



THE INFLUENCE OF COMPETITIVE PRICE, QUALITY OF SERVICE AND PRODUCT QUALITY ON CUSTOMER SATISFACTION (STUDY OF MARKETING MANAGEMENT LITERATURE)

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Abstract: The Literature Review article on the Effect of Competitive Price, Service Quality and Product Quality on Customer Satisfaction is a scientific article that aims to build a research hypothesis on the influence between variables that will be used in further research, within the scope of Marketing Management. The method of writing this Literature Review article is using the library research method, which is sourced from online media such as Google Scholar, Mendeley and other academic online media. The results of this study are: 1) Competitive Price has an effect on Customer Satisfaction; 2) Service Quality has an effect on Customer Satisfaction; and 3) Product Quality has an effect on Customer Satisfaction. Apart from these 3 exogenous variables that affect the endogenous variable Customer Satisfaction, there are many other factors including employee knowledge, polite employees, efficiency and on time delivery.

Keywords: Competitive Price, Service Quality, Product Quality, Customer Satisfaction

INTRODUCTION

In selling an item in the form of a product or service, the main goal in addition to obtaining profits and income, another goal is to achieve customer satisfaction. Because if a customer is satisfied after using the product or service that we offer, they will make repeat purchases and become consumer loyalty. Of course this is an advantage for a business, because the person has loyalty to the form of business. In this regard, researchers conducted research on the effect of Competitive Price, Service Quality and Product Quality on Customer Satisfaction.

Based on the background of the problems that have been discussed, the researchers determine the formulation of the problem as follows:

1. Does Competitive Price affect Customer Satisfaction ?
2. Does Service Quality affect Customer Satisfaction ?
3. Does Product Quality affect Customer Satisfaction ?

LITERATURE REVIEW

Customer Satisfaction

According to Kotler (2006:177) Customer Satisfaction is a feeling of pleasure or disappointment in someone that arises after comparing the performance (results) of the product

thought to the expected performance (or result). If the performance is below expectations, the customer is not satisfied, if the performance meets expectations, the customer is satisfied. If performance exceeds expectations, the customer is very satisfied or happy. (Ilhamalimy & Mahaputra, 2021)

According to Tse and Wilton (1988) in Tjiptono (2012:311) Customer Satisfaction is a customer response regarding the evaluation of perceptions of the difference between initial expectations before purchase (or other performance standards) and the actual performance of the product as perceived after using or consuming the product concerned. (Hernikasari et al., 2022)

Customer Satisfaction indicators according to Hawkins and Lonney in Tjiptono (2004:101) are: Price suitability, repurchase interest, and willingness to recommend.

Customer Satisfaction has been widely studied by previous researchers including: (Hernikasari et al., 2022), (Ilhamalimy & Mahaputra, 2021), (F. Saputra & Mahaputra, 2022b).

Competitive Price

According to Investopedia Competitive Price is a strategy in setting prices by taking into account the prices of products offered by competitors in the market. (Sudirman et al., 2020)

According to Novianto and Bartono (2005:137) Competitive Price is a price that can compete with competitors. Price is something that consumers pay attention to when they want to make a purchase. Some buyers also identify price with value. This assessment greatly affects their buying interest in the product, therefore a good and competitive pricing on a product or service is very much needed in order to get attention. (Sudirman et al., 2020)

Competitive Price indicators according to Stanton (Rosvita, 2010) are: Price affordability, price competitiveness and price suitability with benefits.

Competitive prices have been widely studied by previous researchers including: (Sudirman et al., 2020), (Ikhsani & Ali, 2017a).

