



Effects of Price, Promotion, and Product Quality on Customer Satisfaction of Oppo Smartphone

Effy Zalfiana Rusfian¹, Evalina², Iskandar Ahmaddien³

¹Universitas Indonesia, Indonesia

²Politeknik LP3I Jakarta, Indonesia

³Universitas Sangga Buana, Indonesia

Email: effy_rusf@yahoo.co.id¹, evaafzhan06@gmail.com²

ARTICLE INFO

ABSTRACT

Article history:

Received: Des 14, 2021

Revised: Jan 16, 2022

Accepted: Feb 19, 2022

Keywords:

Customer Satisfaction,
Price,
Promotion,
Product Quality

More emerging smartphone vendors offers a variety of smartphones with existing qualities. Oppo smartphone which is made in China is popular in Indonesia and has high demand in Indonesia. This study aims to identify how price, promotion, and product quality affect customer satisfaction of Oppo smartphone products. The study involved 44 participants. The data were collected using a questionnaire. The data were analyzed using multiple linear regression analysis with the help of IBM SPSS version 26 and data management applications.

Copyright © 2022 Jurnal Mantik.
All rights reserved.

1. Introduction

The use of mobile phones is increasing rapidly worldwide due to the great need for communication, knowledge, and entertainment. The advanced technology results in increasing demands on customer satisfaction. Thus, the company needs to work hard to get loyal customers. One of the factors affecting customer loyalty is customer satisfaction. Customer loyalty is affected by the results of the assessment of a product chosen that meets the customer's expectations. The fulfillment of the expectations is likely to have a beneficial impact on customers, resulting in customer satisfaction with the products. However, recently Oppo smartphone sales have decreased due to increased competition with other vendors that offer more affordable prices. It happens due to low customer loyalty to Oppo smartphones.

Customers provide an amount of money in exchange for a particular offer that will satisfy their needs and wants. For the middle class, the price of Oppo smartphones is quite affordable. Satisfying the needs and desires of customers is influenced by the competitive prices of the product compared to other products on the market. Sales promotion is an attempt to provide a product or service to attract potential customers. To attract customers to buy the goods/services offered, besides competitors' prices, good promotions and competitive prices are important. Promoting products offline is less optimal due to the pandemic. Therefore, social media can be used as an alternative to promote products. Then, it is necessary to consider and improve strategies to attract customers online. The capacity of a product to achieve functions of durability, precision, ease of use and maintenance, and other desirable features is referred to as product quality. One of the goals of industrial companies is to improve product quality to please customers. The function and price of a product can indicate its quality, which can also be a determining factor for customers to buy the product.



Indonesia Smartphone Market Share by Sales Q2 2019 and 2020

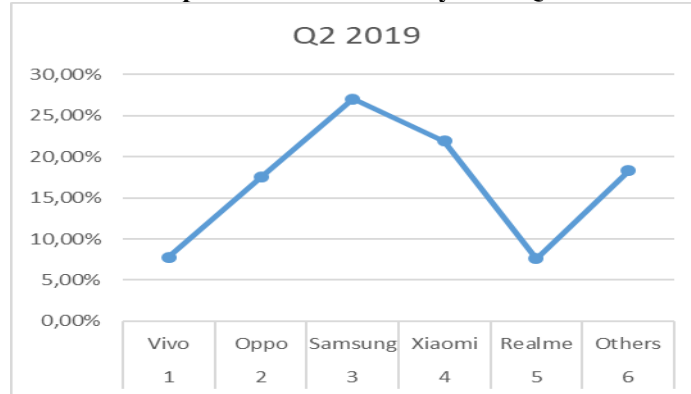


Fig 1. Graph of Smartphone Sales Data in Indonesia Q2 2019
Source: Counterpoint Research Channel Share Tracker

