THE INFLUENCE OF PRODUCT QUALITY AND SERVICE QUALITY ON CUSTOMER SATISFACTION IN MSMES GEPREK KITHA BANDAR LAMPUNG

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Abstract

This study aims to analyze the influence of variables such as product quality and service quality on customer satisfaction in gaprek kitha MSMEs. The population that is the focus of the study is all geprek kitha MSME customers using a sample of 100 respondents from geprek kitha MSME customers using the Purposive Sampling technique. The analysis method used is multiple linear regression. The findings of this study show that product quality and service quality have a significant partial effect on customer satisfaction in prek kitha MSMEs. Simultaneously, or together, the variables of product quality and service quality have a significant effect on customer satisfaction and provide variations between variables by 84.8%, while 15.2% are influenced by other variables that are not contained in the study.

Keywords: Product Quality, Service Quality, Customer Satisfaction

1. Introduction

Micro, small and medium enterprises (MSMEs) are the most important pillars of the Indonesian economy. MSMEs play a very important role in the national economy, economic growth and development, not only in developing countries such as Indonesia, but also in developed countries. The number of MSMEs in Indonesia is 64.19 million, while the composition of small and small enterprises (MSEs) is very dominant, namely 64.13 million or around 99.92% of the entire business sector. (Diskominfo Bandar Lampung City, 2022). In general, MSMEs in the economy have roles as: (1) main actors in economic activities, (2) providers of employment, (3) important players in local economic development and community empowerment, (4) creators of new markets and sources of innovation, (5) their contribution to the balance of payments (Salman Al Farisi, 2022)

In the city of Bandar Lampung itself, MSMEs continue to grow and develop, one of which is engaged in culinary. This is because culinary already has its own customers and markets. With the crowded infrastructure and tourists, it supports MSME players in the city of Bandar Lampung to take advantage of business opportunities. The presence of competitors has an impact on competition in the chicken geprek MSME business. A form of competition for every geprek chicken seller, one of which is competition for sales locations. The decision in determining the location to be used as a place of sale is a very important factor, the location of the geprek kitha chicken MSMEs is in the crowd of the community which indicates the location of our geprek MSMEs in a strategic place is certainly a comparison for consumers in determining purchasing decisions. Things that can be used by culinary sellers, especially geprek kitha to attract consumers, one of which is the quality of the products and the quality of the waiters they offer. If the quality of the product and the quality of the service offered have a match with the consumer, then the consumer will tend to make a repeat purchase of the same product and vice versa if the

quality of the product offered is not in accordance with the quality of the product provided, then the consumer decides not to make a repeat purchase of the product (Gita Sukma Anggreni, 2023).

Culinary MSMEs specifically for geprek chicken in Bandar Lampung City are currently experiencing rapid development. Therefore, every business in this culinary must implement smart strategies to differentiate itself from its competitors. This differentiation is very important because in a competitive market, similar products with similar or even the same prices can be found everywhere, there are many competitors of geprek chicken MSMEs in Bandar Lampung for example geprek mas Boy, Ibu Raja geprek chicken, Kitha geprek chicken and many more, Kitha geprek chicken MSMEs were established in 2020. Although there are many product variations in the menu, there are also several problems faced by geprek chicken MSMEs, namely intense competition against other geprek chicken, customer complaints about the slightly different taste of chicken due to changes in seasoning ingredients and consumer tastes continue to change, so geprek kitha chicken must be able to adapt to trends, new demands, and different quality flavors.

Therefore, Geprek Kitha MSMEs really need to pay attention to product quality and service quality because if the product quality and service quality are good, it will be able to increase customer satisfaction. Customer satisfaction is an important factor in maintaining the continuity of MSME business. Satisfied customers tend to return to buy products or use services offered by Geprek Kitha MSMEs. In addition, satisfied customers also tend to give positive recommendations to others, so that it can help MSMEs in expanding market share and improving their business reputation which makes them able to compete with similar MSMEs.

Customer satisfaction is the degree to which a person feels after comparing performance or perceived results later compared to expectations. The level of customer satisfaction is highly dependent on the quality of a product or service (Fadilah &; Mardian, 2023), Customer satisfaction measurement is an important element in providing better, more efficient and more effective service. If customers are dissatisfied with a service provided, then the service can certainly not be effective and efficient. So it can be concluded that customer satisfaction is a customer perception that their expectations have been met or exceeded. So that customer satisfaction can be achieved if a product or service meets or exceeds customer expectations, usually customers will feel satisfied.