Service Quality

According to Kotler (2019) Service Quality is a form of consumer assessment of the level of service received with the level of service expected. If the service received or perceived is as expected, then the quality of service is perceived as good and satisfying. (M & Ali, 2017)

According to Fandy Tjiptono (2017: 180) Service Quality is a measure of how well the level of service provided and able to reach customer expectations. Service Quality indicators according to Kotler in Arni Purwani and Rahma Wahdiniwaty (2017:65) are: empathy, reliability, responsiveness, assurances, and tangibles. (Mahira et al., 2021)

Service Quality has been widely studied by previous researchers including: (Handayani & Syarifudin, 22 C.E.), (M & Ali, 2017), (Suryani & Rosalina, 2019), (Mahira et al., 2021).

Product Quality

According to Kotler and Keller (2016: 37) Product quality is the product's ability to perform its functions, including durability, reliability, accuracy obtained by the product as a whole. (Ikhsani & Ali, 2017a)

According to Prawirosentono (2002) product quality is a physical condition, function and nature of a product that is related and can meet consumer tastes and needs satisfactorily according to the value of money spent. (Lathiifa & Ali, 2013)

Product Quality indicators according to Gaspersz (2008) are: Performance, reliability, aesthetics, durability, serviceability, perceived quality, additional features, and conformity to specifications. (Lathiifa & Ali, 2013)

Product quality has been widely studied by previous researchers including: (Lathiifa & Ali, 2013), (Ikhsani & Ali, 2017a), (Anas, 2019).

Table 1. Relevant Previous Research Results

No	Author (year)	Previous Research Results	Similarity with this article	Difference with this article
1	(M & Ali, 2017)	Customer Satisfaction Model: Analysis of Product Quality and Service Quality on Brand Image at Giant Citra Raya Jakarta	Discussing about Customer Satisfaction	There is a research locus, namely at Giant Citra Raya Jakarta
2	(Handayani & Syarifudin, 22 C.E.)	The Influence of Service Quality, Price and Relationship Marketing on Consumer Satisfaction on Gojek Transportation Services	Discussing the Quality of Service on Consumer or Customer Satisfaction	There is a research locus, namely the Gojek Transportation Service
3	(Ikhsani & Ali, 2017b)	Purchase Decision: Analysis of Product Quality, Price and Brand Awareness (Case Study of Sosro Bottled Tea Products at Giant Mall Permata Tangerang)	Discussing Product Quality	There is a research locus, namely the Teh Botol Sosro Product at Giant Mall Permata Tangerang
4	(Ilhamalimy & Mahaputra, 2021)	The Effect of Service Quality and Product Quality on Purchase Decisions and Customer Satisfaction (Marketing Management Literature Review)	Discussing Service Quality and Product Quality on Customer Satisfaction	There is a difference, namely there is a Y1 variable, namely Purchase Decision
5	(Putra, 2021)	Determination of Customer Satisfaction and Customer Loyalty to Product Quality, Brand Image and Price Perception (Marketing Management Literature Review)	Discussing Customer Satisfaction and Product Quality	There are differences, namely in the variables of Customer Loyalty, Brand Image and Price Perception
6	(Hernikasari et al., 2022)	Brand Image Model Through Customer Satisfaction Bear Brand: Price And Product Quality	Discussing about Customer Satisfaction	There is a difference, namely in the variables of Brand Image and Price

RESEARCH METHODS

The method of writing scientific articles is the qualitative method and literature review (Library Research). Assessing theory and the relationship or influence between variables from books and journals both offline in the library and online sourced from Mendeley, Scholar Google and other online media.

In qualitative research, literature review must be used consistently with methodological assumptions. This means that it must be used inductively so that it does not direct the questions posed by the researcher. One of the main reasons for conducting qualitative research is that the research is exploratory, (Ali & Limakrisna, 2013). In the next stage, it will be discussed in depth in the section entitled "Related literature" or "library review" (Review literature), as the basis for formulating hypotheses and in the final stage these two literatures become the basis for comparing the results and findings revealed in research. (H. Ali & Limakrisna, 2013)

DISCUSSION

Based on theoretical studies and relevant previous research tables, the following discussion is discussed:

