

# 1 Effect of Product Quality, Promotion and Service on Customer 2 Satisfaction at UD. Bali Rahayu

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## 6 Abstract

7 Customer satisfaction is one of the important things a company maintains in order to  
8 maintain business continuity because customer satisfaction will be able to increase profits for  
9 the company. This research was conducted to examine the influence between variables of  
10 product quality, promotion and service on customer satisfaction at UD. Bali Rahayu. The  
11 population in this research is 90 UD customers.

13 *Index terms—*

## <sup>14</sup> 1 Introduction

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

24 UD. Bali Rahayu is one of the furniture companies in Badung Regency, UD. Bali Rahayu as an institution  
25 that is engaged in selling furniture. UD. Bali Rahayu is located at Tumbak Bayuh highway, Mengwi, Badung  
26 Regency. At this time UD. Bali Rahayu has 35 employees with characteristics and abilities according to their  
27 respective fields of ability, where the number of employees is 35 consisting of 21 men and 14 women. If seen from  
28 the number of male employees more than women, this is because UD. Bali Rahayu prefers male employees who  
29 go directly to the field than female employees. The highest level of employee education is Junior High School,  
30 namely 12 people, SMA as many as 10 people, SD as many as 8 people and S1 as many as 5 people. If viewed  
31 from the level of education, the number of junior high school employees is more than other education levels, this  
32 is because UD. Bali Rahayu prioritizes teamwork and expertise in working to achieve company goals and can  
33 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

## 6 C) SERVICE

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47 in marketing their products or services. According to Kotler and Armstrong (2018: 76), "Promotion means  
48 activities that communicate the merits of the product and persuade target customers to buy it", meaning that  
49 promotion is an activity that communicates the benefits of a product and persuades target consumers to buy the  
50 product. According to Hermawan (2016) the notion of promotion is one of the priority components of marketing  
51 activities that inform consumers that companies are launching new products that tempt consumers to purchase  
52 activities. Promotion is designed as attractive as possible to reach the wider community through various media,  
53 this is so that companies can communicate with consumers. Simple promotional objectives according to Kuncoro  
54 (2016) are divided into three types, namely Providing customer information about new products or features,  
55 Reminding customers of company brands, influencing customers to buy.

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

## 62 2 II.

### 63 3 Literature Review a) Customer satisfaction

64 Customer satisfaction is a description of the difference between expectations and performance received. If  
65 expectations are high, while performance is mediocre, then satisfaction will not be realized so that consumers  
66 will be disappointed (Priansa, 2017: 211). Research conducted by Vesilia Adriani and Realize (2018), Mitha  
67 Alifia Roselina and Asih Nati (2019) and Alhilal Hamdi, Raymond (2020) found that product quality, promotion  
68 and service have a positive and significant effect on customer satisfaction. H1: Product quality, promotion and  
69 service have a positive and significant effect on customer satisfaction at UD. Bali Rahayu.

### 70 4 b) Product quality

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

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

### 76 5 Promotion

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

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

### 83 6 c) Service

84 Service is an activity or a series of activities that are invisible to the eye that occurs as a result of interactions  
85 between consumers and employees or other things provided by the service provider company in question to  
86 solve consumer problems for customers of Ratminto (2016). Research conducted by Abdul Gofur (2019), Jimmy  
87 Fachmy, Syahnur Said, Mapparenta (2019) and Christin Regina and Agus Hermani DS (2020) found that service  
88 has a positive and significant effect on customer satisfaction. H4: Service has a positive and significant effect on  
89 customer satisfaction at UD. Bali Rahayu.

90 The population in this research is 90 customers based on accidental side. Accidental sampling technique  
91 according to Sugiono (2017: 73) that the technique of determining the sample based on chance, namely customers  
92 who accidentally meet the researcher can be used as a sample, if it is considered that the person who happened  
93 to be met matches the data source. Data collection techniques in this study using interviews, interviews,  
94 documentation and questionnaires. Where the questionnaire was distributed to 90 UD customers. Bali Rahayu  
95 by giving a set of questions using a Likert scale and then tested with validity and reliability instruments as well  
96 as classical assumption test with multiple linear regression analysis technique. Based on the results of the  
97 multicollinearity test in the table above, it shows that the tolerance value is greater than 0.1 and the Variance  
98 Inflation Factor (VIF) value is smaller than 10 so that it can be explained that the data used in this study are  
99 data that do not experience multicollinearity symptoms. Based on the results of simultaneous testing, it was  
100 obtained that the F value was 14.066 with a significant value of  $0.000 < 0.05$ . This shows that there is a significant  
101 influence simultaneously variable product quality, promotion and service on customer satisfaction at UD. Bali  
102 Rahayu. Based on the test results, it was found that the variables of product quality, promotion and service on

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103 customer satisfaction had a smaller significance value of 0.05, so there was a partially positive and significant  
104 influence of each variable.

