

THE INFLUENCE OF PRODUCT QUALITY AND PRICE ON CUSTOMER SATISFACTION FOR TOWER 215 CHIPS

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Abstract

This research aims to analyze the influence of product quality and price on customer satisfaction. The research method used is a quantitative method. This research uses Purposive Sampling. The sample in this study consisted of 50 respondents. The data collection instrument uses a questionnaire. The dependent variable is the customer satisfaction variable and the independent variable is product quality, price, namely price, product quality, and customer satisfaction for tower 215 Bireuen chips. The data analysis method used is multiple linear regression. All statements are valid, reliable and normal. The results show that the coefficient of determination (R Square) of the independent variable on the dependent variable is $R^2 = 0.821$ or 82.1%. The independent variable can explain the dependent variable. Research shows that price has a significant effect on customer satisfaction for tower 215 Bireuen chips. This is proven by t_{count} being greater than t_{table} ($2.523 > 2.014$). And product quality has a significant effect on customer satisfaction for tower 215 Bireuen chips. This is proven by t_{count} being greater than t_{table} ($5.120 > 2.014$). Meanwhile, the results of the simultaneous test of price variables, product quality, have a significant influence of $f_{count} 51,639 > f_{table} 2.58$ on customer satisfaction. This shows that, the better the price and product quality provided, the greater the customer satisfaction of tower 215 Bireuen chips.

Keywords: *Product Quality, Price, Customer Satisfaction.*

INTRODUCTION

In this research, researchers focused on several problems related to Product quality and price on customer satisfaction for Tower 215 chips. The food industry is a prospective industry in Indonesia, because it is one of the businesses that is growing rapidly and continues to stimulate entrepreneurs' interest in working on the food business. This is because food businesses are experiencing very rapid development and many are emerging and have become the target of many consumers and a place for snacks and food for gatherings of family, relatives and friends. Intense competition in the business world occurs in various fields, including the culinary business. The need for food and drink is a basic human need 2 that must be fulfilled so that the culinary business has become a trend among Indonesian people. Companies that fail to understand consumers' needs, desires, tastes and purchasing decision processes will experience failure in their marketing and sales. So companies must be able to create quality products and low prices in order to be able to compete.

Measuring the seller's customer level is very important, because in this way the company's performance can be measured and compared with its competitors. Apart from that, sellers can find out if there are deficiencies or weaknesses in the quality of the products offered. Attitude and follow-up are important to cultivating loyal customers. If customers become lost or inactive, then action must be taken in an effort to reclaim the lost business. In implementing sales development, it can also be adjusted to customer tastes with the hope that customers will feel satisfied with the products that have been given or sold. Competition is quite tight as it is now, where companies are required to offer quality products that have added value so that they will appear different from competitors' products. Apart from product quality, other things that must be considered in order to win over competitors in the business world, sellers must also prioritize achieving customer satisfaction. A consumer is said to be satisfied if they are happy and have strong behavior to use or buy again regularly a product or service. How consumers form customer satisfaction, and of course

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it must start by providing superior and superior quality products or services so that customers feel satisfied with the experience of consuming them. With good and trustworthy quality, the product will always be ingrained in the minds of consumers who are willing to pay a certain amount of money to buy a quality product. This is a great opportunity for entrepreneurs operating in the food business sector to continue to develop their business. As currently, food enthusiast consumers choose a product not just based on the packaging or taste of the product. Consumers will provide their own assessment of the product they will choose before making or deciding on a purchase, therefore producers or food entrepreneurs like today need to pay attention to the quality of the product and the price of an item.

LITERATURE REVIEW

Understanding Product Quality

Product quality is the overall characteristics and characteristics of a product or service in its ability to meet predetermined needs. Product quality can usually be measured by Brand and Packaging. A brand is a name, term, sign, symbol, or design, or a combination of these, which is intended to identify the products or services of one or a group of sellers and differentiate them from competitors' products. Meanwhile, packaging is the activity of 3 designing and making a container or wrapper for a product. Branding and packaging are important things that sellers must pay attention to (Savitri, 2020) According to Hardana (2022) Product quality is anything that can be offered to the market for attention, purchase, use, or consumption that can satisfy a want or need. The product is a key element in the overall market offering. Apart from that, products can also be defined as consumer perceptions which are described by producers through their production results (Kumrotin, 2021).

