

Effect of Price and Service Quality on Customer Satisfaction at PT Lunata Teknokindo Group

Noviarny Anggasta Lara Sumarlan¹, Endang Sulistya Rini², Fadli²

¹*Postgraduate Students at Universitas Sumatera Utara, Indonesia*

²*Postgraduate Lecturer at Universitas Sumatera Utara, Indonesia*

Abstract: *PT Lunata Teknokindo Group is a professional company engaged in the field of information technology. This company focuses on the service of goods and services in the form of hardware, software and networking. The purpose of this study was to analyze the effect of price and service quality on customer satisfaction at PT Lunata Teknokindo Group. This research uses quantitative research. The sample in this study was 73 Lunata Teknokindo Group project customers in Sumatera Utara. Hypothesis testing is done with the F test approach and also the t test. Data analysis method used is multiple regression analysis. The results showed that price and service quality together (simultaneously) had a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group. Partially, price has a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group, service quality has a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group.*

Keywords: *Price, Service Quality, Customer Satisfaction*

Date of Submission: 17-01-2020

Date of Acceptance: 05-02-2020

I. Introduction

Along with the times, information technology in the last few years developed very rapidly. Information technology companies are increasingly experiencing progress and complexity in the need to communicate between individuals in various walks of life along with changes that occur in society. Technology can make a variety of human work easier. Besides information technology is able to penetrate geographical boundaries though, so that the whole world can be connected to one another. This is what underlies that business opportunities in information technology are very promising.

The development of information technology can improve performance and enable various activities to be carried out quickly, precisely and accurately, which in turn will increase productivity. The development of information technology shows the emergence of various types of activities based on this technology, such as e-government, e-commerce, e-education, emedicine, e-laboratory, and others, all of which are electronic based. Based on data from the Central Statistics Agency (BPS), the development of the information and communication technology (ICT) industry in Indonesia in the past five years grew 9.98-10.7% per year, almost doubling the national economic growth of 4.79-6, 56%.

One information technology company that is currently developing in Medan is PT Lunata Teknokindo Group. This company focuses on providing goods and services in the form of hardware, software and networking.

Customer satisfaction is the level of one's feelings after comparing the performance or results he feels compared to his expectations (Kotler and Keller, 2012). Customer satisfaction is likened to a full evaluation, where the perception of the performance of the product or service chosen meets or exceeds expectations before purchase. If perceptions of performance meet expectations, customer satisfaction will be formed. However, if perceptions of performance cannot meet expectations, then what happens is dissatisfaction.

One of the factors that influence customer satisfaction is price. According to Hasan (2013), prices are all forms or amounts of costs sacrificed by consumers to obtain the desired goods and services. Price, seen from the perspective of consumers, is often used as an indicator of value when the price is associated with the perceived benefits of goods or services. Achieving customer satisfaction can be created through pricing. Pricing decisions are increasingly important because customers today tend to look for the value of goods when they buy merchandise or services. Value is the relationship between what the customer gets (goods and services) and what he has to pay to get the benefits of the item. Creating continuous and ongoing customer satisfaction needs to be done. If consumers get goods or services at high prices and provide many benefits, the customer will be very satisfied and not disappointed with the goods and will continue to buy back the goods and vice versa.

Besides price, the factor that influences customer satisfaction is service quality. The quality of service has indeed become increasingly clear. Markplus (2009) explains, service quality is one of the important

processes in increasing company value for customers so that many companies make service culture a standard for the attitude of people in the company. Service culture carried out in an integrated manner will create service values, which will affect the level of customer satisfaction and repetition in buying products. In general, customers always expect quality services that include how fast they are serving customers before shopping, when shopping and after shopping.

II. Research Methods

In general, research approaches are grouped into two namely quantitative and qualitative research. In this study using quantitative research. According to Abdillah and Jogyanto (2015) quantitative research emphasizes testing theory through measurement of research variables using statistical procedures. This type of research is descriptive research and uses causal research design (cause and effect).

This research was conducted at PT Lunata Teknokindo Group, located at Jalan Abadi, Komplek Setiabudi Abadi II No. A-01 Medan. The time of the study was conducted in July to August 2019.

According to Cooper and Schindler (2014) the population is a collection of all objects to be studied. In other words the population is a generalization area consisting of subjects/objects that have the same characteristics determined by researchers to be studied. The population in this study is all customers of the PT Lunata Teknokindo Group project in Sumatera Utara. The population of PT Lunata Teknokindo Group project customers in Sumatera Utara is 73 customers.

