

How Price and Product Quality Influence Customer Satisfaction: A Case Study of Retail Traders at Daya Wholesale Market

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Abstract

This study aims to find out the influence of price and product quality on consumer activity in Retail Traders of Daya Wholesale Market. The population in this study is as many as 100 respondents with a sample of 100 respondents. The sampling technique that was seeded was simple random sampling. The data analysis technique used is multiple regression analysis. Based on the results of the research and data analysis, the conclusion of this study is that price has a significant effect on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores as seen with a calculated t value of 1.545 and a significance value of 0.126 (below 0.005). Non-financial compensation has a significant effect on the satisfaction of consumers who shop at retail traders at Pasar Grosir Daya stores as seen with a t-value of 4,205 and a significance value of 0.000 (below 0.005). Simultaneously, price and product quality have a significant effect on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores, the R square value is 0.321, which means that price and product quality have an effect of 32.1 % on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores.

Keywords: *Price, product quality, consumer satisfaction.*

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INTRODUCTION

The modern Daya Wholesale Market is located in a very strategic location on Jl. Kapasa Raya, Daya, Biringkanaya, Makassar right in front of the Daya Regional Terminal so that it is very easy to reach by the public. In addition, this road also leads to the Makassar Industrial Estate (KIMA). In addition to easy access to the location, it is also close to Hasanuddin Airport and Daya General Hospital. Makassar City is a city located in South Sulawesi and also the capital of South Sulawesi province. The city of Makassar is geographically located between 119 degrees east longitude and 5.8 degrees south latitude. The area of Makassar City is 175.77 Km² which is divided into 14 sub-districts, 143 sub-districts, 885 RWs and 4446 RTs.

Makassar City plays a role as a center for trade and services, a center for industrial activities, a center for government activities, a node for freight and passenger transportation services both by land, sea and air, and a center for education and health services. Makassar City trade is relatively advanced, business centers from traditional markets, wholesale markets to modern malls are growing rapidly. Therefore, markets in the city of Makassar must design a strong marketing strategy in order to create satisfaction for their consumers and be able to survive in business competition. Especially wholesale markets including the Daya wholesale market. The power wholesale market is located very strategically and is passed by many transportation in various regions. So that many people come and buy their household needs in the market. Unlimited human needs make us think about how to solve this problem by meeting various kinds of human needs. Understanding consumer behavior is certainly not easy, because consumers have different traits as well as human needs that are not limited in addition to being influenced by other external and internal conditions (Ilyas et al., 2023). Because before carrying out the transaction process, consumers pay more attention to the price and quality of the products sold in the market (Abbas et al., 2024).

Price is one of the things that affects consumer satisfaction. Because price is the cost incurred by consumers to get a satisfactory result. According to Rachman et al., (2023) price is a number of values that consumers exchange for benefits from those who own or use products or services whose value is determined by buyers and sellers through bargaining, or set by sellers for the same price to buyers (Hardiyono et al., n.d.).

While product quality is something that consumers are very concerned about, consumers always want the best product. Product quality is the ability of a product to perform its functions which include durability, reliability, precision, convenience, operation and repair and other attributes (Fatma et al., 2023). If a product has been able to carry out its functions, it can be said to be a product that has good quality. Product quality is the whole of goods and services related to consumer desires that in terms of product excellence are worthy of sale according to customer expectations (Hardiyono et al., 2023). Therefore, retail traders are expected to continue to improve the quality of the products they sell so that consumers are satisfied with the quality of the products

offered by retail traders (Latiep et al., 2024). Retail traders, also known as retailers, sell commodity products directly to consumers in small pieces or units.

Consumer satisfaction is always a must for every retail trader, especially in the Daya wholesale market, in carrying out their business activities (Halik et al., 2021). Currently, many retail traders are increasingly understanding the importance of consumer satisfaction and developing strategies to provide satisfaction for their consumers. Consumer satisfaction will provide benefits for retail traders by maintaining and providing satisfaction to consumers, so they tend to repurchase the goods and services they have consumed. Satisfaction will also encourage positive word-of-mouth communication. Communication delivered by satisfied consumers can be in the form of recommendations to other potential consumers and say good things about the company (Tjiptono, 2014).

