Customer Satisfaction Based on Product Variants and Prices (Case Study on Indomaret Cibening Purwakarta)

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Abstract

This study aims to analyze the Influence of Product Variants and Prices on Customer Satisfaction in Indomaret Cibening Purwakarta. This study aims to analyze the Influence of Product Variants and Prices on Customer Satisfaction in Indomaret Cibening Purwakarta. The problems that exist in the retail business with the current condition that the retail market is dynamic, especially regarding price competition and product variants, careful analysis of the influence of customer satisfaction, pricing, and product variants is the main key. The current marketing conditions at Indomaret Cibening are still monotonous, using discount promos, and advertisements made from central Indomaret are problems related to efforts to create customer satisfaction experienced by Indomaret. The source of data in this study was obtained from a questionnaire (primary) distributed to the respondents. The population of this study is customers who visit Indomaret Cibening Purwakarta. The research sample was 161 people. The analytical test tool used is SmartPLS 4.0. The results of this study show that Customer Satisfaction has a significant positive influence with an R-Square value of 0.905.

Article Info

1. Introduction

Following economic developments and changes in customer lifestyles, Indonesia's retail industry has undergone rapid changes. Steady economic growth, increasing urbanization, and rapid technological penetration have been key drivers in the development of the retail sector. In this context, modern retail companies such as Indomaret have an increasingly important role in meeting the needs of daily customers. In the Law of the Minister of Home Affairs No. 23 of 2021, Supermarkets are also included in the Retail Industry Business. A supermarket is a store that has its own service method that sells a variety of products at retail (Permendag Number 23 of 2021).

Indomaret, including one of the Superstores mentioned in the Permendagri Law above, in this case means that Indomaret is also a modern Retail Industry Player, has played a significant role in changing customer shopping patterns. With a large and wide number of stores also spread throughout the region, Indomaret has become the choice for customers to buy their needs every day. The Retail business is now starting to emerge, it is a challenge for Indomaret to be able to come up with various ideas or the latest innovations, for example by increasing the number of product variants. The purpose of product variants is to increase the total stock of products with different types, so that customers have many choices when shopping.

However, with increasing competition in the retail market, Indomaret is faced with various new challenges. Increasingly intelligent customers and information that is easily accessible via the internet have increased customer expectations for services and the value they receive from the shopping experience (Purbohastuti, 2021). So, to be relevant and win the fierce market competition, Indomaret needs to continue to innovate and adjust in terms of services and marketing strategies to create customer satisfaction. Factors such as customer satisfaction, price, and product variants are key in attracting and retaining customer interest. Customer satisfaction

results can distinguish Indomaret from its competitors and build customer loyalty, so product variants and competitive pricing are often determining factors in customer purchase decisions (Nasikah & Fuadi, 2022). In addition, product variants can also provide added value for customers and improve Indomaret's brand image as a comprehensive and complete shopping destination.

A fundamental phenomenon in the context of the dynamics of the ever-changing retail market, namely about price competition and product variants, careful analysis of the influence of customer satisfaction, pricing, and product variants is the main key (Rohman, 2017). The current marketing conditions at Indomaret Cibening are still monotonous, using discount promos, and advertisements made from central Indomaret. Problems related to efforts to create customer satisfaction were experienced by Indomaret. It can be seen that Indomaret has a large number of visitors, but it does not prove that Indomaret does not have criticism, the problem that often occurs in Indomaret Cibening regarding product variants is that when there is a product with a new variant, the visitors prefer products with new variants compared to products with old variants so that there is an imbalance in sales and stock of goods, as well as prices (Novry, 2021), visitors are more impressed to choose to buy products that have discount promos compared to other product variants with normal prices.

Problems related to efforts to create customer satisfaction are experienced by Indomaret, the condition of crowded visitors, but does not prove that Indomaret does not have criticism, the problem that often occurs in Indomaret Cibening regarding product variants is that when there is a product with a new variant, visitors prefer products with new variants compared to products with old variants (Astuti, 2018) so that there is an imbalance in sales and stock of goods, Likewise with price variants, visitors are more impressed to choose to buy products that have discount promos compared to other product variants with normal prices (Syachroni & Suhardi, 2020). After conducting a pre-survey of 20 Indomaret visitors, it shows that customer satisfaction, price and product variants at Indomaret are not balanced and have the same influence.

