

# THE ROLE OF PRICE, PRODUCT ADVANTAGES AND PLACE OF BUSINESS ON CUSTOMER LOYALTY THROUGH SATISFACTION AS A LOCATION VARIABLE (STUDY AT MR KLIWON ARJASA CHIKEN NOODLE STALL)

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## ABSTRACT

Increased competition between countries, especially food businesses so that business stakeholders are expected to provide a sense of satisfaction to consumers. Then after achieving a sense of satisfaction will have a good effect on the level of consumer loyalty. Therefore, it must be noted that the variables that play a role in increasing consumer satisfaction. This research intends to understand to what extent is the level of customer loyalty. The sample is a buyer of chicken noodles at Pak Kliwon Arjasa's shop. The population that is applied is a total of 78 people. Data collection was carried out by distributing questionnaires to chicken noodle buyers at the Pak Kliwon shop. The data processing uses smart PLS where Y1 is the satisfaction variable as the intervening variable, Y2 is the consumer loyalty variable, X1 is the tariff variable, X2 is the product excellence variable, X3 is the place of business variable. The results of this research found a positive and significant relationship between tariffs, product superiority and place of business on consumer loyalty through satisfaction as an intervening variable.

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## 1. INTRODUCTION

The development of food at this time of the type of cake food, bread with a variety of increases. For example noodle food with various kinds such as chicken noodles, wonton noodles, fried noodles and mushroom noodles and others. Among the foods from noodles now that are preferred by the public are chicken noodles. Cheap rates so that all circles of chicken noodle lovers are in great demand by the public. As a result, many are self-employed by marketing the same noodle with a different appearance, sharing the uniqueness of the food being marketed to seek consumer attention. Every year noodle sellers increase. The progress of the food business is due to the desires of various kinds of people. So that the stall owners strive for the quality of the chicken noodles that are marketed according to the wishes of the community and the buyers feel that what they want has been achieved. This situation gives the entrepreneurial spirit to conduct a review to determine the right attitude so that the satisfaction desired by the buyer becomes a future business orientation. With the development of the chicken noodle business, this could become greater competition between food business stakeholders. One of them is the chicken noodle in Arjasa, Pak Kliwon's stall, which has been around for more than 10 years. From the first opening of this business, it received a good response from the community so that marketers increased over time, the total number of buyers could increase. But in the middle of 2021 the total number of buyers decreased every day for no reason. The total transformation of the buyer owner of Pak Kliwon's stall is trying to find a solution to this problem.

Therefore, shop owners must be enthusiastic to add consumers and maintain product quality to achieve the best quality from their competitors. The purpose of this quality directly is to develop consumer interest and marketing from Pak Kliwon Arjasa's chicken noodle stall, so that the industry gets more consumers. The presence of competitors motivates each business stakeholder to realize quality. Industries that can compete and are strong, namely industries that have the ability to present quality products so that the industry strives to innovate in the quality of its products and is able to create and maintain relationships with consumers. The quality in question is maintaining familiarity with consumers and a sense of satisfaction received by consumers. Quality has an influence in conveying encouragement to buyers or prospective buyers in marketing transactions for goods. This is intended so that all products sold can obtain

the right position in the eyes of the public as buyers or potential buyers. Industries that have succeeded in prioritizing customer satisfaction. In addition to strengthening product quality, another thing that influences customer satisfaction is price. The price set by the stall owner can play a more active role at the marketing level and leave the decision to the buyer for the umpteenth time transaction. So the quality received by the buyer is equal to the value of the food price that must be paid by the buyer. In addition, aspects that contribute to the success of a business are where the business is located.

Each buyer can arrive at the location if the strategic location is close to public facilities so that buyers who do not have their own transportation can use public transportation. Therefore, the buyer's satisfaction will arise from each buyer if the food is marketed by the stall owner or if it exceeds the wishes of the buyer. Aspects that manifest buyer satisfaction are the determination of the rates delivered, the quality of the goods being marketed and the place of business that can be reached by every buyer, this flexibility that every buyer wants to get food according to their wishes. The realization of this satisfaction can get benefits, including closer bonds between shop owners and buyers. After that, repeated purchases are realized and are not affected by noodle food from the same competitor's shop.