With this in mind, the author is interested in finding out whether the price and quality of the product affect consumer satisfaction at retail traders in the Daya wholesale market. With this, the author raises the title "The Influence of Price and Product Quality on Consumer Satisfaction in Retail Traders of Pasar Wholesale Daya Stores". The variable to be used is the dependent variable is Consumer Satisfaction, while the independent variable is Price and Product Quality. Based on the background of the existing problems, the problems that can be formulated in this study are:

- 1) Does Price affect Consumer Satisfaction at Retail Traders at Pasar Wholesale Daya Stores?
- 2) Does Product Quality Affect Consumer Satisfaction at Retail Traders at Pasar Wholesale Daya Stores?
- 3) Does Product Price and Quality Affect Consumer Satisfaction at Retail Traders at Pasar Wholesale Daya Stores?

METHODOLOGY

The type of research used in this study is causal associative research because it analyzes the causal relationship, namely the independent variable (X) affects the bound variable (Y) (Sahabuddin & Herison, 2023). The approach used in this study is a quantitative approach. This research was conducted at the Daya wholesale market located in the Daya Modern Wholesale Traditional Market Complex (Jl. Kima Raya), Makassar. The research will start in September - October 2024. The sample in this study is 100 respondents.

RESULTS AND DISCUSSION

Respondent Categories by Gender

In the following table, respondents are grouped by gender, namely:

Table 1. Characteristics of Respondents by Gender

Gender	Frequency	Persentase
Laki-Laki	29	29%

Perempuan	71	71%
Total	100	100

Source: Primary Data Processed, 2024

Based on the table above, it shows that the largest number of respondents are female respondents, namely 71 people with a percentage of 71%, while male respondents are 29 people with a percentage of 29%. Thus, female respondents dominated the study.

Categories of respondents based on the amount of income

In the following table, respondents are grouped based on the amount of income, namely:

Table 2. Respondent Characteristics Based on the amount of income

Amount of Income	Frequency	Persentase (%)
< Rp. 1.000.000	4	4%
Rp. 1.000.000 – Rp. 3.000.000	56	56%
Rp. 3.000.000 – Rp. 6.000.000	33	33%
> Rp. 6.000.000	7	7%
Total	100	100

Source: Primary Data Processed, 2024

Based on the table above, it can be seen that there are 4 respondents with an income of < Rp. 1,000,000 with a percentage of 4%, respondents with an income of Rp. 1,000,000 – Rp. 3,000,000 as many as 56 people with a percentage of 56%, Respondents with an income of Rp. 3,000,000 – Rp. 6,000,000 as many as 33 people with a percentage of 33% and respondents with an income of > Rp. 6,000,000 as many as 7 people with a percentage of 7%. Thus, respondents with an income of Rp. 1,000,000 – Rp. 3,000,000 dominated this study.

Categories of respondents by age

Respondent characteristics by age group are shown in table below:

Table 3. Characteristics of Respondents by Age

Age	Frequency	Persentase (%)
20 – 30	18	18%
31 – 40	32	32%
41 – 50	44	44%

51 – 60	6	6%
Total	100	100

Source: Primary Data Processed, 2024

Based on the table above, it can be seen that there are 18 respondents aged 20-30 years with a frequency of 18%, respondents aged 31-40 years as many as 32 people with a percentage of 32%, respondents with the age of 41-50 years as many as 44 people with a percentage of 44% and respondents with the age of 51-60 years as many as 6 people with a percentage of 6%. Thus, respondents aged 41 – 50 years dominated this study.

Respondent Category Based on Education Level

The characteristics of respondents based on education level are shown in table below:

Table 4.Characteristics of Respondents Based on Education Level

Education Level	Frequency	Persentase (%)
SD	15	15%
SMP	13	13%
SMA	48	48%
Strata 1 (S1)	20	20%
Strata 2 (S2)	4	4%
Total	100	100

Sumber: Data Primer Diolah, 2024

Based on the table above, it can be seen that respondents with elementary education levels as many as 15 people with a percentage of 15%, respondents with junior high school education levels as many as 13 people with a percentage of 13%, respondents with high school education levels as many as 48 people with a percentage of 48%, respondents with Strata 1 (S1) education levels as many as 20 people and respondents with Strata 2 (S2) education levels as many as 4 people with a percentage of 4%. Thus, respondents with high school education levels dominated this study.

