


The Influence of Product Quality and Price on Consumer Satisfaction of SGM Milk Products in Palembang

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Article Info	ABSTRACT
Keywords: Product Quality, Price, Consumer Satisfaction	This study aims to analyze the Influence of Product Quality and Price on Consumer Satisfaction with SGM Milk Products in Palembang. This research uses a descriptive quantitative method with a sample of 100 respondents. The sample in this study consists of consumers (parents, siblings, or other family members) who purchased SGM Milk products at G&G Milk Store, MM Jaya Indah Kertapati, Toko Miring, Toko Restu Embun, and Toko Intan. The data analysis method uses non-probability sampling, quota sampling, and multiple regression with the SPSS version 26 tool. Based on the research results, it shows that the variables of Product Quality and Price have a significant and positive partial and simultaneous effect on Consumer Satisfaction with SGM milk products in Palembang.
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INTRODUCTION

Indonesia is a country with the 4th largest population in the world with a continuously increasing growth rate. The Central Statistics Agency (BPS) noted that a significant increase in the number of births occurred in 2020, namely 5.4% (Rizaty, 2023). The high birth rate in Indonesia is a potential market for manufacturers of baby products, especially baby formula products. In Indonesia, there are many types of baby formula offered by manufacturers both domestically and abroad, they compete with each other to dominate the national formula milk market share. Some of these products include SGM, Bebelac, Frisian Flag, Primamil, lactogen, etc. (Azizah, 2023).

Based on data from the Ministry of Health, the stunting rate in Indonesia in 2023 was recorded at 21.5 percent, only down 0.1 percent from the previous year which was 21.6 percent. Based on these data, the fulfillment of children's nutrition must be considered, to complete these needs, growth milk can help optimize children's growth and development. Therefore, consumers are increasingly selective in choosing products based on affordable prices with balanced nutritional content, especially in economic conditions influenced by inflation.

In Indonesia, many brands of formula milk make parents selective in choosing milk to support their child's growth. The selection of formula milk requires careful attention because

proper nutrition is important for a child's development during a crucial period. Factors such as nutritional quality, the child's health condition, economic aspects, and brands must be considered. Every child has different nutritional needs, so parents must choose formula milk that meets nutritional standards and suits the child's special needs. With these considerations, parents can ensure that their child grows up healthy, strong, and develops optimally.

One of the brands of toddler growth milk in Indonesia is SGM milk which can adapt to the nutritional needs of children which began operating in Indonesia in 1954 as a real manifestation of the national protein sufficiency program carried out by the Indonesian government together with the United Nations (UN) (Sarihusada, 2024). Consumers tend to buy milk products such as comparing the prices and quality of products of various brands of SGM milk as one of the choices of mothers because the quality of the product is according to the needs and the price is relatively affordable for the lower middle class (Simbolon, 2024).

SGM milk producer, PT. Sarihusada Generasi Mahardhika (SGM), produces nutrition for pregnant women, breastfeeding mothers, and children, with delicious, affordable, and international standard products, active since 1954 in Indonesia so that its brand is widely known by families in Indonesia with SGM Milk distributors in Palembang, namely PT Tigaraksa and APL.

According to the 2023 databox, SGM is the most frequently used formula milk brand by families in Indonesia, this is because the price offered by SGM is relatively cheap with quality content and adjusts to the needs to support the growth of children in Indonesia, and the promotional activities often carried out by SGM make its products widely known to families in Indonesia.

SGM makes competitive price adjustments aimed at consumers in segment c or middle and lower socioeconomic classes who are known for their good quality and nutritious products at affordable prices. SGM products can also be easily found in pharmacies, milk shops, and supermarkets (Palupi, 2019).

Palembang City, one of the big cities in Indonesia, has quite large economic and social growth dynamics. The increasing awareness of the importance of nutrition, especially for children, has increased the demand for dairy products (Nabila, 2023). In this context, SGM is able to offer products at prices that match the quality offered, making it one of the main choices for people in Palembang.

Table 1. SGM Milk Product Sales Data

No	Store Name	Sales 2023
1.	G&G Milk Shop	4.248
2.	MM Jaya Indah Kertapati	2.976
3.	Tilted Shop	4,548
4.	Restu Embun Shop	35,238
5.	Diamond Store	1,879
Total		48,889

Source: Shop Owner, 2024

Based on table 1 above, it can be seen that the SGM Milk Sales data at milk shops in Palembang has a difference in sales data from the G&G milk shop, there are 4,248 SGM milk sales, while the MM Jaya Indah Kertapati milk shop has sales of 2,976 SGM milk and at the Miring shop sales of 4,548 SGM milk while at the Restu Embun Shop sales of 35,238 and at the Intan shop of 1,879, seen from the sales data, the shop with the most SGM Milk sales is at the Restu Embun shop, which is 35,238 in 2023.