Based on the description above, the writer can formulate the problems in this study as follows:

- a. Is there an effect of the determination of the value of money/price on buyers' repeated purchases through satisfaction as an intervening variable at Pak Kliwon Arjasa's chicken noodle shop?
- b. Is there an effect of food quality on repeated purchases through satisfaction as an intervening variable at Pak Kliwon Arjasa's chicken noodle stall?
- c. Is there an effect of place on repeated purchases as an intervening variable at Pak Kliwon Arjasa's chicken noodle stall.

Based on the above problems that have been formulated, the research objectives to be achieved are as follows:

- a. To determine the effect of the determination of the value of money/price on repeated purchases through satisfaction as an intervening variable at Pak Kliwon Arjasa's chicken noodle shop
- b. To determine the effect of food quality on repeated purchases through satisfaction as an intervening variable at Pak Kliwon's chicken noodle stall
- c. To determine the effect of place on repeated purchases through satisfaction as an intervening variable at Pak Kliwon Arjasa's chicken noodle stall

## 2. METHOD

### 2.1 Types of research

Based on the topic and conclusion of the problem, this research is a qualitative research. Qualitative research techniques are research techniques that are used if the situation is a natural goal, that is, a goal that grows soberly, is not deliberately engineered by adding to it by the reviewer, and attendance is not influenced by the situation at the goal where the reviewer is a fundamental tool.

#### **The steps for determining the main variables in the research and determining their functions**

Variables are logical associations of two or more objects under study that have special attributes determined by the reviewers so that they can draw conclusions (Sugiyono, 2008) in (Emik Iriyanti, 2016). When those aspects are reflected in the formulation of the problem the hypothesis consists of:

1. An independent variable is a logical grouping of two or more attributes of the object under study distributing roles to other variables, Sugiyono (2009: 59) in (Emik Iriyanti, 2016), namely:
  - a. The independent variable (X1) is the superiority of the product
  - b. The independent variable (X2) is Price
  - c. The independent variable (X3) is the place of business

2. The connecting variable is a logical grouping of two or more attributes of the object under study that influences the bond between groupings that are logically unbound and groupings that are logically bound into bonds that are not immediately and are not examined and assessed by Tuckman (Sugiyono, 2007) in (Emik Iriyanti, 2016). This is a logical grouping of two or more attributes of the object under study between a logical grouping of two or more independent and bound attributes, therefore a logical grouping of two or more attributes has a dynamic or bound effect.

3. Logical grouping of two or more attributes of the object under study is a grouping that is influenced by unbound logical grouping, (Sugiyono, 2009: 59) in (Emik Iriyanti, 2016), namely:
- logical association of two or more a bound grouping ( Y2) is consumer loyalty.

### **Associations and sections of the population**

Opinion (Arikunto, 2002:108) population can be translated as a whole of the problem variables studied. All in this research are buyers or consumers who are loyal to Pak Kliwon Arjasa's chicken noodle stall. The total total of the variables studied has not been found with absolute certainty because the loyal consumers of Pak Kliwon Arjasa's chicken noodle stall are scattered in all areas of Jember. Furthermore, the determination of the total of all of the problem variables studied was expanded from Isaac and Michael, for a failure level of 1% 5% 10%.

Therefore the total portion of the population that has the traits and characteristics that represent and describe used in this research is 78 in total, a portion of the population with a failure rate of 5%. The total collection method for a portion of the population that has the properties and characteristics in this research is used by the accidental/incidental sampling method when the determination method

Thus the number of samples used in this study were 78 samples with an error level of 5%. The sampling technique will be carried out by accidental/incidental sampling technique where the sampling technique is based on coincidence, namely anyone who coincidentally/accidentally meets the researcher can be used as a sample, if it is deemed that the person met by chance is suitable as a data source (Sugiyono, 2013: 67) ).