The Effect of Price on Consumer Satisfaction

All questionnaires distributed to respondents have met the valid and reliable requirements, which means that there is no need to improve the questionnaire and the questionnaire has met the requirements to be distributed to respondents.

From the results of the tests carried out, it is proven that price has a significant effect on consumer satisfaction in those who shop at retail traders at Pasar Grosir Daya stores, which can be seen with a t-calculated value of 1.545 and a significance value of 0.126 (above 0.005). This indicates that the price does not affect the satisfaction of

consumers who shop at retail traders at Pasar Wholesale Daya stores. Thus, the hypothesis (H1) that states that there is an influence of price on consumer satisfaction is rejected.

This is supported by a study conducted by Jessica J. Lezun (2014) entitled The Influence of Product Quality, Price and Promotion on Telkomsel Prepaid Card Customer Satisfaction. Based on the results of the study, it was concluded that price variables had a negative effect on customer satisfaction.

The effect of product quality on consumer satisfaction

All questionnaires distributed to respondents have met the valid and reliable requirements, which means that there is no need to improve the questionnaire and the questionnaire has met the requirements to be distributed to respondents.

From the results of the tests carried out, it is evident that product quality has a significant effect on the satisfaction of consumers who shop at retail traders at Pasar Grosir Daya stores, which can be seen with a t-calculated value of 4,205 and a significance value of 0.000 (below 0.005). This indicates that product quality can increase the satisfaction of consumers who shop at retail traders at Pasar Grosir Daya stores. Thus, the hypothesis (H2) that states that there is an influence of product quality on consumer satisfaction is accepted.

This research is also in line with research conducted by Gracia Sekartaji (2015) who conducted research on the duck and fried chicken restaurant Pak Ndut Solo which stated that product quality has a positive effect on customer satisfaction.

Meanwhile, in the test between the variables X1 (price) and X2 (product quality) against the variable Y (consumer satisfaction) together, it can be explained by the F test (Simultaneous test) which shows an f calculation of 24,414 with a significance of 0.000 (below 0.05), this means that the variables X1 (price) and X2 (product quality) have a significant effect on the variable Y (consumer satisfaction) and the hypothesis (H3) which states that the price and product quality have a significant effect on the variables consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores is accepted.

Meanwhile, in the test between the variables X1 (price) and X2 (product quality) against the variable Y (job satisfaction) together, it can be explained by the F test (Simultaneous test) which shows an f calculation of 22,109 with a significance of 0.000 (below 0.05). This means that the variable X1 (price) and variable X2 (product quality) have a significant effect on the variable Y (consumer satisfaction) and the hypothesis (H3) which misleads that the price and quality of the product affect the satisfaction of consumers who shop at the retail traders of the Daya Wholesale Market store.

Based on the analysis of linear regression data, it is known that the magnitude of the correlation value or relationship (R) between price (X1) and product quality (X2) on consumer satisfaction (Y) is 0.579. The magnitude of the determination coefficient

(Rsquare) is 0.335 which implies that the price and quality of the product have an effect of 33.5% on the satisfaction of consumers who shop at retail traders at the Daya Wholesale Market. The rest are influenced by other variables that were not studied in this study.i

CONCLUSION

Based on the results of data analysis and discussion, it can be concluded that:

- 1) Price has a significant effect on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores, which can be seen with the magnitude of the calculated t-value of 1.545 and the significance value of 0.126 (above 0.005) which means that the price does not affect consumer satisfaction.
- 2) Product Quality has a significant effect on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores as seen by the magnitude of the calculated t-value of 4.205 and the significance value of 0.000 (below 0.005) which means that product quality also contributes to influencing consumer satisfaction.
- 3) Simultaneously, price and product quality have a significant effect on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores, the R square value is 0.321, which means that price and product quality have an effect of 32.1% on consumer satisfaction who shop at retail traders at Pasar Grosir Daya stores.

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