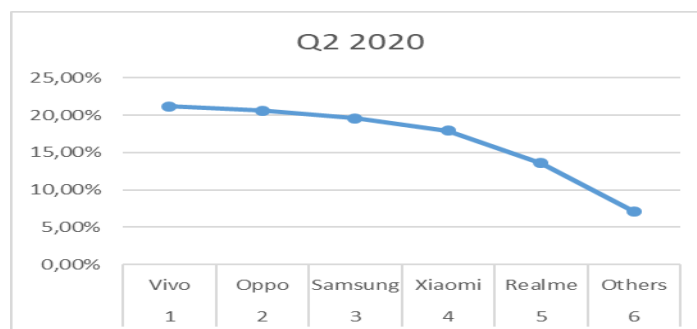


Fig 2. Graph of Smartphone Sales Data in Indonesia Q2 2019
Source: Counterpoint Research Channel Share Tracker

Based on the two graphs above, smartphone sales in Indonesia in 2019 and 2020 as reported by the Counterpoint research company in Q2 2020, Oppo and Vivo manage to get on the top of smartphone sales in Indonesia. In terms of the variety of products offered by these two brands, Oppo is superior. Oppo has more than 50 products as of April 2020, while Vivo has 40 products.

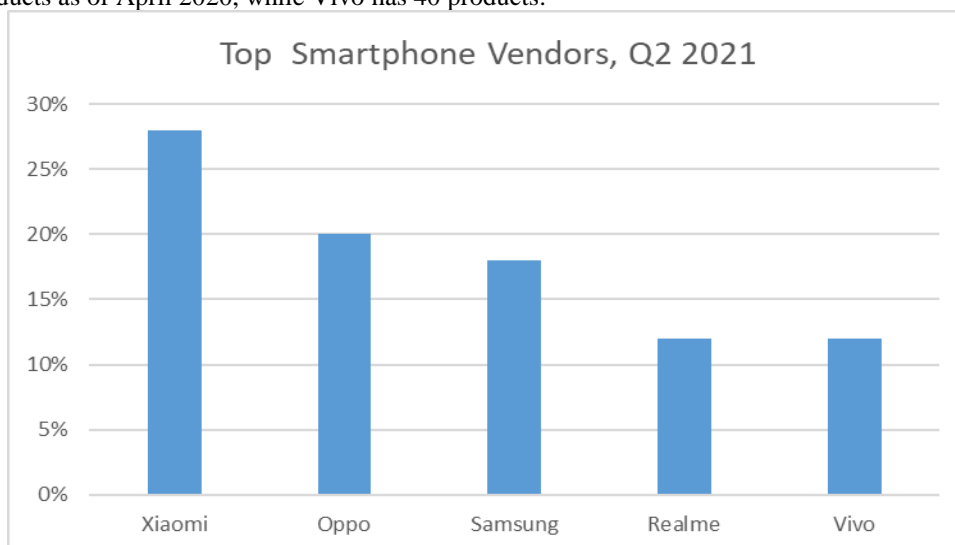


Fig 3. Top Smartphone Vendors, Q2 2021
Source: Canlys Estimates (sell in shipments), Smartphone Analysis, August 2021

Xiaomi (28%), Oppo (20%), Samsung (18%), Realme (12%), and Vivo (12%) are the top five smartphones in Indonesia in April-June 2021. Xiaomi is the market leader in Q2 2021 followed by Oppo, Vivo, Samsung, and Realme. Xiaomi gets the top rank due to their breakthrough in launching smartphones with a great specification at low prices. As a result of increasingly fierce competition, Oppo smartphone sales are likely to decline. To present, Oppo fails to reach the top of the Q2 smartphone ranks. As a result, Oppo needs to improve its advertising approach and other initiatives.

