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# Effect of Product Quality, Promotion and Service on Customer Satisfaction at UD. Bali Rahayu

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# Effect of Product Quality, Promotion and Service on Customer Satisfaction at UD. Bali Rahayu

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## 1. INTRODUCTION

In the current era of globalization, competition in the business world is very fierce, this competition requires business people to be able to maximize their company's performance in order to compete in the market. In facing this increasingly broad industrial competition, it requires companies to change the format of their business strategy. This causes the management of each company to be challenged to try competitively to face competitors (Kotler and Armstrong 2016). One of them is the development of manufacturing companies, many furniture companies are becoming number one companies. This is due to the existence of good sales management in a company. In addition, more and more manufacturing companies, such as in the furniture sector, do not only rely on their version of the product sales system, but they also adjust between the types of wood used and the quality of furniture products.

UD. Bali Rahayu is one of the furniture companies in Badung Regency, UD. Bali Rahayu as an institution that is engaged in selling furniture. UD. Bali Rahayu is located at Tumbak Bayuh highway, Mengwi, Badung Regency. At this time UD. Bali Rahayu has 35 employees with characteristics and abilities according to their respective fields of ability, where the number of employees is 35 consisting of 21 men and 14 women. If seen from the number of male employees more than women, this is because UD. Bali Rahayu prefers male employees who go directly to the field than female

employees. The highest level of employee education is Junior High School, namely 12 people, SMA as many as 10 people, SD as many as 8 people and S1 as many as 5 people. If viewed from the level of education, the number of junior high school employees is more than other education levels, this is because UD. Bali Rahayu prioritizes teamwork and expertise in working to achieve company goals and can advance UD. Bali Rahayu.

According to Kotler in Vesilia Adriani (2015) satisfaction is the feeling of being happy or disappointed by someone that arises because of comparing the perceived performance of the product (or results) against their expectations. If performance fails to meet expectations, customers will be dissatisfied. If the performance is as expected, the customer will be satisfied. If the performance exceeds expectations, the customer will be very satisfied or happy. Product quality is an important thing that every company must strive for if it wants the products to be competitive in the market. According to Kotler and Armstrong (2016), product quality is the product's ability to perform its function, this includes the useful life of the product, reliability, ease, use and repair. (Wahyu & Gorda, 2017: 325) in Alhilal Hamdi (2020). However, through observations made at UD. Bali Rahayu still found several problems related to product quality, namely, namely the incompatibility of the products sent with those ordered by customers and the quality of the products that still had defects in some corners of the furniture.

Apart from product quality, the thing that plays a role in increasing consumer satisfaction is promotion. Promotion is one of the variables in the marketing mix which is very important for companies to implement in marketing their products or services. According to Kotler and Armstrong (2018: 76), "Promotion means activities that communicate the merits of the product and persuade target customers to buy it", meaning that promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the product. According to Hermawan (2016) the notion of promotion is one of the priority components of marketing activities that inform consumers that companies are launching new products that tempt consumers to purchase activities. Promotion is designed as attractive as possible to reach the wider community through various media, this is so that companies can communicate with consumers. Simple promotional objectives according to Kuncoro (2016) are

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divided into three types, namely Providing customer information about new products or features, Reminding customers of company brands, influencing customers to buy.

Several observations made on UD customers. Bali Rahayu, there are several complaints related to promotions, namely the company has not paid maximum attention both materially and non-material to its promotional activities, so that many potential customers and customers do not know there is a promo / discount at UD. Bali Rahayu. The quality of service ideally occurs by improving services that meet customer expectations, are straightforward and provide customers with quality services. This agrees with Lupiyoadi (2012: 176), "Service quality is an activity or series.