Understanding Price

Price is the exchange value of an item expressed in money. In economics, what is meant by market price is the price agreed upon by the seller and buyer, and at this price the goods demanded are the same as the quantity of goods offered. Price can also be defined as the amount of value that consumers must pay to own and benefit from a product or service offered. By understanding the components of price, consumers can compare the value provided by various products or services before making a purchasing decision. For both consumers and producers, a good understanding of prices will help make smart decisions and maintain overall economic balance.

Understanding Customer Satisfaction

According to Sumarsid (2022), consumer satisfaction is a person's feeling of happiness or disappointment that arises from comparing perceived performance or results with their expectations. So, the level of satisfaction is a function of the difference between performance and expectations. If performance is below expectations, it will certainly make consumers feel dissatisfied or disappointed, but if performance is above expectations it will definitely make consumers feel very satisfied. According to Maulana (2022), Apart from product quality, other things that must be considered in order to win over competitors in the business world, sellers must also prioritize achieving customer satisfaction. A consumer is said to be satisfied if they are happy and have strong behavior to use or buy again regularly a product or service. How consumers form customer satisfaction, and of course it must start by providing superior and superior quality products or services so that customers feel satisfied with the experience of consuming them. Customer satisfaction also begins with the consumer's assessment of the quality of the product or service they receive (perception) which is based on expectations.

Conceptual Framework

Based on the theoretical basis and results of previous research as well as the problems that have been raised, as a basis for formulating hypotheses, the following theoretical framework is presented as outlined in the research model as shown in the following figure:

Figure 1 Conceptual Framework

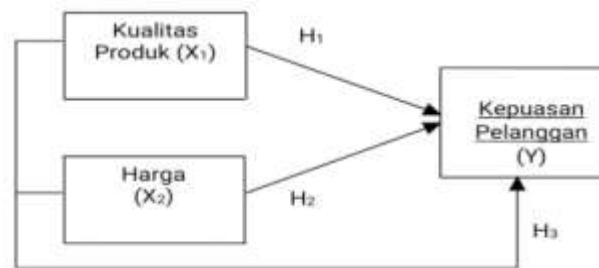


Figure 1 above shows that the dependent variable that will be used in this research is customer satisfaction (Y). Meanwhile, the independent variables are product quality (X1) and price (X2), on partial customer satisfaction (Y), the t test is used, while to test the effect of product quality (X1) and price (X2), on customer satisfaction (Y) individually. simultaneously, the F test is used.

Hypothesis

Based on the conceptual framework and explanation regarding the relationship between research variables, it is necessary to build and formulate a hypothesis statement in a particular description, which is supported by the results of previous research findings, so that the formulation of the hypothesis can be justified scientifically. Based on the problem formulation, the theoretical review proposed and developed in this research is formulated as follows:

- Ha1: KProduct quality has a partially significant effect on customer satisfaction for Chips tower 215 Bireuen.
- H01: Product quality does not have a partially significant effect on customer satisfaction for Chips Tower 215 Bireuen.
- Ha2: Product price has a partially significant effect on customer satisfaction for tower 215 Bireuen chips.
- H02: Product price does not have a partially significant effect on customer satisfaction for tower 215 Bireuen chips. 5
- Ha3: Product quality and price have a partially significant effect on customer satisfaction for Chips tower 215 Bireuen.
- H03: Product quality and price do not have a partially significant effect on customer satisfaction for Tower 215 Bireuen chips.

RESEARCH METHODS

Research Approach

The approach used in this research is a quantitative approach. according to Sugiyono (2013) Quantitative research methods are research methods in the form of numbers and analyzed using statistics. Meanwhile, according to Sarwono (2011) states that quantitative methods are systematic scientific research methods of parts and phenomena and their relationships. It can be concluded that quantitative research methods are a series of systematic ways to determine the relationships and causes and effects of a phenomenon using numbers.

Place and Time of Research

This research was conducted in Blang Cot Tunong village, Jeumpa subdistrict, Bireuen district, Aceh province. Before the research was carried out, the researcher first carried out observations to find the problems faced regardingThe Influence of Product Quality and Price on Customer Satisfaction for Tower 215 Chips. The research time was carried out in April 2024. The time used by researchers for this research was carried out from the date the research permit was issued over a period of approximately 3 (two) months, 1 month of data collection and 1 month of data processing which includes presentation in the form of a thesis and the guidance process taking place.

