

# Price Analysis, Service Quality, Customer Satisfaction on Customer Loyalty at Pt. Tigaraksa Satria, Tbk Medan

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## ABSTRACT

This study aims to analyze how much influence price, service quality and customer satisfaction have on customer loyalty at PT. Tiga Raksa Satria Tbk Medan. This study used a quantitative descriptive method by using a normative approach (legal research) to obtain secondary data and an empirical approach (juridical sociological), to obtain primary data through field research (field research). The results showed that the effect of price, service quality and customer satisfaction on customer loyalty at PT. Tigaraksa Satria Tbk, and based on the research results are as follows: First, the effect of price on customer loyalty has a positive and significant effect, which means that if the price improves, customer loyalty will also improve. Second, the effect of service quality on customer loyalty has a positive and significant effect, which means that if service quality increases, customer loyalty will also increase. Third, the effect of customer satisfaction on customer loyalty has a positive and significant effect, which means that if customer satisfaction increases, customer loyalty will also increase. Fourth, the overall effect of price, service quality and customer satisfaction on customer loyalty has a positive effect, which means that if the three independent variables are continuously improved, customer loyalty will also increase. Therefore, it is hoped that PT. Tigaraksa Satria Tbk in terms of improving customer loyalty to pay more attention to the issue of price, service quality and customer satisfaction. In order to create good customer loyalty at PT. Tigaraksa Satria Tbk.

**Keywords:** Price, Service Quality, Customer Satisfaction and Loyalty Customer

## BACKGROUND

According to Saladin (2015) price is an amount of money as a medium of exchange for obtaining a product or service. According to Kotler & Armstrong (2016) Price is also the most flexible element of the marketing mix, unlike product features and dealer commitments, prices can change quickly. In general, consumers learn price information in two ways, namely intentionally and incidentally. So, price is an important variable used by consumers for various reasons, either for economic reasons which will indicate that low prices or competitive prices are one of the important variables to improve marketing performance.

Apart from price, there are other factors that must be considered in creating satisfaction and making customers loyal, namely the quality of service. The quality of service in the foodstuff and household supply industry can be seen from the physical attractiveness of the office, facilities, equipment to the appearance of employees. Fast service, courtesy and knowledge will foster a sense of satisfaction to customers. If the quality of service is higher than customer expectations, the customer will experience satisfaction. Customer satisfaction is the achievement of product performance against customer expectations. High service will result in

high customer satisfaction. Thus the quality of service continues to be improved so as to achieve what consumers expect, they will be satisfied. Consumers don't just buy products but also buy the services that accompany them.

According to Kotler & Armstrong (2016) The main factors in determining customer satisfaction include: product quality, service quality, emotional, price and cost. The price and quality of service provided by the company and consumer loyalty are closely related to the benefits that will be obtained by the company, because the price and quality of service that meets consumer preferences will bind consumers so that the company is embedded in the minds of consumers, this is certainly beneficial for the company because consumers can do promotions indirectly to friends, family or to other people to consume products or services from these if the customer is satisfied with the company's services.

However, based on the results of preliminary observations, PT. Tigaraksa Satria, Tbk is experiencing a problem with the customer loyalty level decreasing. This is due to price competition and service quality with other companies. As for the quality of service is said to have decreased because there are some consumers who criticize PT. Tigaraksa Satria, Tbk related to company services that are not satisfactory to them. In fact, many consumers have switched to other companies. According to

consumers some time ago, they felt inconvenience for the services of PT. Tigaraksa Satria, for example, is like a delay in employee response. In addition, consumers also criticized that the prices listed on products in other similar companies were more skewed than PT. Tigaraksa Satria.

Based on research conducted by Noorhayati (2018), it is found that product quality, price, and promotions have a simultaneous impact on customer loyalty. Based on research conducted by Wibawa, Farida, & Listyorini (2014) found that there is a positive and significant influence between service quality on satisfaction, there is a positive and significant effect between price on satisfaction, there is a positive and significant influence between promotion on satisfaction. Based on the description above, the researchers are interested in conducting research with the title "Price Analysis, Service Quality and Customer Satisfaction of Customer Loyalty at PT Tigaraksa Satria, Tbk. Field".