105 **7 III.**

106 **8 Results and Discussion**

107 **9 IV.**

108 **10 Discussion**

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

116 V.

117 **11 Conclusion**

118 Based on the description of the discussion regarding the influence of product quality, promotion and service  
119 on customer satisfaction, it can be concluded as follows: 1. Variable product quality, promotion and service  
120 simultaneously have a significant effect on customer satisfaction UD. Bali Rahayu. This shows that the increasing  
121 quality of products, promotions and services carried out will also increase customer satisfaction at UD. Bali  
122 Rahayu. 2. Variable product quality has a positive effect on customer satisfaction UD. Bali Rahayu. This shows  
123

## 11 CONCLUSION

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4	Service (X3)	x2.4 x2.5 x3.1 x3.2 x3.3 x3.4 x3.5	0,810 0,539 0,376 0,540 0,744 0,475 0,730	Valid Valid Valid Valid Valid Valid Valid
				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	Reliable
2	Product Quality		0,794	Reliable
3	Promotion		0,748	Reliable
4	Service		0,726	Reliable
				Data Normality Test Results
				One-Sample Kolmogorov-Smirnov Test
				Unstandardized Residual
		N	90	
	Normal Parameters a,b	Mean	0,0000000	1,24031695
		Std.		
		Deviation		
		Absolute	,057	
	Most Extreme Differences	Positive	,040	
		Negative	-,057	
		Test Statistic	,057	
		Asymp. Sig. (2-tailed)	,200 c,d	
				Multicollinearity Test Results
No.		Variabel	Value	VIF
1	Customer Satisfaction	0,638		1,566
No.	Results of Validity Test Against Respondents at UD. Bali Rahayu	2	Promotion	0,599 1,669
3	Variable	Service Instrument	0,664	
		Value	r	Description
		1,505		
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 x2.3	0,437	Valid
			0,563	Valid

Figure 1:

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<sup>127</sup> that the increasing quality of the product that is carried out will also increase customer satisfaction at UD. Bali  
<sup>128</sup> Rahayu. 3. Promotion variables have a positive effect on customer satisfaction UD. Bali Rahayu. This shows  
<sup>129</sup> that the increasing promotion given will also increase customer satisfaction at UD. Bali Rahayu. 4. Service  
<sup>130</sup> variables have a positive effect on customer satisfaction UD. Bali Rahayu. This shows that the better the service  
<sup>131</sup> performed, the customer satisfaction will also increase at UD. Bali Rahayu.

<sup>132</sup> [Alfabeta] , Bandung Alfabeta .

<sup>133</sup> [Sugiyono and Publisher ()] , ; R & D Sugiyono , C V Publisher . 2017.

<sup>134</sup> [Mitha Alifia Roselina and Asih Niati ()] 'Analysis of the Effect of Product Quality, Service Quality and Pro-  
<sup>135</sup> motion on Customer Satisfaction'. *Scientific Journal of the Faculty of Economics and Business* Mitha Alifia  
<sup>136</sup> Roselina and Asih Niati (ed.) 2019. University of Semarang

<sup>137</sup> [Hamdi ()] Alhilal Hamdi , Raymond . *the Effect of Product Quality and Service Quality on Consumer*, 2020.

<sup>138</sup> [Pratomo ()] 'The Effect of Product Quality, Service Quality and Product Prices on Customer Satisfaction of  
<sup>139</sup> Bear Pomade Users (Study on Bear Pomade Consumers)'. *Yoga Pratomo . Scientific Journal of Management*  
<sup>140</sup> *Study Program, Faculty of Economics and Business* 2019. Muhammadiyah University of Surakarta

<sup>141</sup> [Triyadi and Ahidin ()] 'The Effect of Promotion and Service Quality on Customer Satisfaction at PT. Surya  
<sup>142</sup> Karya Prima in Jakarta'. Udin Triyadi , Jasmani Ahidin . *Scientific Journal of the Faculty of Economics*  
<sup>143</sup> 2019. Pamulang University

<sup>144</sup> [The Effect of Service Quality and Promotion on Customer Satisfaction at PT. Stainlessindo Anugrah Karya in Batam City Sci-  
<sup>145</sup> 'The Effect of Service Quality and Promotion on Customer Satisfaction at PT. Stainlessindo Anugrah Karya  
<sup>146</sup> in Batam City'. *Scientific Journal of the Social Science and Humanities Study Program* 2018. University of  
<sup>147</sup> Putera Batam (Vesilia Adriani and Realize)

<sup>148</sup> [Gofur ()] 'The Influence of Service Quality and Price on Customer Satisfaction'. Abdul Gofur . *Faculty of*  
<sup>149</sup> *Administrative Sciences, Stiami Institute of Social Sciences and Management*, (Jakarta) 2019.

<sup>150</sup> [Reny Wilija Sihite and Pitri Nainggolan ()] 'The Influence of Service Quality and Promotion on Customer  
<sup>151</sup> Satisfaction at Alfamart Marchelia Batam'. Nora Reny Wilija Sihite , Pitri Nainggolan . *Imliah Journal*  
<sup>152</sup> *of Management Study Program* 2020. Faculty of Economics, University of Putera Batam