Research Population

According to Sugiyono (2013:117) Population is "all the characteristics that are the object of research, where these characteristics relate to the entire group of people, events or objects that are the center of attention for the researcher". The population in this study were consumers who purchased Tower 215 Bireuen Chips, totaling 50 people.

Research Sample

A sample is a portion of a population that has the same characteristics as the population. According to Sugiyono (2013:118), the sample is part of the number and characteristics of the population, the samples in this study were 50 consumers. In determining the sample for this research, a non-probability sampling approach procedure was used. The type of non-probability sampling used in this research is saturated 6 sampling or often also called census. Based on the explanation above, the samples in this research will be the entire population taken, namely all consumers who purchased Tower 215 Bireuen Chips, totaling 50 people.

Data Analysis Methods

The method used to support this research is a quantitative method and in this research is a multiple linear regression model, namely to analyze the influence of the dependent (free) variable on the dependent (dependent) variable.

1. Validity Test
2. Reliability Test
3. Classical Assumption Test
 - 1) Multicollinearity Test
 - 2) Heteroskedasticity Test
 - 3) Normality Test
4. Partial Significance Test (t Test)
5. Simultaneous Significance Test (F Test)

RESEARCH RESULTS AND DISCUSSION

Analysis of Research Results

Validity Test

Table 1
K.Product Validity Testing Results

Statement	Person Correlation	R table	Information
K. Product 1	0.731	0.2787	Valid
K. Product 2	0.846	0.2787	Valid
K. Product 3	0.865	0.2787	Valid
K. Product 4	0.777	0.2787	Valid
K. Product 5	0.606	0.2787	Valid

Source: Processed primary data, 2024

Based on table 1 above, it can be seen that the corrected item-total of each statement given to respondents is greater than the r table value, namely 0.2787, which means that all statement items are declared valid.

Table 2
Price Validity Test Results

Statement	Person Correlation	R table	Information
Price1	0.600	0.2787	Valid
Price2	0.831	0.2787	Valid
Price3	0.569	0.2787	Valid
Price4	0.661	0.2787	Valid
Price5	0.763	0.2787	Valid

Source: Processed primary data, 2024

Based on table 2 above, it can be seen that the corrected item-total of each statement given to respondents is greater than the r table value, namely 0.2787, which means that all statement items are declared valid.

Table 3
K.Purchase Validity Testing Results

Statement	<i>Corrected Item-Total</i>	R table	Information
K. Purchase 1	0.758	0.2787	Valid
K. Purchase 2	0.782	0.2787	Valid
K. Purchase 3	0.760	0.2787	Valid
K. Purchase 4	0.808	0.2787	Valid
K. Purchase 5	0.738	0.2787	Valid

Source: Processed primary data, 2024

Based on table 3 above, it can be seen that the corrected item-total of each statement given to respondents is greater than the r table value, namely 0.2787, which means that all statement items are declared valid.

Reliability Test

Table 4
Reliability Test Results

Variable	<i>Cronbach Alpha(>0.70)</i>	Information
Product Quality	0.825	Reliable
Price	0.758	Reliable
Customer satisfaction	0.808	Reliable

Source: Processed primary data, 2024

Based on table 4 above, it can be seen that the Cronbach alpha value of all the variables tested is above 0.70, so it can be concluded that all the variables in this study are declared reliable

Classical Assumption Test

1. Multicollinearity Test

Table 5 Multicollinearity Coefficient Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3,100	1,613		1,921	,061		
Price	,300	,119	,316	2,523	,015	,254	3,934
K. Products	,479	,094	,648	5,120	,000	,248	4,026

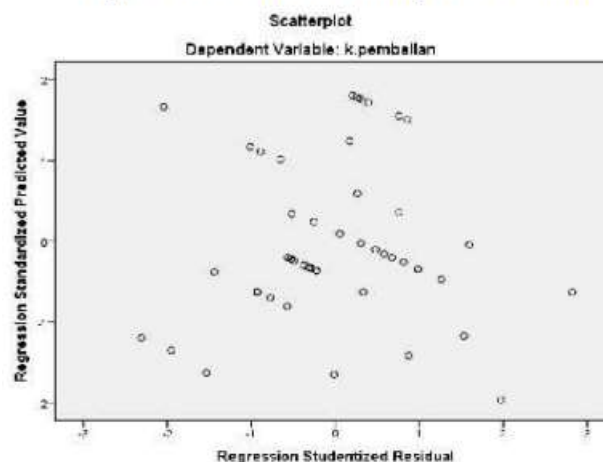
A. Dependent Variable: Customer Satisfaction

