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## The Influence Of Price, Promotion And Product Innovation On Customer Satisfaction At PT. Djarum Makassar

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### Abstract

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**Keywords:** *content; formatting; article.*

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## INTRODUCTION

Innovation policies are important for Djarum Company to increase cigarette sales. Look at how promotion, price and innovation factors influence cigarette purchasing decisions. It is important for a company to retain existing customers, one way to increase customer satisfaction.

Several types of innovation are needed to see whether the business needs of Islamic banks are able to answer consumer needs. Product innovation is a challenge on how Islamic banking is able to create products, services or a combination according to customer needs in carrying out activity mobility so that Islamic banks are always used in every consumer activity. Process innovation is an opportunity for business processes that have added value to business. Organizational innovation must adapt to products and business processes through methods of managing human resources that understand the core business processes so that employees are able to make a positive contribution and maximize performance for organizational sustainability. Finally, business innovation is how industry can combine these three innovations into competitive advantages and business models so that they can compete in the industry globally and internationally. So, organizational competitiveness is a business strategy that must be in line with human resource development strategies so as to be able to provide maximum contribution to business growth and create competitive advantage (Andansari, 2018).

Customer satisfaction is something that must be considered by the company because customer satisfaction has a major contribution to important aspects of the company. Companies must pay attention to an adequate level of satisfaction because with decreasing customer satisfaction, the customer's desire to switch brands will be higher. (Azrori, M. 2018).

Pricing by companies must be adjusted to the environmental situation and changes that occur, especially when competition is getting tougher and demand development is limited. Promotional activities through price discounts, discounts, price packages and the provision of coupons affect impulse buying. (Sumarwan (2011). Sales promotion is one of the elements of the marketing mix which is very important.

Product innovation is the result of new product development by a company or industry, either existing or not. From old products that have reached saturation point in the market, innovation is needed to replace these old products.

## METHODOLOGY

The design and approach used in this study is a quantitative approach using survey methods. The population and sample in this study are customers of PT. Djarum Makassar with the specified number of samples is 45 respondents to meet the minimum requirements for determining the sample in a study. The instrument used in this research is by using a questionnaire and using a hypothesis testing tool with a multiple linear regression formula.

## RESULTS AND DISCUSSION

Multiple linear regression analysis is a linear relationship between two or more independent variables (Price, Promotion and Product Innovation) with the dependent variable (Customer Satisfaction). then the data used is usually an interval or ratio scale:

**Tabel 1.** Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.816	.867		3.248	.002
Price (X1)	-.551	.110	-.742	-5.009	.000
Promotion (X2)	.707	.094	.848	7.532	.000
Innovation Product (X3)	.647	.133	.741	4.862	.000

Dependent Variable: Customer Satisfaction (Y)

Based on table 1. above, it can be concluded that the equation of the results of the multiple linear regression test is as follows:

$$Y = 2.816 + 0.551 X_1 + 0,707 X_2 + 0,647 X_3 + \text{and}$$

Based on the above equation it can be seen that

1. The constant coefficient value ( $\alpha$ ) is 2.816. This indicates that the independent variable which includes price ( $X_1$ ), promotions ( $X_2$ ), product innovation ( $X_3$ ) is constant, then the customer satisfaction score ( $Y$ ) is 2.816.
2. Regression Coefficient for Price Variable ( $X_1$ ) value of 0.551 on the price variable ( $X_1$ ) is negative so that it can be said that there is an influence between price and customer satisfaction at PT Djarum Makassar. This proves that if the price rises, the customer at PT Djarum Makassar is very high, so customer satisfaction is a positive value on customer satisfaction so that it can be said that the higher the price, the lower the customer satisfaction. A positive effect on customer satisfaction ( $y$ ), which shows that the first hypothesis, namely price has a positive effect on customer satisfaction at PT Djarum Makassar, is proven true. This is evidenced by the more significant value small. The magnitude of the effect of price on customer satisfaction is very influential on the level of customer satisfaction.
3. The regression coefficient for the promotion variable ( $X_2$ ) is 0.707 in the promotion variable ( $X_2$ ) which has a positive value on PT Djarum Makassar's customer satisfaction. This proves that if the promotion given by the company PT Djarum Maakassar is very high, the results of customer satisfaction are positive for customer satisfaction of PT Djarum Makassar so that it can be said that the more intensive the promotion carried out by the company Pt Djarum Makassar, the higher the results of customer satisfaction. The results showed that through the results of the t test analysis

it showed that promotion (x2) had a positive effect on customer satisfaction (y) which showed that the second hypothesis, namely promotion had a positive effect on customer satisfaction at PT Djarum Makassar, was proven true. This is evidenced by a smaller significance value. The magnitude of the influence of promotion on customer satisfaction is very influential on the level of customer satisfaction

4. Regression Coefficient for product innovation variable (X3) value of 0.647 on product innovation variable (X3) is a positive value for PT Djarum Makassar customer satisfaction. This proves that if the product innovation offered by the company PT Djarum Makassar is very high, the results of customer satisfaction are positive for customer satisfaction of PT Djarum Makassar so that it can be said that the more innovative the products marketed by the company Pt Djarum Makassar, the higher the results of customer satisfaction. The results showed that through the results of the t test analysis it showed that product innovation (x3) had a positive effect on customer satisfaction (y) which showed that the third hypothesis, namely product innovation had a positive effect on customer satisfaction at PT Djarum Makassar, was proven true. This is evidenced by a smaller significance value. The magnitude of the influence of product innovation on customer satisfaction is very influential on the level of customer satisfaction
5. Based on the regression equation, the most dominant factor influencing customer satisfaction is promotion, this is evidenced by the largest regression coefficient value, which is equal to 0.707.

## CONCLUSION

Based on the results of the analysis it can be concluded that customers at PT Djarum Makassar totaling 45 respondents with the research title the effect of price, promotion and product innovation on customer satisfaction at PT Djarum Makassar. Based on the descriptions and explanations that have been put forward in the previous chapters, then it can be concluded as follows:

1. Price has a positive and significant effect on customer satisfaction at PT Djarum Makassar.
2. Promotion has a positive and significant effect on customer satisfaction at PT Djarum Makassar.
3. Product innovation has a positive and significant effect on customer satisfaction at PT Djarum Makassar.
4. Simultaneously price, promotion and product innovation have a positive and significant effect on customer satisfaction at PT Djarum Makassar.

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