THE EFFECT OF PRODUCT QUALITY AND SERVICE QUALITY ON CUSTOMER SATISFACTION AT ALFAMIDI RINGROAD STORE 3

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ARTICLEINFO	ABSTRACT
Keywords: Product Quality, Service Quality, Customer Satisfaction.	This study is examining the effect of product quality (X1) and service quality (X2) on the customer satisfaction of ALFAMIDI shop ring-road 3 with a total of 90 respondents in this study conducted in 2021. This analysis includes classical assumption test, multiple regression analysis, hypothesis testing through t-test and F test, and analysis of the coefficient of determination (R2). The results of the analysis using the t-test can be seen that the independent variable namely product quality (X1) has a positive but not significant effect partially on the dependent variable, namely customer satisfaction (Y) while it is known that the independent variable namely service quality (X2) has a positive but not significant effect partially on the dependent variable, namely customer satisfaction (Y). The results of the analysis using the F test can be seen that the two independent variables, namely product quality (X1) and service quality (X2) together have a positive but not significant effect on the dependent variable namely customer satisfaction (Y). The results of the analysis using the coefficient of determination are known that 01.2% of employee performance can be obtained and explained by product quality (X1) and service quality (X2). While the remaining 98.8% is explained by other variables not included in this study.
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1. INTRODUCTION

Economic growth in the current era of globalization is undeniable from the increasingly rapid competition. To run a business is not difficult, as evidenced by the many companies that were founded. But that does not mean it will be easy for the company to maintain and even improve the company without the right business strategy, especially for a newly established company. Every company is required to be able to compensate for the changes that occur. Where competition prioritizes excellence and strives to satisfy customers, one of which is a company engaged in the retail sector. The definition of retail is all activities consisting of business activities involved in selling goods and services to consumers for their own, family or household interests, not for resale.

The fulfillment of customer needs and desires is largely determined by the level of customer satisfaction itself. With so many activities outside the home that are very diverse, customers want a fast, practical and high level of comfort. To be able to survive in the midst of rampant competition, companies must have a marketing strategy that is based on customer satisfaction. Customer satisfaction itself is one of the most important things used to attract buyers in today's era so that repeat purchases are formed at the company

Satisfaction is a person's feeling of pleasure or disappointment that comes from a comparison between his impression of the performance (or results) of a product and his expectations. The result is high customer loyalty. Several factors that influence customer satisfaction are product quality and service quality so that it can lead to customer satisfaction (Maulana, 2016). In accordance with research (Wahyuni, 2019) said the results of the research he did that the customer satisfaction index was related to providing the best

quality service to create satisfaction. In addition to service, product and price factors as a whole have an effect on customer satisfaction. Customer satisfaction is the result felt by buyers from the performance of companies that meet their needs (Dewi & Hidayat, 2015). Based on the background that has been described, the researchers will examine more deeply about the effect of product quality and service quality on customer satisfaction to determine whether or not it affects the decline in sales. With the research title "The Effect of Product Quality and Service Quality on Customer Satisfaction at the Alfamidi Ringroad 3 AF65 Store".

2. METHOD

The word satisfaction can be interpreted as a customer's desire or expectation. Customer satisfaction has become a central concept in business and management discourse. Business and non-business organizations are competing to prioritize as one of the goals of their business strategy, with slogans such as customer is king, your satisfaction is our goal.. The word satisfaction comes from the Latin "satis" which means good enough, adequate and "facio" (to do or make). The word satisfaction can be interpreted as an effort to fulfill something or make something adequate (Tjiptono, 2019).

The factors that influence customer satisfaction according to (Kasmir, 2018) are:

1. Quality of service Customers who want to have a sense of satisfaction with the services received in transactions.
2. Product quality The ability of a product to perform its function.
3. Price An appropriate exchange rate that is equated with other goods or services for someone.
4. Location Location or place that is easily accessible by customers and access to the store is not difficult.
5. Mark The mark worn by the company on the goods produced as an identification mark.
6. Packaging Coordinated system to prepare goods to be ready for storage.
7. Design Can be applied as applied art, architecture, and various other creative achievements.
8. Color A certain spectrum contained in a perfect light.