Quality of service is described as a statement of attitude, a relationship resulting from a comparison of expectations with performance. The level of satisfaction is a function of the difference between performance perceived by expectations, if the perceived performance is below expectations, then consumers feel dissatisfied, while if the perceived performance is in accordance with expectations or even exceeded, then consumers will feel satisfied. However, if the perceived performance exceeds expectations, then consumers will feel very satisfied. Products are also one of the important instruments to achieve success and prosperity in modern companies. Technological developments, increased global competition, and market needs and desires require MSMEs to carry out continuous product development. There are only two choices, namely success in product development, so as to produce superior products, or failure in achieving business goals because the product is unable to compete in the market (Vioranda Raditya Herkaputra, 2018).

Based on the background above, there are several problems where there are many competitors of geprek chicken MSMEs in Bandar Lampung so that there is a decrease in purchases due to the number of culinary MSMEs in Bandar Lampung which are growing

so rapidly. Based on the description above, the following problem formulation is obtained: Does product quality and service quality have a partial effect on customer satisfaction? And does product quality and service quality together affect customer satisfaction? The purpose of this study as is to determine the quality of products and service quality has a partial or no effect on customer satisfaction, and to find out the quality of products and the quality of service together affect or not to customer satisfaction

2. Theoretical Background

2.1 Product Quality

According to (Wibisono, 2019) Products are the core of a marketing activity because the product is the output or result of one of the company's activities or activities that can be offered to the target market to meet the needs and desires of consumers. Basically, in buying a product, a consumer not only buys the product, but consumers also buy the benefits or advantages that can be obtained from the product they buy. Therefore, a product must have advantages over other products, one of which is in terms of the quality of the products offered. Product quality is one of the key competitions among business actors offered to consumers Robbi (2023). Quality prodok is "anything that can be offered to the market to get noticed, boiled, used, or consumed that can satisfy a desire or need. Today all manufacturers understand the importance of the role of superior product quality to meet customer expectations in all aspects of products sold to the market".

Based on the above understanding, it can be concluded that product quality is the overall characteristics, characteristics and specifications of a good or service that depends on its ability to meet consumer needs. Consumers will prefer and choose products that have better quality when compared to other similar products that can meet their needs and desires Monica (2017). If a company wants to maintain its competitive advantage in the market, it must understand what aspects of the dimensions used by consumers to distinguish the products sold by the company from competitors' products. Quality reflects all dimensions of the product offering that generate benefits for customers. According to (Riady &; Management, 2022) There are several indicators used to measure product quality including:

1) Good taste: The product has a different value from other products that can explain the core benefits of the product.
2) Durability: The expiration life value of a product. The longer the product provides a period of consumption, it shows that the product has good quality.
3) Have certification/legality: Ownership of a statement of eligibility for consumption on consumer products. Quality food products must have good and clear legality such as the existence of a proper distribution permit from the Food and Drug Supervisory Agency (BPOM) and a halal logo from the Indonesian Ulema Council (MUI).
4) Quality raw materials: The belief that producers use quality raw materials, because raw materials are the main ingredients of a product or goods used must be good products for all consumers to consume, the quality of the raw materials used must be considered

2.2 Quality of Service

According to the Big Indonesian Dictionary (KBBI), service is to help prepare (take care of) what someone needs. According to (Punuindoong, 2022) Service quality is the entirety of the features and characteristics of a product or service that supports its ability

to satisfy needs directly or indirectly. So, service quality is an interaction between customers and employees whose results can be directly felt by customers right away. Service quality is one measure of success in providing satisfaction guarantees for consumers. Consumers can objectively assess a service in an effort to create satisfaction. According to (Yansah &; Hartono, 2001) Service quality is also one of the important elements that customers consider in purchasing a product. Good service quality will also have a good impact on the company because it will become loyal customers and provide benefits for the company.

According to (Jayanti, 2016) Stated that there are five indicators of service quality, including:
1) Reliability is the company's ability to provide services as promised, reliable, accurate and consistent.
2) Responsiveness Responsiveness is the ability to provide service to customers quickly and hear and resolve customer complaints.
3) Assurance is measuring the ability and courtesy of employees as well as the trustworthy traits that employees have.
4) Empathy is giving genuine and individual or personal attention given to consumers by trying to understand consumer desires.
5) Tangibles tangible is the appearance of physical facilities, good equipment used to provide services to consumers.