### Conceptual framework

Marketers must understand the needs and desires of consumers, so that in an effort to meet the needs and desires of these consumers, marketers can provide the right services, facilities, prices, locations, and marketing strategies to provide satisfaction to consumers. Furthermore, satisfaction contributes to the creation of consumer loyalty.

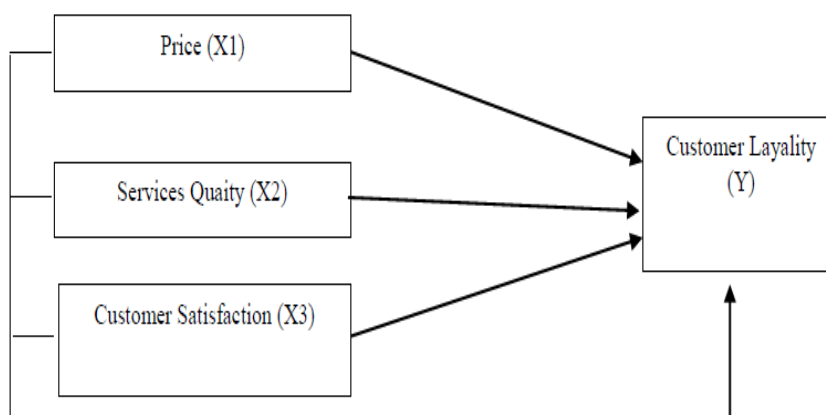


Figure 1 Conceptual Framework

## Hypothesis

1. There is an effect of Price on Customer Loyalty of PT Tigaraksa Satria, Tbk. Field.
2. There is an influence of Service Quality on Customer Loyalty of PT Tigaraksa Satria, Tbk. Field.
3. There is an influence of Customer Satisfaction on Customer Loyalty of PT Tigaraksa Satria, Tbk. Field.
4. There is a joint influence on the variable price, service quality and customer satisfaction on customer loyalty at PT Tigaraksa Satria, Tbk. Field?

## RESEARCH METHODS

This study uses a quantitative approach. Population is the whole object to be studied. The population in this study are users of PT Tigaraksa Satria Tbk products, with the population that will be taken referring to the level of the last visit, namely January 2020, totaling 46 companies. Based on this study, because the total population is not greater than 100 respondents, the authors took a sample of a number of

populations that exist in the product users of PT. Tigaraksa Satria Tbk. Descriptive analysis method with a quantitative approach is used to get a systematic, factual and accurate picture of the facts, characteristics and relationships regarding the indicators in the variables in the study.

## RESULT AND DISCUSSION

### Multiple Linear Regression

Multiple linear regression analysis is used to determine whether there is an effect of the independent variable on the dependent variable. In this study, to determine the effect of the independent variable (independent variable) Price (X1), Service Quality (X2) and Customer Satisfaction (X3) on the dependent variable (dependent variable), namely Customer Loyalty (Y). To determine the effect of price, service quality and customer satisfaction on customer loyalty (Case Study at PT. Tigaraksa Satria Tbk), multiple linear regression analysis was used using the following formula:  $Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	-9.461	5.897		
	x1	.997	.189	.584	5.268 .000
	x2	.280	.131	.239	2.138 .038
	x3	.603	.247	.274	2.444 .019

a. Dependent Variable: Customer Loyalty

Based on the regression, it can be described as follows:

1. From the regression results, the di constant can have a value of -9,461, which means that if the free variables in this study, namely Price, Service Quality and Customer Satisfaction, do not have an effect, it means that Customer Loyalty is -9,461.
2. From the regression results, it can be concluded that the price coefficient value is 0.997 and is positive, which means that if the price is getting better, the customer loyalty at PT. Tigaraksa Satria Tbk.

3. From the regression results, it is found that the service quality coefficient value is 0.280 and has a positive sign, which means that if the service quality improves, customer loyalty will improve at PT. Tigaraksa Satria Tbk.
4. From the regression results, it is found that the customer satisfaction coefficient value is 0.603 and has a positive sign, which means that if customer satisfaction is getting better, the better customer loyalty at PT. Tigaraksa Satria Tbk

## T test (partial)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-9.461	5.897		-1.604	.116
	x1	.997	.189	.584	5.268	.000
	x2	.280	.131	.239	2.138	.038
	x3	.603	.247	.274	2.444	.019
a. Dependent Variable: customer loyalty						

Based on table 2 above, it can be seen as follows:

1. The t value for the variable price is 5,268 which is greater than t table (2.01) with a sig value of 0.000, which is smaller than the significant value of 0.05. Based on the results obtained, H0 is rejected for the price variable, thus partially the price variable has a positive and significant effect on customer loyalty at PT. Tigaraksa Satria Tbk.