In the context of product quality and customer satisfaction to achieve customer expectations, companies must play an important role as a standard of comparison and evaluate quality against satisfaction. According to (Parasuraman & Tjiptono, 2019) customer confidence before trying or buying a product that is used as a standard or reference to assess the performance of the product in question is in accordance with expectations. According to (Gavin & Tjiptono, 2019) product quality is a good or bad level of a product that is produced in accordance with predetermined specifications or conformity to needs. Service quality is all activities carried out by the market to meet customer expectations. Service is defined as a service or service delivered by the service owner in the form of convenience, speed, relationship, ability and friendliness which is shown through the attitude and nature of providing services to customers. Service quality contributes significantly to the creation of differentiation, positioning, and competitive strategy of any marketing organization. According to (Tjiptono, 2019) service quality can be interpreted as an effort to fulfill customer needs and desires for the accuracy of delivery in balancing customer expectations. In addition, the advantages formed through service are oriented towards four closely related pillars, namely speed, accuracy, friendliness, service comfort

Conceptual Framework

The conceptual framework is a conceptual model of how to relate to various factors that have been identified as important issues. Based on the explanation of what is contained in the relevant theory and research, a framework of thinking is made as follows:

1. The Influence of Product Quality on Customer Satisfaction Product quality according to (Tjiptono, 2019) is that the ability of a product to perform its functions includes overall durability, tangibility, accuracy, ease of operation and product repair as well as its attributes. This shows researchers to pay attention to the quality of the products offered, because it will greatly affect the activities of employees in marketing products and will affect customer satisfaction in responding to the products they receive.
2. The Effect of Service Quality on Customer Satisfaction According to (Tjiptono, 2019) service quality is the first technical quality, which is related to the outcome of a service. The second is functional

quality which is more related to the delivery process or how the service is provided. The third is the image or reputation of the producer who provides services. Service quality demands force in providing services from these three aspects in response to customer satisfaction. So this shows researchers to give more sense of being ready to serve perfectly in carrying out services to balance the needs of customers. Service quality is the most important thing that must be considered by service providers to be able to survive and remain the choice of customers. The researcher concludes that service quality has a significant effect on customer satisfaction.

3. The Influence of Product Quality and Service Quality on Customer Satisfaction Quality is the most important spearhead in running a business in order to survive as a customer's choice. Product quality is one of them. The quality of the products offered will affect the level of customer satisfaction, increasing service satisfaction for providers is very important to attract repurchase interest.
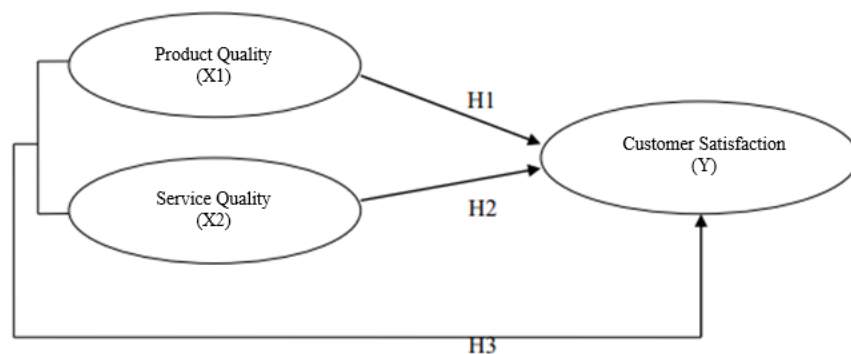

Figure 1. Conceptual framework

The research approach used in this research is quantitative research that is associative. According to (Rusiadi, 2015) quantitative research is research that aims to determine the relationship between two or more variables. With this research, it will be possible to build a theory that can function to explain, predict and control a symptom. Researchers will conduct research at ALFAMIDI RINGROAD 3, Jalan Gagak Hitam, Ringroad, Medan Sunggal District, North Sumatra. Variable Measurement Scale According to (Rusiadi, 2015) explains the Likert scale is a scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena. In research, this social phenomenon has been specifically defined by the researcher, hereinafter referred to as the research variable. Determination of the score / value is based on the Likert scale, the score of respondents' opinions is the result of the sum of the scale values given to each questionnaire answer.