2.3 Customer satisfaction

Satisfaction is the goal that an individual or organization wants to achieve in using a product or service. Satisfaction arises because the desire or expectation of a product or service is fulfilled Zahrani (2015). Customer satisfaction is the level of a person's feelings after comparing perceived performance with his expectations. Dissatisfaction arises when outcomes do not meet expectations, customers experience varying levels of satisfaction and dissatisfaction after experiencing or experiencing each service according to the extent to which their expectations are met or exceeded. Expectations are internal standards that customers use to assess the quality of a service experience (Princess, 2017).

Satisfied customers stay longer, are less price sensitive and comment well about the company. Every company that pays attention to customer satisfaction will get several main benefits, namely a more positive company reputation in the eyes of customers and the community, and can encourage the creation of customer loyalty that allows the company, increase profits, harmonious company relationships with its customers, and encourage everyone in the company to work with better goals Naim M (2019).

Indicators to measure customer satisfaction, according to (Hadiyan &; Yusuf, 2023) be:
1) Conformity expectations, namely satisfaction is not measured directly but is concluded based on the conformity or mismatch between customer expectations and actual company performance.
2) Interest in revisiting, namely customer satisfaction is measured by asking whether customers want to buy or reuse the company's services.
3) Willingness to recommend, namely customer satisfaction is measured by asking whether customers will recommend the product or service to others such as, family, friends, and others.
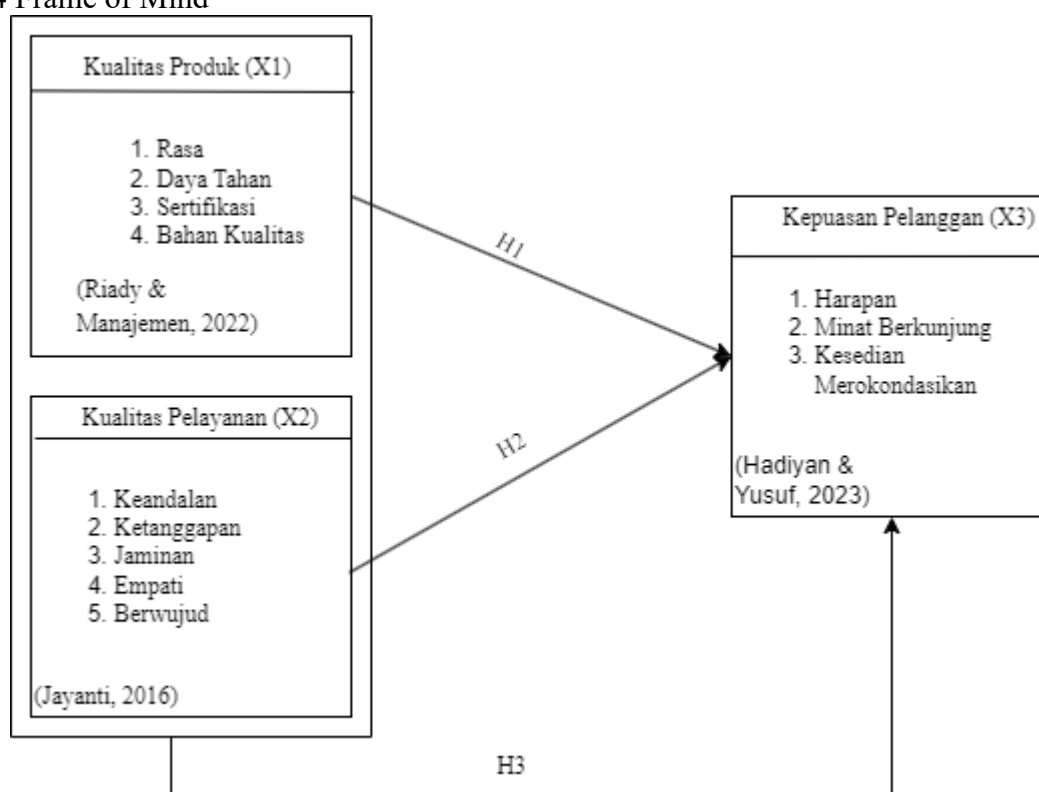
2.4 Frame of Mind

Figure 1. Frame of Mind

2.5 Hypothesis

H1: Product quality variables have a significant effect on customer satisfaction

H2: Service quality variables have a significant effect on customer satisfaction

H3: The variables of product quality and quality together affect service significant to customer satisfaction

3. Methods

According to Musianto in (Waruwu, 2023), quantitative research is research that uses measurements, calculations, formulas and certainty of numerical data in planning, processes, building hypotheses, techniques, data analysis and drawing conclusions, quantitative research is a process of finding knowledge that uses numerical data as a tool for analyzing data. It can be concluded that quantitative research is a research approach that uses data in the form of numbers and exact science to answer research hypotheses. or obtained using statistical procedures or other means of measurement. The sampling techniques used are: purposive samplingaccording to (Komala, 2017), Purposive Sampling is a sampling technique with certain considerations to study and draw conclusions.