Based on the description of the background of the problem above, the research wants to conduct further research and write it in the form of a thesis entitled "The Influence of Product Quality and Price on Consumer Satisfaction of SGM Milk Products in Palembang" with the framework of thought used in this research as follows:

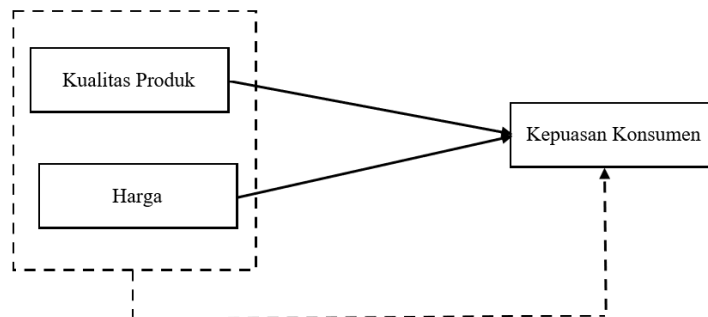


Figure 1. Framework

Figure 1, research framework explaining the relationship between the Independent variables of Product Quality and Price and the Dependent variable of Consumer Satisfaction, both partially and simultaneously.

METHODS

This research is a descriptive research with a quantitative approach. The purpose of this descriptive research is to describe and solve problems systematically, factually and accurately. This research uses a quantitative method because this research is a study that tests how much influence Product Quality and Price have on Consumer Satisfaction.

The object of this study is SGM Milk Products at G&G milk stores, MM Jaya Indah Kertapati, Toko Miring, Toko Restu Embun, and Toko Intan Palembang. The subjects of this study were consumers who purchased SGM Milk Products at G&G milk stores, MM Jaya Indah Kertapati, Toko Miring, Toko Restu Embun, and Toko Intan Palembang totaling 48,889. The population in this study were consumers who purchased SGM Milk Products in Palembang. The sampling technique used in this study was non-probability sampling with the method used being quota sampling. The number of samples in this study was 100 people with the type of instrument used being a questionnaire.

RESULTS AND DISCUSSION

Multiple Linear Regression

Table 2. Multiple Linear Regression Test Results

		Coefficients ^a			t	Sig.
		Unstandardized		Standardized		
Model		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1,529	.758		2,017	.046
	Product Quality	.325	.062	.434	5,249	.000
	Price	.363	.066	.458	5,532	.000

Based on the SPSS output above, the multiple linear regression equation is obtained: $\text{Consumer Satisfaction} = 1.529 + 0.325 \text{ product quality} + 0.363 \text{ Price}$

With a constant value of a of 1.529, it means that when all independent variables (Product Quality, price) are constant or considered to have a fixed value, then the dependent variable (Consumer satisfaction) has a value of 1.529. For product quality, it has a regression coefficient value of 0.325, indicating that Product Quality has a positive effect, meaning that if the Product Quality variable increases by 1, then consumer satisfaction also increases by 0.325 or 3.25%. While the price has a regression coefficient value of 0.363. Indicating that price has a positive effect, meaning that if the Price variable increases by 1, then Consumer Satisfaction also increases by 0.363 or 3.63%.

Partial Test (t-Test)

Table 3. Partial Test Results (t-Test)

		Coefficients ^a			t	Sig.
		Unstandardized		Standardized		
Model		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1,529	.758		2,017	.046
	Product Quality	.325	.062	.434	5,249	.000
	Price	.363	.066	.458	5,532	.000

Based on table 2, In the Product Quality variable, a significance value of 0.000 < 0.05 and t

count 5.249 > t table 1.985 was obtained. Thus it can be concluded that there is an influence of the product quality variable on consumer satisfaction, while in the Price variable, a significance value of 0.000 < 0.05 and t count 5.532 > t table 1.985 was obtained. Thus it can be concluded that there is an influence between the price variable and consumer satisfaction.

F Test (Simultaneous Test)

Table 4. F Test Results (Simultaneous Test)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	190,636	2	95,318	107,057	.000b
	Residual	86,364	97	.890		
	Total	277,000	99			

Based on Table 3, the calculated F value is 107.057 > F table 2.47 with a significance value (Sig.) of 0.000 < 0.05. So H₀ is rejected, H_a is accepted. This hypothesis test proves that product quality and price have a simultaneous effect on consumer satisfaction.

The Influence of Product Quality on Consumer Satisfaction

The results of this study indicate that the product quality variable (X₁) has a significant positive effect on consumer satisfaction. This can be seen through the value of the regression coefficient t count with 5.249 and the significance value of product quality of 0.000 < 0.05 (significance level 5%). This proves that product quality has a significant positive effect on consumer satisfaction of SGM milk products at G&G Milk Store, MM Jaya Indah Kertapati, Miring Store, Restu Embun Store, and Intan Palembang Store.

The Influence of Price on Consumer Satisfaction

The results of this study indicate that the price variable (X₂) has a significant positive effect on consumer satisfaction. This can be seen through the value of the regression coefficient t count with a result of 5.532 and a significance value of the price variable of 0.000 < 0.05 (significant level of 5%). This proves that price has a significant positive effect on consumer satisfaction with SGM milk products at G&G Milk Store, MM Jaya Indah Kertapati, Miring Store, Restu Embun Store, and Intan Palembang Store.

CONCLUSION

Based on the T-Test analysis value (Partial), it is concluded that the independent variables (Product Quality and Price) have a significant partial effect on the dependent variable (Consumer Satisfaction) on SGM Milk Products in Palembang. Based on the analysis conducted by conducting the F Test (Simultaneous), it was concluded that the independent variables (Product Quality and Price) had a significant simultaneous effect on the dependent variable (Consumer Satisfaction) on SGM Milk Products in Palembang.

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