2. Methods

Conceptual Model Thinking Framework is derived from a theory or concept of science that is used as a foundation for scientific research and is discovered through literature review. The conclusion of this literature is linked to the line relating to the variable being studied. According to (Sugiyono, 2017), it mentions the conceptual framework of the research, which is the result of analyzing facts and making theories to explain that the variables being studied interact with each other.

In this quantitative study, there are two variables that are included in the marketing mix theory, combining the marketing of goods and services in the marketing mix. In the dimension, the product and service marketing mix, there is a place dimension, there is also a product, price & promotion dimension where these three dimensions will be the material for the variables that the author is researching.

Product Variants and Prices have a significant effect on customer satisfaction at Indomaret Cibening Purwakarta" The following research hypothesis:

H1: The Effect of Product Variants on Customer Satisfaction at Indomaret Cibening Purwakarta.
H2: The Effect of Price on Customer Satisfaction at Indomaret Cibening Purwakarta.
H3: The Effect of Product Variants and Prices on Customer Satisfaction at Indomaret Cibening Purwakarta.
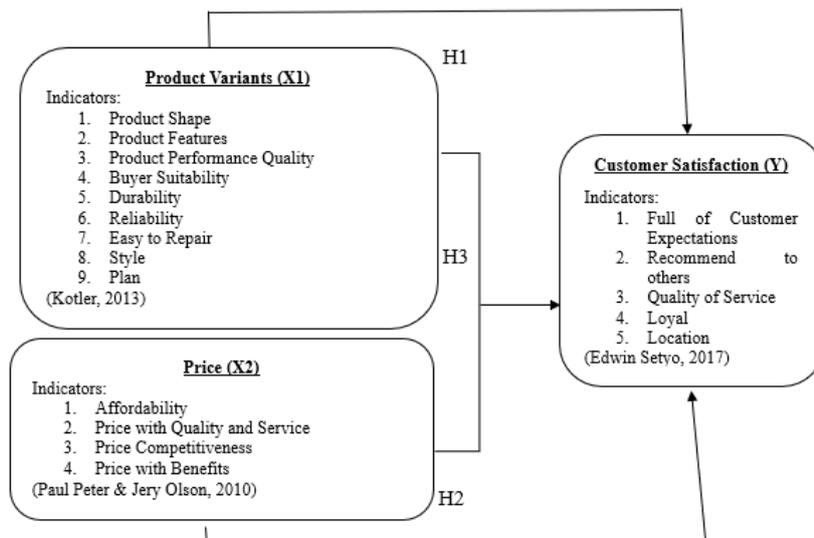
Figure 1. Framework of Thinking
Source: Researcher Development (2024)

3. Results and Discussion

3.1. Results
Instrument Test Results
a. Validity Test

According to Sugiyono (2017), the validity test shows that the tool is valid to measure what should be measured. The results of the validity test of the Product Variant and Price questionnaire on Customer Satisfaction at Indomaret Cibening Purwakarta, which was made using Smart PLS 4.0, are as follows:

Table 1. Validity Test Results (Discriminant Validity)

	VAR	HAR	KEP
VAR1	0.538	0.331	0.506
VAR2	0.867	0.863	0.783
VAR3	0.788	0.722	0.684
VAR4	0.748	0.514	0.554
VAR5	0.911	0.827	0.845
HAR1	0.657	0.735	0.647
HAR2	0.426	0.738	0.649
HAR3	0.707	0.922	0.818
HAR4	0.797	0.579	0.692
KEP1	0.845	0.889	0.900
KEP2	0.675	0.725	0.838
KEP3	0.599	0.602	0.748
KEP4	0.714	0.734	0.744
KEP5	0.773	0.888	0.882

Source: Data Processed (2024)

The value of the filling factor of each indicator and latent variable has a stronger value when assessed with the value of other filling factors, for example the table above. For example, the value of the filling factor for the price of 0.922 is greater than the value of other construction filling factors, namely the product variant of 0.911 and customer satisfaction of 0.900. The total processing for the latent variable has shown good discrimination validity. Therefore, the validity test of discrimination can be declared valid.

b. Reliability Test

Sugiyono (2017), said that Reliability is actually a tool to measure questionnaires that show variables or structures. A questionnaire is considered reliable or reliable if the respondents' responses are consistent or stable over time. The reliability calculation in this study uses PLS 4.0 smart software.