## II. LITERATURE REVIEW

### a) Customer satisfaction

Customer satisfaction is a description of the difference between expectations and performance received. If expectations are high, while performance is mediocre, then satisfaction will not be realized so that consumers will be disappointed (Priansa, 2017: 211). Research conducted by Vesilia Adriani and Realize (2018), Mitha Alifia Roselina and Asih Niati (2019) and Alhilal Hamdi, Raymond (2020) found that product quality, promotion and service have a positive and significant effect on customer satisfaction.

*H1: Product quality, promotion and service have a positive and significant effect on customer satisfaction at UD. Bali Rahayu.*

### b) Product quality

Product quality is a product or service characteristic that depends on its ability to satisfy customer needs that are stated or implied by Kotler and Armstrong (2016). Research conducted by Brigitte Tombeng, Ferdy Roring and Farlane S. Rumokoy (2019), Malik Ibrahim and Sitti Marijam Thawil (2019) and Yoga Pratomo (2019) found that product quality has a positive and significant effect on customer satisfaction.

*H2: Product quality has a positive and significant effect on customer satisfaction at UD. Bali Rahayu.*

### Promotion

Promotion is the last activity of the marketing mix which is very important because most markets are more of a buyer's market, where the final decision of buying and selling transactions is strongly influenced by consumers Daryanto (2017). Research conducted by Triyadi, Udin Ahidin and Jasmani (2019), Daniel Septian and Asron Saputra (2020) and Reny Wilija Sihite and Nora Pitri Nainggolan (2020) found that promotion has a positive and significant effect on customer satisfaction.

*H3: Promotion has a positive and significant effect on customer satisfaction at UD. Bali Rahayu.*

### c) Service

Service is an activity or a series of activities that are invisible to the eye that occurs as a result of interactions between consumers and employees or other things provided by the service provider company in question to solve consumer problems for customers of Ratminto (2016). Research conducted by Abdul Gofur (2019), Jimmy Fachmy, Syahnur Said, Mapparenta (2019) and Christin Regina and Agus Hermani DS (2020) found that service has a positive and significant effect on customer satisfaction.

*H4: Service has a positive and significant effect on customer satisfaction at UD. Bali Rahayu.*

The population in this research is 90 customers based on accidental side. Accidental sampling technique according to Sugiono (2017: 73) that the technique of determining the sample based on chance, namely customers who accidentally meet the researcher can be used as a sample, if it is considered that the person who happened to be met matches the data source. Data collection techniques in this study using interviews, interviews, documentation and questionnaires. Where the questionnaire was distributed to 90 UD customers. Bali Rahayu by giving a set of questions using a Likert scale and then tested with validity and rebirth instruments as well as classical assumption test with multiple linear regression analysis technique.

## III. RESULTS AND DISCUSSION

### Results of Validity Test Against Respondents at UD. Bali Rahayu

No.	Variable	Instrument	Value r	Description
1	Customer Satisfaction (Y)	y1	0,663	Valid
		y2	0,672	Valid
		y3	0,693	Valid
2	Product Quality (X1)	x1.1	0,438	Valid
		x1.2	0,859	Valid
		x1.3	0,833	Valid
3	Promotion (X2)	x2.1	0,731	Valid
		x2.2	0,437	Valid
		x2.3	0,563	Valid

4	Service (X3)	x2.4	0,810	Valid
		x2.5	0,539	Valid
		x3.1	0,376	Valid
		x3.2	0,540	Valid
		x3.3	0,744	Valid
		x3.4	0,475	Valid
		x3.5	0,730	Valid

Based on the table above, it shows that all research variables, namely customer satisfaction, product quality, promotion and service have a Pearson

correlation greater than 0.3 so that it can be stated that the statement is valid and can be used as an instrument for collecting research data.

#### Reliability Test Results Against Respondents at UD. Bali Rahayu

No.	Variable	Value of Cronbach's Alpha	Description
1	Customer Satisfaction	0,757	Reliabel
2	Product Quality	0,794	Reliabel
3	Promotion	0,748	Reliabel
4	Service	0,726	Reliabel

Based on the table above shows that the research instruments, namely customer satisfaction, product quality, promotion and service have a Cronbach alpha value greater than 0.70 so that it can be stated

that the statement in the questionnaire is reliable. This means, if the measurement is done again with the same symptoms, the measurement can give consistent results.

