstract

In this study the population is Rizky Net Bandar Masilam customers, Simalungun Regency. i.e. 50 people. Because the target population is less than 100, the sampling technique used is the census method, where the entire population of 50 Rizky Net Customers in Bandar Masilam, Simalungun Regency, will be used as the research sample. the first hypothesis is accepted, meaning that price discounts (X) have a significant effect on In Store Display (Y1). the second hypothesis is accepted, meaning that price discounts (X) have a significant effect on customer satisfaction (Y2). the third hypothesis is accepted, meaning that In Store Display (Y1) is an intervening variable that mediates the effect of Discounts (X) on Customer Satisfaction (Y2).

Keywords: Price Discounts, In Store Display, Customer Satisfaction

INTRODUCTION

Consumers tend to be more sensitive to the value offered by each product. Competition in the increasingly open business world makes entrepreneurs look for the right strategy to market their products. Consumer shopping behavior occurs widely in the market and becomes an important point of marketing activity. This relates to the increasing human desire to meet psychological and physiological needs caused by environmental factors, experiences, and individual reactions to other people. Increasing human needs will also have an impact on human life patterns, such as shopping habits in order to achieve consumptive satisfaction.

According to Kivetz and Simonon in Sopiah and Sangadji (2013: 182), consumer satisfaction can establish a harmonious relationship between producers and consumers, create a good basis for repeat purchases and create consumer loyalty, form word of mouth recommendations that can benefit the company. Because every consumer has the right to comfort, security, correct and honest information and correct treatment or service for what is purchased, every company or producer is required to provide a form of excellent service to its consumers.

According to Abdullah & Tantri (2015: 189) Price discounts are price adjustments to this product which are called discounts and purchase discounts are given to the public in the form of quantity discounts, cash / cash payment discounts, trade discounts (sales discounts). Companies modify the floor price of a product to reward customers for early payment, volume purchases, and off-season purchases. The discount given must have significant meaning to the consumer, otherwise it is meaningless. Companies will generally adjust their list prices and provide discounts or rebates for any early payments,

large purchases, and out-of-season purchases. Companies must do this carefully or they will find that their profits are much smaller than planned. Because every consumer has the right to comfort, security, correct and honest information and correct treatment or service for what is purchased, every company or producer is required to provide a form of excellent service to its consumers. This fact can be seen, that there are several things that can increase consumer buying interest, namely the total customer value consisting of product value, service value, personal value, image or image value, and total customer cost consisting of monetary costs, time costs, effort, and cost of thought.

In-store displays (Anggraeni et al., 2016). is an attempt to attract the interest and attention of consumers to an item that is sold with the appeal of sight. Displaying products in the store is likely to attract consumers to stop by the store by simply looking at the goods and even touching the goods. Product diversity is a product offered by sellers to prospective buyers. In general, consumers like interior displays because they can provide more opportunities to see, think about, choose goods that consumers like, and make buyers or consumers more active in making choices. This in-store display aims to promote various merchandise that can be considered regarding colors, prices, trends, materials and so on.

LITERATURE REVIEWS

Marketing

Marketing is one of the most important factors for advancing the company, especially companies engaged in the field of goods and services. Much of the company's success is determined by achievements in the field of marketing. Marketing is the process of studying consumer needs and wants and satisfying consumers with good products and services. Marketing activities are often interpreted as the activity of offering products and selling products, but when reviewed further it turns out that the meaning of marketing is not just offering or selling products, but activities that analyze and evaluate consumer needs and wants.

Price discount

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In-store displays

In-store displays(Anggraeni et al., 2016). is an attempt to attract the interest and attention of consumers to an item that is sold with the appeal of sight. Likewise with promotions that function to direct someone to feel interested, see, observe up to the action that creates a purchase, arrangement of merchandise in a certain place with the aim of attracting consumer interest, making it easier for consumers to see and choose and finally buy the product or goods offered.

Customer satisfaction

Customer satisfaction can be felt after customers compare their experiences in purchasing goods/services from sellers or providers of goods/services with the expectations of the buyers themselves. These expectations are formed through their first experience in buying an item/service, comments from friends and acquaintances, as well as promises and information from marketers and competitors. Marketers who want to excel in competition must pay attention to customer expectations and customer satisfaction.

METHODS

In this study the population is Rizky Net Bandar Masalam customers, Simalungun Regency. i.e. 50 people. Because the target population is less than 100, the sampling technique used is the census method, where the entire population of 50 Rizky Net Customers in Bandar Masilam, Simalungun Regency, will be used as the research sample.

Data analysis is a desire to classify, make a sequence, manipulate and abbreviate data so that it is easy to read and understand. In other words, data analysis activities are raw data that has been collected needs to be categorized or divided into several categories or groups, abbreviated in such a way that the data can answer problems according to research objectives and can test hypotheses (Silaen and Widiyono, 2013).