Table 2. Reliability Test Results (Construct Reliability and Validity)

	Composite eliability	Average Variance Extracted (AVE)
VAR	0.868	0.610
HAR	0.748	0.568
KEP	0.896	0.681

Source: Data Processed (2024)

From the Composite Reliability table, exceeding 0.7 means that it has met the reliable assumption. The validity test was accepted using an AVE > rating of 0.5.

The results of the Composite Reliability test are as follows.

a. The Product Variant variable (X1) is credible because the combined value of the reliability of the product variable is 0.868 greater than 0.6.

b. The Price Variable (X2) is credible because the combined value of price reliability is 0.748 greater than 0.6.

c. The Customer Satisfaction variable (Y) is credible because the combined value of customer satisfaction reliability is 0.896 > from 0.6.

c. Classical Assumption Test (Multicollinearity Test)

In this study, the multicollinearity or collinearity test is used to determine whether there is multicollinearity or intercorrelation between independent variables in the construction model. With a VIF value of < 10, it can be concluded that formative indicators do not experience multicolinearness.

And the results of data processing have VIF values, the initial data for several indicators that have VIF values < the 10 indicators are as follows.

Table 3. Colineaity Statistic

	VIF	Information
VAR -> KEP	4.052	No Multicollinearity Occurs
HAR -> KEP	4.052	No Multicollinearity Occurs

Source: Data Processed (2024)

Based on the results from table 3, it can be seen that there is no multicollinearity because the VIF value < 10. So, overall, there is no multicollinearity between product variant variables and prices to consumer satisfaction.

d. Structural Model Analysis / Structural Model Analysis (Inner Model)

There are 3 tests. Namely, R-Square, F-Square and Mediation Effect.

R-Square (R^2)

According to the R-Square criteria, a model is considered substantial (high), moderate (average), or small if the adjustment value = 0.75 or 0.50 (Bayu, 2020). The purpose of the Inner Model is to examine the relationship between the latent constructs projected in this study. In other words, how much of a relationship between customer satisfaction and other components, such as product variation and pricing, exists. Here are the R-Square values.

Table 4. R- Square Adjusted

	R-square	R-square Adjusted
Satisfaction	0.905	0.903

Source: Data Processed (2024)

Above the results of Smart PLS 4.0 processing on the Influence of Product Variants and Prices on Customer Satisfaction In Indomaret Cibening, the R2 value is adjusted to 0.903, meaning that the influence of Product and Price Variants is above 0.75 that the influence between the X1 and X2 variables on Y has a substantial (high) effect.

F- Square

According to (Bayu, 2020) To measure F-Square, known as the effect of change, is a measure used to assess the relative impact of an affected variable (endogenous). One can use the meaning of the change in value that occurs when a particular exogenous variable is removed from the model to determine if the omitted variable has a significant influence on the endogenous structure.

According to the Bayu (2020), F-Square Criteria, a value of 0.02 indicates a small effect of exogenous variables on endogenes, a value of 0.15 indicates a normal or moderate effect, and a value of 0.35 indicates a high effect of exogenous variables on endogenes.

Table 5. F-Square

	HAR	VAR	KEP
HAR			1.331
VAR			0.175
KEP			

Source: Data Processed (2024)

The final result of the F-Square value can be seen from table 5, namely (Product Variant) and (Price) on (Customer Satisfaction) resulting in a value of 0.175, meaning the high impact of exogenous variables on endogenous.

Outer Model

To assess the outer model or measurement model, a construct validity and construct reliability test must be performed. The construct validity test was measured by convergent validity and discriminant validity (Bayu, 2020). If the correlation value is greater than 0.70 and the expected value is greater than 0.70, the indicator is considered valid.

Table 6. Outer Loading (Measurement Model)

	HAR	VAR	KEP
HAR1	0.735		
HAR2	0.738		
HAR3	0.922		
HAR4	0.579		
VAR1		0.538	
VAR2		0.867	
VAR3		0.788	
VAR4		0.748	
VAR5		0.911	
KEP1			0.900
KEP2			0.838
KEP3			0.748
KEP4			0.744
KEP5			0.882

Source: Data Processed (2024)

Based on the results of data processing, it can be concluded that the external addition value meets the requirements of convergent validity and can be considered valid.

Evaluate Reliability (Reliability)

To test the reliability of a construct, Cronbach's alpha and composite reliability values are used as benchmarks. If the reliability value of both is more than 0.6, the construct is considered reliable.