1. Data Quality Test Before the data was analyzed and evaluated, the data was tested with validity and reliability tests.
   a. Validity Test (Validity) Validity testing aims to measure the authenticity of a questionnaire. A questionnaire is said to be valid or valid if the questionnaire can reveal something that can be measured by the questionnaire. A measuring instrument is said to have high validity if it is able to measure what is desired, meaning that the tool performs the function of the measuring instrument or provides measuring results in accordance with the intent of the measurement (Ghazali, 2013).
   b. Test Reliability (Reliability) Reliability test is the level of stability of a measuring instrument in measuring a symptom or event. The higher the reliability of the measuring instrument, the more stable the measuring instrument
2. Classical Assumption Test According to (Rusiadi, 2015) classical assumption test is needed to find out whether the regression estimation results are completely free from heteroscedasticity symptoms, multicollinearity symptoms, and auto correlation symptoms. If there is heteroscedasticity, then the variance is not constant so it can cause errors. If there is multicollinearity, it will be difficult to isolate the individual effects of the variables, so that the

significance level of the regression coefficient is low. With autocorrelation, the estimator is still biased and still consistent, it's just that it becomes inefficient. Therefore, the classical assumption test needs to be done.

- a. Normality Test According to (Rusiadi, 2015) the normality test of the data was carried out before the data was processed based on the recommended research models. The normality test aims to determine whether the confounding or residual variables have a normal distribution. This assumption must be fulfilled for a good linear regression model.
- b. Multicollinearity Test According to (Rusiadi, 2015) the multicollinearity test is a test to determine whether or not there is a significant correlation between the independent variables in a multiple linear regression method. This test is carried out by looking at the tolerance and variance inflation factor (VIF) values from the analysis using SPSS. If the tolerance value > 0.10 or VIF < 10, it is concluded that there is no multicollinearity
- c. Heteroscedasticity Test According to (Rusiadi, 2015) the Heteroscedasticity test is used to see whether there is an inequality of variation and residuals from another observation. Regression models that meet the requirements are models that have the same variance and residuals from one observation to another are fixed or are called homoscedasticity. In this study, the method used to detect symptoms of heteroscedasticity by looking at the graph plot includes the prediction of the dependent variable (ZPRED) and its residual (SRESID).

3. Multiple Linear Regression Test The purpose of regression analysis is to determine the effect of the independent variable (X) on the dependent variable (Y). In this research, the researcher uses multiple regression analysis because the measurement of the influence between variables involves more than one independent variable, Product Quality (X1) and Service Quality (X2).

4. Hypothesis Testing Hypotheses are assumptions or about something that is made to explain something that is often required to check. The significant test of the effect of the independent variable on the dependent variable simultaneously uses F and partially uses the t test.
- a. Simultaneous Test (F Test) According to (Rusiadi, 2015) the F test tests the simultaneous effect of the independent variables on the dependent variable.
- b. Partial Test (t Test) According to (Rusiadi, 2015) the t test was conducted to test the partial effect between the independent variables on the dependent variable with the assumption that other variables are considered constant.
- c. Coefficient of Determination (R^2) According to (Rusiadi, 2015) this analysis of determination is used to determine the percentage of the variation of the change from the independent variable to the change in the dependent variable
- d.

3. RESULT AND DISCUSSION

The most dominant respondents were women as many as 24 people or respondents aged 31-40 years (37%). This shows that women aged 31-40 years are more comfortable shopping at Alfamidi Ringroad 3 stores because the products are more complete. The most dominant respondents were married with a high school education level as many as 37 people or respondents (24%). This shows that respondents with marital status at the high school level prefer flexible shopping places. The most dominant respondents are private employees as many as 22 people or respondents and the product that is often purchased is cigarette items (40%). This shows that private employees are more satisfied with the excise stamps sold at Alfamidi Ringroad 3 stores. The most dominant respondents are those who already have a member card as many as 34 people or respondents who have been shopping for 1 year (26%). This shows that respondents who shop do not want to waste points from every transaction they make The most dominant respondents in the payment method are in cash as many as 52 people or respondents and the most dominant often shop at the Alfamidi Ringroad 3 store, which is 1X a week (17%). This shows that customers naturally want things that are easier or faster in transactions.

The most dominant respondents are male as many as 34 people or respondents in obtaining information via the internet (26%). This shows that men are more active and sensitive in seeking information related to the promotion of drinks sold at Alfamidi Ringroad 3 stores.