Table 1. Likert Scale

Categories	Points
After	5
Agree	4
Neutral	3
Disagree	2
Sangan disagrees	1

The population in this study is consumers of geprek kitha Bandar Lampung while for the number of samples used in this study as many as 100 respondents, who were asked to provide responses according to their perceptions of statement items related to employee performance, work environment and work pressure on a Likert scale of 1 to 5.

The first step after obtaining all the data from respondents, then group the data by variables, explain the data for all variables studied, run calculations to solve the problem formulation, then run calculations to verify the hypothesis. (Ancient and Citizen, 2023). To match the calculated values and rtables for degree of freedom (df) = n-2 and α = 0.05, validity tests were carried out. Questions are considered valid if rcalculate > rtable. The Statistical Program for Social Science (SPSS) software application version 21 helps to test reliability with the Cronbach Alpha statistical test (α) used to perform reliability tests. If a variable has a Cronbach Alpha value of > 0.60, it is considered reliable. The linkage between two or more independent variables and dependent variables.

The hypothesis test will be completed using multiple linear regression models with the help of Statistical Program for Social Science (SPSS) software version 21. Where the T (partial) hypothesis test is carried out to see from each independent to dependent variable by looking at the significance value of each independent variable whether > of 0.05 or < of 0.05. The value of Ttabel is obtained at the level of significance (a = 0.05), degree of freedom (df) = (n) – (k). The F test (simultaneous) is carried out to determine how much the independent variables together affect the dependent variable by looking at the significance value whether > of 0.05 or < of 0.05 and comparing Ftable with Fhitung, where Ftable is obtained at the level of significance (a = 0.05), df = (n) – (k-1).

4. Results and Discussion
4.1 Validity Test

The validity test is used to test whether or not a questionnaire is valid, a questionnaire can be said to be valid if the statement used is able to explain something that will be measured by the questionnaire.

Table 2. Validity Test

Variable	Statement Item	r Count	r Table	Information
Product Quality (X1)	X1.1	0.464	0.1966	Valid
	X1.2	0.538		Valid
	X1.3	0.497		Valid
	X1.4	0.550		Valid
	X1.5	0.557		Valid
Quality of Service (X2)	X2.1	0.702	0.1966	Valid
	X2.2	0.579		Valid
	X2.3	0,564		Valid
	X2.4	0.609		Valid
	X2.5	0.693		Valid
Customer Satisfaction (Y)	Y.1	0.608	0.1966	Valid
	Y.2	0.546		Valid
	Y.3	0.571		Valid
	Y.4	0.444		Valid
	Y.5	0.657		Valid

Based on the results of the validity test above using 100 respondents, it can be seen that all question items (X1) product quality, (X2) service quality, (Y) customer satisfaction have a calculated value > rtable so that it can be said that all items are valid.

4.2 Reliability Test
A questionnaire is said to be realistic if the grades Cronbach's Alpha greater than 0.60, as for the results of reliability tests in this study are:

Table 3. Reliability Test Results

Varibel	Cronbach's Alpha	Reliability
X1	0.849	Reliable
X2	0.903	Reliable
Y	0,858	Reliable

Based on the results of the reliability test above using 100 respondents, it can be seen that all items (X1) product quality, (X2) service quality, and (Y) customer satisfaction have results Cronbach's Alpha (α) > 0.60, it can be concluded that all questionnaire statement items are declared reliable.

4.3 Multiple Linear Regression Analysis
Multiple linear regression analysis is used to determine the results of estimating equations that will produce the value of the regression coefficient.