Thus, if the price improves, customer loyalty will also improve at PT. Tigaraksa Satria Tbk. The results of this study indicate that customer loyalty is less efficient at PT. Tigaraksa Satria Tbk. Because based on the questionnaire distributed by researchers to the respondents, there are still some respondents who give a statement that they disagree or disagree on the price variable so that the customer loyalty shown by PT. Tigaraksa Satria Tbk is not satisfactory.

2. The t value for the service quality variable is 2.138 which is greater than the t table (2.01) with a sig value of 0.038 which is smaller than the significant value of 0.05. Based on the results obtained, H0 is rejected for service quality variables, thus partially service quality variables have a positive and significant effect on customer loyalty at PT. Tigaraksa Satria Tbk

Thus, if Service Quality improves, Customer Loyalty will improve at PT Tigaraksa Satria Tbk. The results of this study indicate that the inefficiency of customer loyalty at PT Tigaraksa Satria Tbk is because the current quality of

service is not satisfactory for customers. Because based on the questionnaire that the researcher distributed to the respondents, there were still some respondents who gave a statement that they disagreed and disagreed with the Service Quality variable. This shows that the Service Quality shown at PT Tigaraksa Satria Tbk is not good. One illustration is the problem of PT Tigaraksa Satria, Tbk maintains comfort, for example with physical evidence of companies that provide clean toilets and comfortable office spaces. This means that there are some respondents who find dirty toilets or so on, thus reducing customer loyalty. Therefore, PT. Tigaraksa Satria Tbk must further improve the quality of service so that customer loyalty is good.

3. The t value for the customer satisfaction variable is 2.444 which is greater than the t table (2.01) or the sig value 0.019 is smaller than the significant value 0.05. Based on the results obtained, H0 is rejected for the customer satisfaction variable, thus partially the customer satisfaction variable has a positive and significant effect on customer loyalty at PT. Tigaraksa Satria Tbk.

Thus, it means that the better, the Customer Satisfaction that is given at PT Tigaraksa Satria Tbk, the better the Customer Loyalty in PT.Tigaraksa Satria Tbk. The results of this study indicate that the lack of Customer Satisfaction given at PT Tigaraksa Satria Tbk has an impact on worsening customer loyalty at PT Tigaraksa Satria Tbk. Because based on the questionnaire

distributed by the researcher to the respondents, there were still those who

gave a statement that they did not agree or disagree.

### F test (simultaneous)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	327.680	3	109.227	13.296	.000 <sup>a</sup>
	Residual	345.038	42	8.215		
	Total	672.717	45			
a. Predictors: (Constant), x3, x1, x2						
b. Dependent Variable: Customer Loyalti						

Based on table 3, it is obtained that f count is 13.296 and is greater than f table 2.83, and the significance is 0.000 less than 0.05. So thus H0 is rejected and the independent variables, namely price, service quality and customer satisfaction

simultaneously influence customer loyalty. So thus there is an influence between the independent variables, namely price, service quality and customer satisfaction on the dependent variable, namely customer loyalty.

### Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 <sup>a</sup>	.487	.450	2.866
a. Predictors: (Constant), x3, x1, x2				
b. Dependent Variable: Customer Loyalty				

Based on table 4, it can be seen in the R square column of 0.487 or the equivalent of 48.7%. Which means the contribution of price variables, service quality and customer satisfaction to customer loyalty at PT. Tigaraksa Satria Tbk amounted to 48.7%. And the remaining 51.3% (100% - 48.7% = 51.3%) is explained by other variables

customer satisfaction on customer loyalty at PT. Tigaraksa satria Tbk. Field.

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### CONCLUSION

1. The results show that there is a positive and significant influence between the price variable and the customer loyalty variable
2. The results show that there is a positive and significant influence between the service quality variable and the customer loyalty variable
3. The results show that there is a positive and significant influence between customer satisfaction variables on customer loyalty
4. The results showed that there was a simultaneous influence between the variable price, service quality, and

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