#### Data Normality Test Results One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		90
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	1,24031695
Most Extreme Differences	Absolute	,057
	Positive	,040
	Negative	-,057
Test Statistic		,057
Asymp. Sig. (2-tailed)		,200 <sup>c,d</sup>

Based on the results of the data normality test in the table above, it shows the Asymp value. Sig (2-tailed) of 0.200 is greater than 0.05, so it can be

explained that the data used is data that is normally distributed.

#### Multicollinearity Test Results

No.	Variabel	Value Tolerance	VIF
1	Customer Satisfaction	0,638	1,566
2	Promotion	0,599	1,669
3	Service	0,664	1,505

Based on the results of the multicollinearity test in the table above, it shows that the tolerance value is greater than 0.1 and the Variant Inflation Factor (VIF) value is smaller than 10 so that it can be explained that the data used in this study are data that do not experience multicollinearity symptoms.

## Heteroscedasticity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,163	,540		5,862	,000
	X1	-,044	,045	-,121	-,988	,326
	X2	-,015	,032	-,060	-,470	,639
	X3	-,076	,031	-,300	-2,489	,115

Based on the table above, the results of the heteroscedasticity test for all variables have a sig value.

> 0.05, so it can be explained that the data used did not experience heteroscedasticity symptoms.

## Simultaneous Significant Test Results (Test F)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	67,184	3	22,395	14,066	,000 <sup>b</sup>
	Residual	136,916	86	1,592		
	Total	204,100	89			

Based on the results of simultaneous testing, it was obtained that the F value was 14.066 with a significant value of 0.000 < 0.05. This shows that there is

a significant influence simultaneously variable product quality, promotion and service on customer satisfaction at UD. Bali Rahayu.

## Statistical Test Results t

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,091	1,010		6,029	,000
	X1	,170	,084	,224	2,022	,046
	X2	,123	,059	,238	2,083	,040
	X3	,123	,057	,232	2,145	,035

Based on the test results, it was found that the variables of product quality, promotion and service on customer satisfaction had a smaller significance value of 0.05, so there was a partially positive and significant influence of each variable.

partially significant positive effect on customer satisfaction at UD. Bali Rahayu. This influence indicates that service improvement can increase customer satisfaction.

## IV. DISCUSSION

Effect of Product Quality on Customer Satisfaction. This proves that product quality has a partially significant positive effect on customer satisfaction at UD. Bali Rahayu. This influence indicates that product quality can increase customer satisfaction. Effect of Promotion on Customer Satisfaction This proves that promotion has a partially significant positive effect on customer satisfaction at UD. Bali Rahayu. This influence indicates that increased promotion can increase customer satisfaction. The Influence of Service on Customer Satisfaction, this proves that service has a

## V. CONCLUSION

Based on the description of the discussion regarding the influence of product quality, promotion and service on customer satisfaction, it can be concluded as follows:

1. Variable product quality, promotion and service simultaneously have a significant effect on customer satisfaction UD. Bali Rahayu. This shows that the increasing quality of products, promotions and services carried out will also increase customer satisfaction at UD. Bali Rahayu.
2. Variable product quality has a positive effect on customer satisfaction UD. Bali Rahayu. This shows

that the increasing quality of the product that is carried out will also increase customer satisfaction at UD. Bali Rahayu.

3. Promotion variables have a positive effect on customer satisfaction UD. Bali Rahayu. This shows that the increasing promotion given will also increase customer satisfaction at UD. Bali Rahayu.
4. Service variables have a positive effect on customer satisfaction UD. Bali Rahayu. This shows that the better the service performed, the customer satisfaction will also increase at UD. Bali Rahayu.

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