Table 4. Multiple Linear Regression Test Results

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.188	.943		.199	.843
	Product Quality	.559	.070	.521	8.031	.000
	Quality of service	.426	.061	.451	6.951	.000

Based on the results of the linear regression test above, the dependent variable in this regression is (Y) employee work, while the independent variable is (X1) work environment, (X2) work pressure, the result of the multiple linear regression model equation above with the formula $Y = a + B1X1 + B2X2 + e$

$$Y = -0.254 + 0.305(XI) + 0.712(X2) + e$$

Discussion:
1) The value of the regression coefficient of the product quality variable is 0.559 which means that every increase of 1 unit will increase customer satisfaction by 0.559 assuming other variables remain.
2) The value of the regression coefficient of the service quality variable is 0.426 which means that every increase of 1 unit will increase customer satisfaction by 0.426 assuming other variables remain.

4.4 Test T (Partial)
The t test is intended to partially determine whether the independent variable has a significant effect or not on the dependent variable

Table 5. Test T Results (Partial)

Variable	Tcalculate	Ttabel	Sig	Ketengan
Customer Value (X1)	8.031	1,661	0,000	Influential
Product Variations (X2)	6.951	1,661	0.000	Influential

Based on the results of the t test above can be obtained, namely:
1) Variable Product Quality with a significance level of 5% ($\alpha = 0.05$) of 0.000 < 0.05 and Tcalculate (8.031) > Ttable (1.661), then H1 is accepted and H0 is rejected, so that it is partially variable Product Quality Have a positive and significant effect on customer satisfaction. It is If the company is able to improve the quality of the

products it offers, customer satisfaction will also increase. Conversely, if the company even experiences a decrease in the quality of the products offered, then customer satisfaction also decreases in research in line with (Afnina &; Hastuti, 2018) whose research results product quality has a significant effect on customer satisfaction,

2) Variable Quality of Service with a significance level of 5% ($\alpha = 0.05$) of 0.000 < 0.05 and Tcalculate (6.951) > Ttable (1.661), then H1 is accepted and H0 is rejected, so that it is partially variable Product Quality Have a positive and significant effect on customer satisfaction. Because if the services offered are of high quality, it will directly attract customers to use quality services offered by MSMEs geprek kitha in this context, the ability of management to improve the quality of service from various aspects related to the development of the facilities provided. In other words, leaders cannot expect much from the effectiveness of the results of the implementation of employee duties / work if employees do not clearly understand what and how they carry out their duties or work. Research in line with research (Alfajar et al., 2021) Which is the result of research that service quality has a significant effect on customer satisfaction.

4.5 F Test (Simultaneous)

The F test is intended to determine the effect of significance between the independent variable and the dependent variable together or simultaneously.

Table 6. Test Results F (mutant)

Type	Ftabel	Fcalculate	Sig	Information
1	3.089	194.911	0,000	Significant

Based on the results of the F test above, it shows that the Fcalculate value is 194,911, with a probability value (sig) = 0.000. The value of Fcalculate (194.911) > Ftable (3.089) and the value of sig is smaller than the probability value of 0.05 or the value of 0.000 < 0.05 then H3 is accepted and H0 is rejected which means that product quality and service quality together have a significant effect on customer satisfaction.

4.6 Coefficient of Determination (R Square)

R Square is used to determine the relationship between variables, or used to measure how much variation occurs in customer satisfaction variables can be explained simultaneously by independent variables that affect customer satisfaction

Table 7. R Square test result

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921a	.848	.844	1.039

Based on the results of R Square, it can be seen that the R Square value of .848 which means that the R Square value has a result of 84.8% customer satisfaction influenced by product quality and service quality, while 15.2% is influenced by other variables that are not included in the research variable.

5. Conclusion

Based on the results of this research that have been described, it can be concluded that product quality and service quality partially have a significant and positive effect on customer satisfaction. The results of simultaneous tests or tests together the variables of product quality and service quality have a significant and positive effect on customer

satisfaction and contribute to variations that occur by 84.8% while 15.2% are influenced by other variables that are not included in the research variables.

Based on the results of the research obtained, it is recommended that geprek kitha MSMEs continue to strive to maintain and improve customer satisfaction by speeding up and simplifying the purchase process, especially on credit. The Geprek kitha MSMEs should also strive to continue to maintain and improve customer satisfaction such as providing gifts or discounts for customers or customers who already have a purchase level above a certain range, and are willing to receive complaints from customers so that they can improve and improve services to provide satisfaction to their customers. In addition, it is expected that customers can choose products offered by geprek kitha MSMEs that are of high quality and in accordance with their needs, desires and expectations so that they are really sure to use these products so that they are not disappointed after purchase and our geprek MSMEs must be able to provide more quality of service and provide facilities to be able to provide customer satisfaction so that customers feel satisfied with the services provided.

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