Samples are elements of a part of the population (Cooper and Schindler, 2014). In other words the sample is part of the number and characteristics possessed by the population. In this study saturated samples were used. According to Sugiyono (2010) saturated sample is a sampling technique when all populations are used as samples. This is often done if the population is relatively small. Another term for saturated samples is the census, where all members of the population are sampled. So the number of samples taken in this study was 73 people.

The verification research method according to Sugiyono (2010:21) states that verification research is basically to test the theory by testing the hypothesis. Hypothesis testing is done by using statistical calculations that are used to test the effect of variables X_1 and X_2 on Y . Verification means testing the theory by testing a hypothesis whether accepted or rejected. The results of this research are tests of theories or hypotheses through statistical calculations by taking measurements linearly and explaining causal relationships between variables, where the results that will come out are accepted or rejected, where the variable to be measured is translated into an indicator variable then the indicator is used as a starting point for compiling statement items.

III. Research Results

Coefficient of Determination

The prediction of the model is approaching the real situation. Regression results from sub-structure of model I by looking at the contribution of independent variable predictions in explaining the dependent variable through the coefficient of adjusted R-square determination, the magnitude of the effect of each independent variable on the bound through the regression coefficient, the significance of predictions simultaneously through the F-test on ANOVA, and partial prediction through t test.

Table 1. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881 ^a	.777	.771	.94773

Table 1 provides information about the predictive ability of the research model in the research model. The R-square value in the Research Model indicates that the price and service quality variables are able to explain 77.7% of the data variance on the dependent variable of customer satisfaction. The rest, as much as 22.3% of the variance of data on customer satisfaction is explained by other variables not examined in this model.

Simultaneous Test (F Test)

The results of simultaneous testing of price and service quality variables on customer satisfaction can be seen in Table 2.

Table 2. Test Results F

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	222.242	2	111.121	123.716	.000 ^b
	Residual	63.772	71	.898		
	Total	286.014	73			

a. Dependent Variable: Y

b. Predictors: (Constant), X_1 , X_2

Table 2 provides information that together price and service quality variables can significantly influence customer satisfaction. This decision was obtained based on an F_{count} value of 123.716 which was greater than the F_{table} of 3.9758 or through a significance value of the F_{count} smaller than 0.05 (sig F = 0.000). Thus it can be concluded that H_1 is accepted which means that simultaneously variable price (X_1) and service quality (X_2) has a positive and significant effect on customer satisfaction (Y) of PT Lunata Teknokindo Group.

Partial Test (t Test)

The partial results of hypothesis testing price and quality of service to customer satisfaction can be seen in Table 3.

Table 3. Test Results t

Variable	t_{count}	t_{table}	Sig	Condition	Conclusion
Price	4,540	1,667	.000	0.05	H_1 accepted
Service Quality	5,972	1,667	.000	0.05	H_1 accepted

The results of the coefficients through hypothesis testing and then compared with t_{table} , namely $n =$ number of samples 73 with a significance level = 0.05, obtained t_{table} of 1,667. From the results of the t_{count} for each variable, it can be seen which of the variables that influence customer satisfaction as follows:

a) From the calculation results it is known that the obtained t_{count} for X_1 of 4,540 is greater than t_{table} 1,667 with a significance of 0.000 less than the significance level of 0.05, so it can be concluded that H_1 is accepted and H_0 is rejected, this means that this shows that the price is partial positive and significant effect on customer satisfaction PT Lunata Teknokindo Group, meaning that the price has a significant effect on customer satisfaction. In other words the price has a direct and close relationship with the customer satisfaction of PT Lunata Teknokindo Group.

b) From the calculation results it is known that the obtained t count for X_2 of 5,972 is greater than t table 1,667 with a significance of 0.000 smaller than the significance level of 0.05, so it can be concluded that H_1 is accepted and H_0 is rejected, this means that it shows that the quality of service partially positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group. In other words, service quality has a direct and close relationship with PT Lunata Teknokindo Group customer satisfaction.

IV. Conclusion and Suggestion

The conclusions in this study are as follows:

- a) Price and service quality together (simultaneously) has a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group.
- b) Partially, price has a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group.
- c) Partially, service quality has a positive and significant effect on customer satisfaction of PT Lunata Teknokindo Group.