1. The Effect of Competitive Prices on Customer Satisfaction

Price is an important thing for producers and consumers, for a producer the price can provide benefits for the company through the sale of products, while for consumers at a reasonable price, consumers hope to gain profit or satisfaction from consumption activities that have been carried out. Consumers are satisfied if the sacrifices they make through the price can be paid off by the benefits of the product in accordance with their expectations. For consumers, price is one of the determining factors in product selection related to buying decisions to be made. (Ikhsani & Ali, 2017a)

A company needs to set a competitive price, where the price is considered feasible by potential consumers because it is in accordance with the benefits of the product and is affordable, and is expected to be able to compete with the prices of products from other companies. Through competitive prices, a product will gain more value in the eyes of consumers which will then become an important point in influencing consumer buying interest. (Sudirman et al., 2020)

Competitive Prices affect Customer Satisfaction, this is in line with research conducted by: (Sudirman et al., 2020), (Ikhsani & Ali, 2017a).

2. The Effect of Service Quality on Customer Satisfaction

Service Quality is a condition that shows the level of service provided in selling a product or service. Service quality can be in the form of services provided directly face to face with customers, and also the quality of services provided online with customers. (M & Ali, 2017)

The services provided must be informational and understandable by customers, then the services provided must also be patient and communicative, in order to lead to customer satisfaction. (Mahira et al., 2021)

Service Quality has an effect on Customer Satisfaction, this is in line with research conducted by: (M & Ali, 2017), (Suryani & Rosalina, 2019), (Mahira et al., 2021).

3. Pengaruh Kualitas Produk terhadap Kepuasan Pelanggan

Product quality is a condition in which the durability and reliability of a product. If the product has reliable quality and can last a long time, then the customer will be satisfied with what is given from the product. And vice versa if the product you have is not able to survive and does not have reliability, then the customer will be disappointed with the product he bought. (Ikhsani & Ali, 2017a)

Product quality affects customer satisfaction, this is in line with research conducted by: (Lathiifa & Ali, 2013), (Ikhsani & Ali, 2017a), (Anas, 2019).

Conceptual Framework

Based on the problem formulation, theoretical studies, previous research and discussion of the influence between variables, the conceptual framework is obtained as follows:



Figure 1. Conceptual Framework

Based on the conceptual framework picture above, then: Competitive Prices, Service Quality and Product Quality affect Customer Satisfaction.

Apart from the Competitive Price, Service Quality and Product Quality variables that affect Customer Satisfaction. There are many other factors that affect customer satisfaction, including:

- 1) Employee Knowledge: (Karsono et al., 2022), (F. Saputra & Mahaputra, 2022b), (Kurniawan, D., Putra, C. I. W., & Sianipar, 2021), (R. Saputra & Dhianty, 2022), (Muzzamil et al., 2021).
- 2) Efficiency: (Syauket et al., 2022), (F. Saputra & Mahaputra, 2022a), (Kurniawan, 2020), (Kurniawan, S., & Zen, 2021), (Sjafrizal et al., 2020), (Imaddudin et al., 2022).
- 3) Communication: (Karsono, 2018), (Ali et al., 2022), (Lantu & Irfana, 2019), (F. Saputra, 2022b), (Kainde et al., 2021), (Atmoko & Noviriska, 2022), (Iksan et al., 2022).
- 4) Discount: (Hartadi, 2018), (F. Saputra, 2022a), (Ilhamalimy & Ali, 2021), (Manrejo & Fitaningsih, 2021), (Zen et al., 2022), (Dhianty, 2021), (Soetoto, 2018).

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the problem formulation, theoretical study and discussion above, the researcher can conclude hypotheses for further research, namely:

1. Competitive Prices affect Customer Satisfaction.
2. Service Quality affects Customer Satisfaction.
3. Product Quality affect Customer Satisfaction.

Recommendation

Based on the conclusions above, there are other factors that affect customer satisfaction, namely: employee knowledge, efficiency, communication and discounts.

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