The most dominant respondents are those aged 31-40 years as many as 22 people or respondents with a level of comfort in the store location (40%). This shows that customers aged 31-40 years are looking for a place to shop which is near or faster from their home in visiting the shopping place.
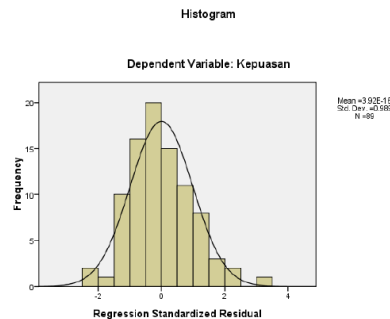

Figure 2. Normality Test Histogram

Based on the picture above, the results of the normality test of the data show that the data is not normally distributed, where the histogram image has a line that forms a bell and has a convex tilt to the right.
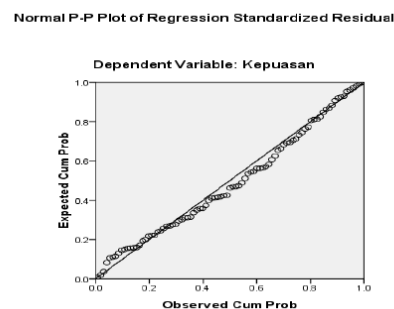

Figure 3. Scatterplot PP Test Plot Normality Test

Based on the picture above, then for the results of testing the normality of the data using the PP Plot image, it can be seen that the data points spread around the diagonal line so that the data is normally distributed. From the two figures above, it can be concluded that after testing the normality of the data, the data for the variable product quality, service quality and customer satisfaction are normally distributed. To further confirm whether the data along the diagonal line is normally distributed or not, the Kolmogorov Smirnov test (1 Sample KS) was carried out by looking at the residual data whether the distribution was normal or not. If the value of Asym.sig (2-tailed) > significant level (α = 0.05) then the residual data is normally distributed.

		Unstandardized Predicted Value
N		90
Normal Parameters[a,b]	Mean	30.9817800
	Std. Deviation	1.01321186
Most Extreme Differences	Absolute	.058
	Positive	.058
	Negative	-.041
Test Statistic		.058
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the truesignificance.

Table 1. One-Sample Kolmogorov-Smirnov Test

In the table above, it can be seen that the results of data processing, the significance value of Kolmogrov Smirnov is 0.200, it can be concluded that the data is not normally distributed, where the significance value is greater than 0.05 (p = 0.200 > 0.05). Thus, overall it can be concluded that the observed data values are not normally distributed and continue with other classical assumption tests.
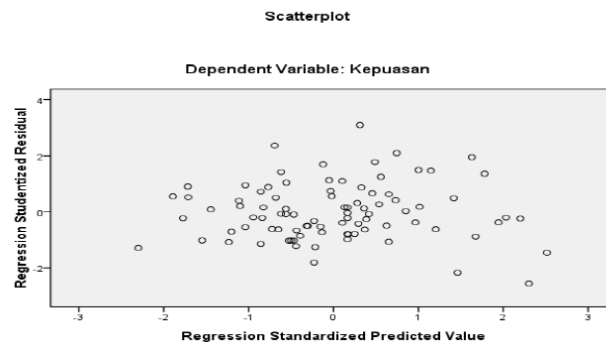

Figure 4. Heteroscedasticity Test Scatterplot

Based on the image above, the scatterplot image shows that the resulting points spread randomly and do not form a certain pattern or trend line. The figure above also shows that the distribution of the data is around the zero point. The results of this test indicate that this regression model is free from heteroscedasticity problems, in other words: the variables that will be tested in this study are homoscedasticity.

1.   The Effect of Product Quality on Customer Satisfaction

The results of the product quality variable are not positive and not significant on customer satisfaction with a coefficient value of tcount < ttable, 0.874 < 1.291 at a significant 0.385 > 0.05. So the previous hypothesis (H1) was rejected. Based on the results of the analysis of the test results that have been carried out, it is known that the product quality variable (X1) has a regression value of 0.077 which indicates that product quality does not have a positive effect on customer satisfaction so that good product quality will affect customer satisfaction. Bad products will affect customer satisfaction. Good products will affect customer satisfaction, on the other hand, if poor product quality will affect customer satisfaction. Based on the results of multiple linear regression and the results of the t-test carried out, it can be concluded that product quality has no positive and insignificant effect on customer satisfaction at Alfamidi Ringroad Store 3. Therefore, the hypothesis H1 proposed can be accepted and proven true (accept Ha and reject Ho) this is in line with the observations that the researcher made which was written in the background of the problem that the product quality decreased due to size variations.