## **2.2 Analysis Method**

### **Solve a scientific problem**

#### **Data Validity and Reliability Test Results**

Testing the accuracy and accuracy of a measuring instrument in carrying out its measurement function (Azwar 1986) is used to measure the validity of a questionnaire. A questionnaire is declared valid or valid if the problems in the questionnaire are able to express something that can be measured by the questionnaire. Reliability is actually a measuring tool in a questionnaire, namely a value that gives an overview of the attributes, properties, elements or objects of a place or construct. A questionnaire is declared reliable or capable if the respondent's objection to the statement is fixed or does not change from day to day.

### **Multiple Linear Regression Analysis**

If you want to see the impact of achieving the most significant research objectives, the independent variables are used multiple linear regression analysis with the formula (Sugiyono, 2013) in (Emik Iriyanti, 2016)

$$Y1=a + b1x1 + b2x2 +b3x3 +e$$

### **Classic assumption test**

After obtaining a multiple linear regression model, the next thing to do is whether the pattern or reference used in doing something is developed to be BLUE (Best Linear Unbiased Estimator). This pattern or reference has parameters that review must replace the lowest type, a single number whose value is fixed, and maximize the results of a job. BLUE's opinion that must be realized, among others, there is no situation that shows a strong correlation between two or more independent variables in a multiple regression model, there is no occurrence of one of the factors that causes the simple linear regression model to be inefficient and inaccurate, also resulting in the use of the maximum likelihood method in estimating the parameters (coefficients) of the regression will be disturbed and the evidence for normal distribution.

### **T test and F test**

The t test is used to verify the impact of a logical grouping of two or more attributes of the object under study is not specifically bound in explaining the type of grouping logically an attribute under study is bound (Ghozali, 2005: 84) in (Emik Iriyanti, 2016) . In this research the t test is used in order to understand whether the logical grouping of an attribute under study is price (X1), product quality (X2), and location (X3) in fact has a segmental impact on the logical grouping of two or more attributes of the bound object, namely consumer loyalty (Y). The F test was carried out in order to understand the impact simultaneously

### 3. RELUST AND DISCUSSION

#### **Reflection on Pak Kliwon Arjasa's chicken noodle stall business**

Starting from a hobby of cooking when he was young, therefore when he was about to start a vocational high school, Pak Kliwon chose a vocational high school. It was from this that Pak Kliwon's cooking skills began to be seen. So that after starting a family, Pak Kliwon intends to open a chicken noodle shop. Initially, Pak Kliwon opened a meatball stall with a cart in Arjasa. As time went on, Pak Kliwon's meatball business was quiet and then there was a regional regulation that prohibited selling carts on the Arjasa roadside. With this regulation, Mr. Kliwon rented a shop located on Jalan Supriyadi, Arjasa sub-district. Furthermore, the shop was named Mie Ayam Pak Kliwon. In early 2013, Pak Kliwon opened a chicken noodle business. As time went on, the chicken noodle business was selling well and having loyal consumers, Pak Kliwon made his own chicken noodles, starting from raw materials to finished. So it can also be seen that the same business has a slightly reduced total impact on consumers at Pak Kliwon Arjasa's chicken noodle stall. Therefore, Pak Kliwon is looking for a solution so that consumers will increase and be loyal to buy by buying a rented place for Pak Kliwon's chicken noodle stall and building a shophouse and a large parking lot. When it has been repaired apart from the location of a wider place. After being built, in addition to a shophouse and a spacious, comfortable parking area, the products from Pak Kliwon's chicken noodle stall are also increasingly diverse. Not only selling chicken noodles but also selling meatballs. Which has an impact on increasing consumers, currently Pak Kliwon can make 16 to 21 kg of chicken noodles. The opening hours of Pak Kliwon's chicken noodle stall are 11:00 a.m. to 9:30 p.m.