Source: Processed SPSS output results, 2024

Based on the data in table 5 above, it can be seen that the requirements to pass the multicollinearity test have been fulfilled by all existing independent variables, namely a tolerance value that is greater than 0.10 and a VIF (Variance Inflation Factor) value that is smaller than 10. In the table above, the tolerance value for the independent variable price is 0.254, product quality is 0.248, meaning that the variables price and product quality are not correlated. Meanwhile, the independent variable price is 3.934, product quality is 4.026, which means it is not correlated.

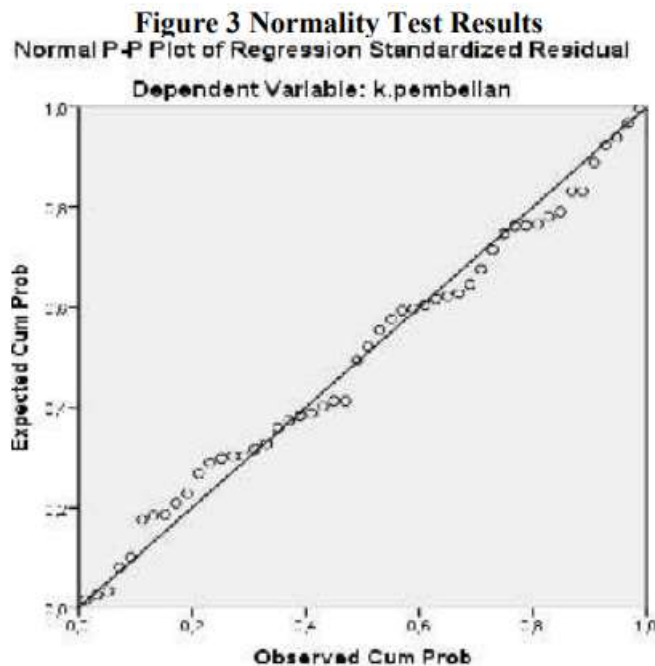
2. Heteroscedasticity Test

Figure 2 Heteroscedasticity Test Results



Based on the image above, it can be seen that the points are spread randomly both above and below the number 0 on the Y axis, and do not form a particular pattern. This shows that heteroscedasticity does not occur in the regression model.

3. Normality Test



Based on the graph above, it shows that all existing data is normally distributed, because the data spreads to form and approaches a straight diagonal line, the data meets the normal assumption or follows the line of normality.

Partial Significant Test (t Test)

Table 6 Coefficientsa t test

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
(Constant)	3,100	1,613		1,921	,061
Price	,300	,119	,316	2,523	,015
K. Products	,479	,094	,648	5,120	,000

The following is a discussion of a partial test between price, product quality and customer satisfaction for tower 215 Bireuen chips.

a. Influence of product quality (X1) on customer satisfaction (Y)

Hypothesis:

H01= That product quality does not have a partially significant effect on purchasing decisions for tower 215 Bireuen chips.

Ha1= That product quality has a partially significant effect on purchasing decisions for tower 215 Bireuen chips.

The results of the t test for product quality (X1) on purchasing decisions (Y) show a Sig value of 0.000 and the calculated t shows a value of 5.120, meaning that the sig value is greater than the probability value of 0.05 ($0.000 < 0.05$) and the calculated t is greater than t table ($5.120 < 2.014$), then the conclusion that can be drawn is that H0 is rejected and Ha is accepted. This means that product quality has a partially significant effect on purchasing decisions for tower 215 Bireuen chips.

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b. Effect of Price (X2) on customer satisfaction (Y)

Hypothesis:

H01= That price does not have a partially significant effect on purchasing decisions for tower 215 Bireuen chips.

Ha1= That price has a partially significant effect on purchasing decisions for chips tower 215 Bireuen.

c. Effect of Price (X2) on customer satisfaction (Y)

Hypothesis:

H01= That price does not have a partially significant effect on purchasing decisions for tower 215 Bireuen chips.

Ha1= That price has a partially significant effect on purchasing decisions for chips tower 215 Bireuen.