The results of this study are also supported by the results of research conducted by Tommy Perdana Putra (2018) which states that product quality has no positive and insignificant effect on customer satisfaction. The results of this study show that in general, because the quality of the product purchased cannot be measured directly, only through the description on product sales, so that customers do not get the product as expected.

2.   The Effect of Service Quality on Customer Satisfaction

The results of the service quality variable show a positive but not significant effect on customer satisfaction with a coefficient value of tcount < ttable, 1.726 < 1.291 at 0.88 significant > 0.05). Then the previous hypothesis (H2) was rejected. Based on the results of the analysis of the results of tests carried out that the service quality variable (X2) has a regression value of 0.198 which indicates that service quality has a positive effect on customer satisfaction, so that increasing service quality will increase customer satisfaction, on the contrary, decreasing customer service quality will reduce customer satisfaction. the.

Based on the results of the multiple regression test and the results of the t-test carried out, it can be concluded that service quality has a positive but not significant effect on customer satisfaction at Alfamidi Ringroad Store 3. Therefore, the hypothesis H2 proposed can be accepted and proven true (accept Ha and reject Ho). The results of this study are in accordance with the theory put forward by Tjiptono where service quality is closely related to customer quality. Satisfactory service quality for customers makes customers can increase their satisfaction.

The results of this study are also supported by the results of research conducted by Arif Febrinan Agung (2018) which states that the variable satisfaction of Indomaret self-service customers has a significant value of 0.177> 0.05, which means that service quality has no positive and significant effect on Indomaret consumer satisfaction. , and inversely proportional to the results of research from Surni and Sulaiman (2019) which states that service quality has a positive and significant effect on customer satisfaction with 0.05.

3.   The Influence of Product Quality and Service Quality on Customer satisfaction

The results of the combination of product quality variables, service quality together (simultaneously) have a positive but not significant effect on customer satisfaction (coefficient value Fcount > Ftable 1.547 < 3.101 at 0.219 > 0.05). So the previous hypothesis (H3) was rejected. Based on the results of the analysis of the test results that have been carried out, it is known that the product quality (X1) and service quality (X2) variables each have a positive regression value which indicates that simultaneously (simultaneous) product quality and service quality have a positive effect on satisfaction. customer.

Therefore, it can be concluded that product quality and Service quality has a positive but not significant effect on customer satisfaction Alfamidi Ringroad 3. So the hypothesis H3 can be accepted and proven true (accept Ha and reject Ho) this is in line with observations made by researchers which have been written in the background of the problem that customer satisfaction decreases which are caused by customer presence, customer engagement and employee quality also decline. In addition, customer satisfaction is also caused by product quality and service quality which simultaneously decreases.

The results of this study are not in accordance with the objectives of the research carried out, namely knowing whether product quality and service quality simultaneously have a positive and significant effect on customer satisfaction Alfamidi Ringriad 3 has been implemented. The results of this study are in accordance with the theory put forward by Kasimr 2018 which argues that there are several factors that influence customer satisfaction including service quality, product quality, price, location, brand, packaging, design, and color. So that the research results are in line with the theory used in this study.

4.   CONCLUSION

Based on the results of research that has been carried out by researchers, it shows that product quality has no positive and insignificant effect on customer satisfaction at the Alfamidi Ringroad 3 Af store. Thus the results of the research that has been done are inversely proportional to the theory used in this study. Based on the results of research that has been carried out by researchers, it shows that service quality has a positive but not significant effect on customer satisfaction at the Alfamidi Ringroad 3 Af shop. Thus the results of the research that has been done are inversely proportional to the theory used in this study. Based on the results, it is concluded that the effect of product quality and service quality simultaneously has a positive but not significant effect on customer satisfaction at the Alfamidi Ringroad 3 Af store. Thus the results of this study are inversely proportional to the theory used in this study. And the dominant customers who come to shop at the Alfamidi Ringroad 3 store are: Boys., Married, Ages 31-40 years old, High school education, Working as a private employee, The product that is often bought is cigarettes, Have Alfamidi members, Shopping time 1 year, Payment in cash, Shopping 1X a week, Media information via the internet, Convenience of shopping due to the location of the store

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