#### **Data Validity and Reliability Test Results**

The results of the study of the data obtained from the comparison of r count with r table are 0.23 and look at the significant level, which is 0.06. Products and places have an impact on consumer loyalty through consumer satisfaction.

#### **Discussion**

##### **Logical grouping of two or more price attributes partially has a positive and significant impact on consumer loyalty through consumer satisfaction**

Price is the quantity that the buyer exchanges with the benefits of having or using a product or service that determines the value of the consumer and the trader through negotiation, or is determined by the trader for a price similar to that of the consumer. For buyers, price is the determining aspect in deciding to buy a product or not. The buyer decides to buy a product if the use received is more useful or in balance with the money he has spent. The evaluation resulted that logical grouping of prices had a positive and significant impact on consumer loyalty through the satisfaction of the buyer regarding this matter as indicated by the value measured by the level of occurrence of a random event from the calculation obtained, which is more than a minimum alpha of 5%, which is equal to 0.00. This research is supported by previous research, namely research from Emik Iriyanti (2016).

##### **Logical grouping of two or more product quality attributes partially has a significant and positive impact on consumer loyalty through consumer satisfaction.**

Quality has a fundamental meaning for buyers in determining the purchase of the product. If the quality of the product obtained is satisfactory, the buyer is willing to buy it again. If the quality of the product is not in line with what is expected, the buyer will move to buy the next product to the same competitor's product. The impact of product and service quality, customer satisfaction, and the ability to generate industry profits are three things that are strongly related. If the quality of the product level is higher, the satisfaction of consumers will still be higher, the tariff support can be higher and the tariffs more affordable. From the results of this research, it was obtained that product quality partially had a significant and positive impact on consumer loyalty through a sense of consumer satisfaction that was convinced by the t test, the t count was greater than the t table, which was  $3.94 > 1.99$ . This research also supports research from Emi Iriyanti (2016).

##### **Logical grouping of two or more attributes partially has a significant and positive impact on consumer loyalty through consumer satisfaction**

In this research, the logical grouping of two or more attributes partially has a significant and positive impact on customer loyalty through customer satisfaction where a partially significant and positive impact on customer loyalty through customer satisfaction can be observed because the level is less significant than alpha 5%. that is 0.005. Therefore, the provisional assumption is accepted. This research motivated Emi

*The Role Of Price, Product Advantages And Place Of Business On Customer Loyalty Through Satisfaction As A Location Variable. (Study At Mr Kliwon Arjasa Chiken Noodle Stall). Stivani Yanti Atmanegara*

Iriyanti's 2016 previous research.

### **Logical grouping of two or more customer satisfaction attributes partially has a significant and positive impact on customer loyalty**

In this research, the logical grouping of two or more customer satisfaction attributes partially has a significant and positive impact on consumer loyalty, because the level is significantly lower than the 5% alpha, which is 0.005. Therefore, the provisional assumption is accepted. This research is supported by previous research conducted by Emi Iriyanti 2016.

#### **4. CONCLUSION**

Based on the first provisional conjecture explaining the logical grouping of two or more price (X1), product quality (X2) and place (X3) attributes into a grouping of attributes that are not tied together to consumer loyalty through satisfaction becomes a grouping of connecting attributes on Pak kliwon Arjasa's chicken noodle stall, the final results of the F test obtained are price, product quality, and location which simultaneously have a significant and positive impact on consumer loyalty through consumer satisfaction at Pak Kliwon Arjasa's chicken noodle stall. This can be observed in the review of the previous chapter by observing the comparison between F values and F tables. Previous reviews have proven that F counts with F tables. Previous reviews proved that F count is greater than F table, namely F count = 6.186 and F table 2.498 with a significant level = 0.001 which is still below the significant level in this research which has been determined to be  $\alpha = 0.05$ . Based on the resulting t test, it can be said that the grouping of price attributes, price, product quality and location partially influence customer loyalty through satisfaction at the Jember Mie Pangsit Depot. And customer satisfaction variable also influences customer loyalty. Judging from the results of calculations on the price variable that has the greatest value compared to other variables.

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