The suggestions in this study are as follows:

- a) To provide affordable prices to customers of PT Lunata Teknokindo Group, prices should be adjusted to the needs and desires of customers by holding discussions. Before signing the contract, PT Lunata Teknokindo Group met with prospective customers to discuss the customer's budget for the use of services. Every budget owned by the customer will be adjusted to the services provided. For example, customers who have unlimited budget will be given the entire package of services such as: from the process of making software to software maintenance, a team will be provided on standby 1 x 24 hours, then user training will be given before the software is running. While customers who have a limited budget of service packages range from making software to 2x repairs if a system error occurs, while maintenance will last for the duration of the collaboration.
- b) To provide competitive prices PT Lunata Teknokindo Group must first conduct a market survey conducted by the marketing team to monitor prices for similar businesses. Market price surveys are conducted on similar products issued by competing companies.
- c) To provide prices that are in line with product quality PT Lunata can sometimes apply high prices for the best quality products. However, pricing may vary depending on region, customer, time, quality, and shape of the product. Areas that are increasingly far from the working area (office) of PT Lunata Teknokindo Group can be given a more expensive price. Because the installation of information technology tools to the customer's place also has transportation costs that vary from one destination to another. In addition, the time to interact with customers, if employees spend more time to provide training and maintenance for a longer service then the price given can be higher. In the end the price must be adjusted to the quality of services provided by the company.
- d) To provide prices in accordance with the benefits of the product PT Lunata Teknokindo Group must understand what is needed and desired by its customers. The company assigns an employee to persuasively

approach prospective customers. The employee can invite potential prospects to sit together while discussing about a product that attracts the prospect's attention. Explain the benefits of the product in more detail and give potential customers to explain their needs and desires in a duration of 2 hours. Then employees can provide product samples and give prospective customers the opportunity to try.

e)For Tangible, when employees meet customers it is better to use fragrances or not cause body odor that disturbs the customer's sense of smell and makes them uncomfortable when discussing. In addition, every good employee's appearance is sure to make customers feel more comfortable. In addition, in discussions, choose a place to discuss that provides convenience to customers. Addition of a 1 x 24 hour call center media service is also very necessary so that each prospective customer and customer can be served quickly.

f)For Empathy, every employee should give a speech on important and important customer days consistently and follow up consistently to prospective customers and customers by asking their desires and complaints about a product. It is expected that the company has an understanding and knowledge about customers, paying attention to customer needs specifically.

g)For Assurance, the knowledge and courtesy of employees can be increased by attending training that should be provided by the company on a regular basis at least once every 3 months.

h)For responsiveness, every employee must be able to serve and resolve complaints properly and quickly. Customers who make a complaint certainly want a solution to the problem. Complaints that come from customers usually come because customers feel there is a disadvantage or feel dissatisfied with the quality of service provided by the company. Therefore, every employee should respond with caution and be quick and responsive in responding to every complaint that comes, for example, will immediately respond to customer complaints and problems at this time.

i)For reliability, ask periodically after the employee performs service to customers about how the services provided. Questions can be sent via email or telephone to the customer concerned. expected performance must be in accordance with customer expectations which means the same service for all customers without errors, products or services provided are expected to be always in good quality.

References

- [1]. Abdillah, Willy and Jogiyanto. 2015. *Partial Least Square (PLS) Alternatif Structural Equation Modeling (SEM) dalam Penelitian Bisnis*. Ed.1. Yogyakarta: ANDI.
- [2]. Cooper, D.R. and Schindler, P.S. 2014. *Business Research Methods*. New York: McGraw-Hill.
- [3]. Hasan, Ali. 2013. *Marketing dan Kasus-kasus Pilihan*. Yogyakarta: Center of Academic Publishing Service.
- [4]. Kotler, Philip and Keller, Kevin Lane. 2012. *Manajemen Pemasaran*. Edisi Ketiga Belas Jilid 1 Dan 2. Jakarta: Erlangga.
- [5]. Markplus. 2009. *Marketing the second generation*. Jakarta: Gramedia Pustaka.
- [6]. Sugiyono. 2010. *Metode Penelitian Bisnis: Pendekatan Kuantitatif, Kualitatif, Kombinasi, dan R & D*. Bandung: Penerbit Alfabeta.

Noviarny Anggasta Lara Sumarlan, etal. "Effect of Price and Service Quality on Customer Satisfaction at PT Lunata Teknokindo Group." *IOSR Journal of Business and Management (IOSR-JBM)*, 22(1), 2020, pp. 56-59.