The results of the t test for price (X2) on purchasing decisions (Y) show a Sig value of 0.015 and the calculated t shows a value of 2.523, meaning the Sig value is smaller than the probability value of 0.05 ($0.015 < 0.05$) and the calculated t is greater than the t table ($2.523 > 2.014$), then the conclusion that can be drawn is that H0 is rejected and Ha is accepted. This means that price has a partially significant effect on customer satisfaction when purchasing tower 215 Bireuen chips.

Simultaneous Significance Test (F Test)

The F statistical test basically shows whether all the independent or independent variables included in the model have a joint influence on the dependent or dependent variable.

Table 7 ANOVA F test

Model	Sum Of Squares	Df	Mean Square	F	Sig.
1 Regression	139,590	4	34,897	51,639	,000
Residual	30,410	45	,676		b
Total	170,000	49			

A. Dependent Variable: K. customers

B. Predictors: (Constant), K.Product ,

Based on table 4.15, a probability value (Sig) of 0.000 is obtained. Because the Sig value < 0.05 ($0.000 < 0.05$), the decision is that H0 is rejected and Ha is accepted. The conclusion is that it is significant, meaning product quality and price influence buyer satisfaction with tower 215 Bireuen chips.

Discussion of Research Results

The results of this research show that product quality has a partially significant effect on customer satisfaction at Keripik tower 215 Bireuen. Based on the results of testing hypothesis 2 above regarding the influence of product quality variables that have no effect on purchasing decisions, 0.000 is less than 0.05, where the results of the t test show that the calculated t value is 5.120. This means showing that H0 is rejected and Ha is accepted. So it can be concluded that the better the product quality, the higher the customer satisfaction with Tower 215 chips. This research is in line with previous research conducted by Dede Aprisal (2017) with the title "The Influence of Product Quality, Price, Promotion and Location on Purchasing Decisions (Case Study at Great Store Clothing Samarinda) with the research results that product quality has a partially significant effect on buying decision.

The results of this research indicate that price has a partially significant effect on customer satisfaction at Keripik tower 215 Bireuen. Based on the results of testing hypothesis 1 above regarding the influence of price variables on purchasing decisions, it is obtained from the information that the price variable has a significant effect on purchasing decisions of 0.015, which is less than 0.05, where the results of the t test show that the calculated t is 2.523. This means showing that H0 is rejected and Ha is accepted. So it can be concluded that the more appropriate the price offered, the higher the customer satisfaction with Tower 215 chips. This research is in

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line with previous research conducted by Ahmad Yulizar and Dra. Apriatni EP, M.Si (2015) with the title "The Influence of Price and Promotion on the Decision to Purchase an Acer Brand Laptop (Case Study of FISIP UNDIP Semarang Students)" with research results that price has a partially significant effect on purchasing decisions. Based on the results of the F test, it can be seen that the calculated F value is 51.639 with a significance value of 0.42. This shows that $F_{count} > F_{table}$ ($51.639 > 2.42$) and the Sig value < 0.05 ($0.000 < 0.05$). The hypothesis in this study, H_0 , is rejected and H_a is accepted, which means that product quality and price are significant simultaneously or together on customer satisfaction with tower 215 Bireuen chips.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

This research aims to determine the influence of product quality variables, price, on customer satisfaction for tower 215 Bireuen chips. Based on the results of the analysis and discussion presented in the previous chapter, the following conclusions can be drawn:

1. Product quality has a significant influence on the decision to purchase tower 215 Bireuen chips. The magnitude of the price influence is 47.9%. This means that for every 1 percent increase in product quality, product quality will increase by 47.9%. Likewise, if the quality of the product decreases by 1 percent, the price will decrease by 47.9%.
2. Price has a significantly significant effect on customer satisfaction for tower 215 Bireuen chips. The magnitude of the price influence is 30%. This means that for every 1 percent increase in price, the price will increase by 30%. Likewise, if the price decreases by 1 percent, the price will decrease by 30%.
3. Based on the results of simultaneous multiple regression tests, it was found that product quality and price simultaneously influence customer satisfaction for tower 215 Bireuen chips..

Suggestions

1. The owner of the tower 215 Bireuen chips business needs to pay more attention to product quality issues because it really influences purchasing decisions
2. To the owner of the tower 215 Bireuen chips business, continue to maintain prices that are in line with the benefits received by consumers, quality and consumer needs.
3. Future researchers are expected to be able to add other factors such as variables, product quality, price which can influence customer satisfaction. Thus providing a good contribution to further research on purchasing decisions.

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