Table 7. Cronbach's alpha & Composite Reliability

	Cronbach's Alpha	Composite Reliability (Rho_A)	Composite Reliability (Rho_C)	AVE
VAR	0.832	0.868	0.884	0.610
HAR	0.731	0.748	0.836	0.568
KEP	0.881	0.896	0.914	0.681

Source: Data Processed (2024)

All constructs have good reliability, as shown in table 4.8 above, as all composite reliability criteria and Cronbach's alpha all have values greater than 0.60.

Hypothesis Test

The t-statistical value and probability value can be used to see hypothesis testing. To test the hypothesis with a statistical value, the t-statistical niat for alpha 5% is 1.96%, so the acceptance criteria for hypothesis rejection i.e. Ha is accepted and H0 is rejected when the t-statistic is greater than 1.96. To reject a hypothesis with probability, Ha is accepted if the P value is <0.05.

The results resulting from the data processing process for the variable hypothesis test studied are as follows:

Table 8. Results of Hypothesis Test of Product Variant Variables & Prices

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
HAR -> KEP	0.644	0.743	0.115	5.611	0.000
VAR -> KEP	0.695	0.639	0.123	5.631	0.000
GC (VAR) -> KEP	-0.316	-0.295	0.084	3.758	0.000
GC (HAR) -> KEP	-0.083	-0.151	0.075	1.115	0.265

Source: Data Processed (2024)

Based on table 8 above, exogenous variables if the T value is statistically > 1.96 or P values with a < value of 0.05
a. In the analysis of product variants that have a significant effect on customer satisfaction, it can be seen in table 4.10 the t-statistical value shows a figure of 3,758 which > 1,960
b. In the analysis of price has no significant effect on customer satisfaction, it can be seen in table 4.11 the t-statistical value shows a figure of 1,115 which < 1,960

3.2. Discussion
Product Variants Affect Customer Satisfaction at Indomaret Cibening Purwakarta

The results of the first hypothesis test showed that there was a correlation value of -0.316 between the variables Y and X1. Based on the results of the orginal sample (O) calculation, it can be concluded that the Product Variant construct has a positive effect on the Customer Satisfaction construct. This can be seen from the original sample value (O) of 0.316, P Values of 0.000 < 0.05 and T Statistics value of 3.758 > 1.96. This shows that the variable of product variants has a positive and significant effect on customer satisfaction at Indomaet Cibening Purwakarta. The better the product variant, the higher the customer satisfaction level at Indomaret Cibening Purwakarta.

Price to Customer Satisfaction at Indomaret Cibening Purwakarta

The results of the first hypothesis test showed a correlation value of -0.083 for Variables X2 and Y. Based on the results of the orginal sample (O) calculation, it can be concluded that the Price construct has a positive effect on the Customer Satisfaction construct. This can be seen from the original sample value (O) of -0.083, P Values of 0.265 < 0.05 and T Statistics values of 1.115 > 1.96.

This shows that price variables have a positive and significant effect on Customer Satisfaction at Indomaret Cibening Purwakarta. The better the price, the greater the satisfaction from consumers at Indomaret Cibening Purwakarta.

Product Variants and Prices Towards Customer Satisfaction at Indomaret Cibening Purwakarta

According to the calculation results, the product variable, with a path coefficient value of 0.260, and the price, with a path coefficient value of 0.717, both have a positive influence on customer satisfaction at Indomaret Cibening Purwakarta (Bayu, 2020). This is evidenced by the R-Square value of 0.905. This shows that the better the Product Variant and Price, the better Customer Satisfaction will be. Therefore, this study can be generalized to the entire population in the Purwakarta area. Product Variants and Prices have a positive and significant effect on Customer Satisfaction. If it continues to be implemented, it will be the value of business development.

4. Conclusion

Based on the analysis and discussion of the results of this study, the following conclusions are drawn: 1) The influence of product variants on customer satisfaction at Indomaret Cibening Purwakarta. If the product variant increases, it will increase customer satisfaction, on the other hand, if the product variant decreases, customer satisfaction will also decrease at Indomaret Cibening Purwakarta. 2) The influence of price on customer satisfaction at Indomaret Cibening Purwakarta. If the price is right for consumer needs, it means that consumers feel more satisfied at Indomaret Cibening Purwakarta, vice versa. 3) Product and Price Variants have a positive but not significant effect simultaneously on Customer Satisfaction in a moderate (moderate) level of influence. This means that if product variants and prices can be increased, customer satisfaction will also increase. On the other hand, if product variants and prices drop, customer satisfaction will also decrease.

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