RESULTS AND DISCUSSION

A. Multiple Linear Regression Testing

Multiple Linear Regression Results

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	tolerance	VIF
		B	std. Error	Betas				
1	(Constant)	5,825	1868		3,118	.003		
	Price_Discount_X	.941	.104	.819	9,017	.000	.934	1,070
	In_Store_Display_Y1	.422	.121	.318	3,500	.001	.934	1,070

a. Dependent Variable: Customer_Satisfaction_Y2

Based on these results, the multiple linear regression equation has the formulation: $Y_2 = a + b_1X + b_2Y_1 + \epsilon$, so that the equation is obtained:

$$Y_2 = 5.825 + 0.941X + 0.422Y_1 + \epsilon$$

The description of the multiple linear regression equation above is as follows following :

- The constant value (a) of 5.825 indicates the amount of Customer Satisfaction (Y2) if Discounts (X) and In Store Display (Y1) are equal to zero.
- The regression coefficient value of Discounts (X) (b1) of 0.941 indicates the magnitude of the role of Discounts (X) on Customer Satisfaction (Y2) assuming the variable In Store Display (Y1) is constant. This means that if the Price Discount factor (X) increases by 1 unit value, it is predicted that Customer Satisfaction (Y2) will increase by 0.941 value units assuming In Store Display (Y1) is constant.

- c. The regression coefficient value of In Store Display (Y1) (b2) is 0.422 indicating the large role of In Store Display (Y1) on Customer Satisfaction (Y2) assuming the discount variable (X) is constant. This means that if the In Store Display factor (Y1) increases by 1 unit value, it is predicted that Customer Satisfaction (Y2) will increase by 0.422 value units assuming Discounts (X) are constant.

B. t test (Partial)

Partial Test (t) Equation 1

		Coefficients ^a						
		Unstandardized		Standardize			Collinearity	
		Coefficients		d			Statistics	
Model		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	8,232	1891		4,352	.000		
	Price_Discount_X	.222	.121	.256	1837	.072	1,000	1,000

a. Dependent Variable: In_Store_Display_Y1

Hypothesis test of the influence of the discount variable (X) on the In Store Display variable (Y1).

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

- a) Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or $Sig. > 0.05$
- b) Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or $Sig. < 0.05$

From the table above, a t_{count} value of 8.232 is obtained with $\alpha = 5\%$, t_{table} (5%; 50-k = 48) obtained a t_{table} value of 1.677. the significance is 0.00 < 0.05, it can be concluded that the first hypothesis is accepted, meaning that the discount variable (X) has a positive and significant effect on In Store Display (Y1).

Partial Test (t) Equation 2

		Coefficients ^a						
		Unstandardized		Standardize			Collinearity	
		Coefficients		d			Statistics	
Model		B	std. Error	Betas	t	Sig.	tolerance	VIF
1	(Constant)	5,825	1868		3.118	.003		
	Price_Discount_X	.941	.104	.819	9017	.000	.934	1,070
	In_Store_Display_Y1	.422	.121	.318	3,500	.001	.934	1,070

a. Dependent Variable: Customer_Satisfaction_Y2

Hypothesis Test of the effect of Price Discounts (X) on Customer Satisfaction (Y2)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

- a) Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05
- b) Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05

From the table above, a tcount value of 9.017 is obtained with $\alpha = 5\%$, $t_{table} (5\%; 50-k = 48) = 1.677$. From this description it can be seen that $t_{count} (9.017) > t_{table} (1.677)$, and its significance value is $0.00 < 0.05$, it can be concluded that the second hypothesis is accepted, meaning that price discounts (X) have a significant effect on customer satisfaction (Y2).

Hypothesis Test of the effect of In Store Display (Y1) on Customer Satisfaction (Y2)

The form of hypothesis testing based on statistics can be described as follows:

Decision Making Criteria:

- a) Accept H0 If $t_{count} < t_{table}$ or $-t_{count} > -t_{table}$ or Sig. > 0.05
- b) Reject H0 If $t_{count} \geq t_{table}$ or $-t_{count} \leq -t_{table}$ or Sig. < 0.05

From the table above, a tcount value of 3.500 is obtained with $\alpha = 5\%$, $t_{table} (5\%; 50-k = 48) = 1.677$. From this description it can be seen that $t_{count} (3.500) > t_{table} (1.677)$, and its significance value is $0.00 < 0.05$, it can be concluded that the third hypothesis is accepted, meaning that In Store Display (Y1) has a significant effect on customer satisfaction (Y2).

Path Analysis

Direct and Indirect Relations

No	Variable	Direct	Indirects	Total	Criteria	Conclusion
1	Discounts (X)	0.819	0.256	-	Significant	As Independent Variable
2	In-Store Displays (Y1)	0.318	-	0.814	Significant	As an Intervening Variable

CLOSING

Conclusion

Based on the results of the research and discussion in the previous chapter, it can be concluded as follows:

1. The things proposed state that: From table 4.16 a tcount value of 8.232 is obtained with $\alpha = 5\%$, $t_{table} (5\%; 50-k = 48) = 1.677$. From this description it can be seen that $t_{count} (8.232) > t_{table} (1.677)$, and a significance value of $0.00 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that discounted prices (X) have a significant effect on In Store Display (Y1).

2. From table 4.17, a tcount value of 9.017 is obtained. With $\alpha = 5\%$, ttable (5%; 50-k = 48) a ttable value of 1.677 is obtained. From this description it can be seen that tcount (9.017) > ttable (1.677), and its significance value is $0.00 < 0.05$, it can be concluded that the second hypothesis is accepted, meaning that price discounts (X) have a significant effect on customer satisfaction (Y2).
3. From the results of the calculation above, the tcount value is 3.500. With α (5%; nk = 48) the ttable value is 1.677. From this description it can be seen that tcount (3.500) > ttable (1.677), it can be concluded that the third hypothesis is accepted, meaning that In Store Display (Y1) is an intervening variable that mediates the effect of Discounts (X) on Customer Satisfaction (Y2).

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