This research has been investigated by previous research, namely those conducted by Harlin, (2021), Sari, (2020), Mubarokah, (2021), Erlina, (2017), Simanjuntak, (2021), Gerung, et al, (2017), Aristo, (2016), Fernando and Aksari, (2017), Riyono and Budiharja, (2016), Heryanto, (2015), Marpaung and Mekaniwati, (2020), and Garib, et al, (2019) state that promotion, price, and product quality affect customer satisfaction. Meanwhile, according to research conducted by Dewi, (2019), and (Aziz, 2019) which states that product quality does not affect customer satisfaction, but price and promotions affect customer satisfaction. There are also differences in research conducted by Bairizki, (2017), and Syaleh, (2017) which state that price does not affect customer satisfaction while product quality and promotions affect customer satisfaction. Differences in research results also occur in Rahmat's research, (2018) which has the result that price and product quality affect customer satisfaction, while promotion has no effect on customer satisfaction.

Based on the elaboration above, the researcher focuses on "Effects of Price, Promotion and Product Quality on Customer Satisfaction (A Study on Oppo Smartphones)."

2. Methods

This study used descriptive and verification methods. It aims to identify whether price, promotion, and product quality affect customer satisfaction. This study used panel data regression analysis with the help of SBM SPSS Version 26.

3. Results and Analysis

The researcher managed to collect 44 questionnaires from the respondent. After the data collection, the researcher could describe the characteristics of the respondents. The characteristics of the respondents can be seen below. Based on the graph, the percentage of male respondents is 25%, while the percentage of female respondents is 75%. It can be seen that the number of female respondents is higher than the number of male respondents. Based on the graph, the majority of the respondent (11 respondents) aged younger than 20 years old. Teenagers are the main users of Oppo smartphones.

3.1 Multiple Linear Regression Analysis

The effect of predictor variables on the dependent variable was evaluated using Multiple Linear Regression Analysis which covers validity, reliability, and standard assumptions such as normality, multicollinearity, and heteroscedasticity. The following sections discuss some of the tests.

a. Validity test

To determine the significance value, it is done by comparing the projected r -value with the r -table. The variable is declared valid if $r\text{-count} > r\text{-table}$. Meanwhile, it is invalid if the r -count is lower than the r -table. All variables were valid as $R\text{-count}$ is higher than $R\text{-table}$.

b. Reliability Test

The reliability test aims to determine the Cronbach's alpha value for each variable in the questionnaire in which if it is > 0.6 , then it is reliable. Based on the table, Cronbach's alpha obtains a value of 0.836. So, as the Cronbach alpha is higher than 0.6, then, it is reliable.

3.2 Classic assumption test

a. Normality test

Based on the asymp, price, promotion, quality and happiness with asymp are all represented by Sig (2-tailed). A variable is not normal if Sig (2-tailed) $0.016 < 0.05$.

b. Multicollinearity Test

The result shows multicollinearity because the tolerance value is higher than 0.10 and the VIF value is < 10.00 . In the price, promotion, and quality regression model, there is no multicollinearity between the independent variables.

c. Heteroscedasticity Test

The scatterplot data points are not patterned and spread out. Therefore, there is no need to worry about heteroscedasticity.

3.3 Hypothesis testing

a. T-test

The results show, $2.786 > 1.801$ (t-table), quality variables can be said to have a partial effect on satisfaction. On the other hand, the satisfaction variable has not a partial effect on the price variable and promotion variable.

b. F-test

If the SIG is 0.05 or the f-count is higher than the f-table, then X has a simultaneous effect on Y. X has no effect on the Y at the same time if SIG is higher than 0.05 or f-count is lower than f-table. The test results show that $6.619 > 4.062$ (f-table) means that the price, promotion, and quality variables simultaneously affect satisfaction.

c. Coefficient of determination (R Square)

The output above shows a corrected R Square value (Coefficient of determination) of 0.282, indicating that the independent variable (X) has an influence of 28.2 percent on the dependent variable (Y).

3.4 Discussion

The validity test reveals 17 assertions explaining that the variables are valid. As the r-count in the Corrected item-total Correlation is higher than the r-table, 17 assertions can be used (0.248). The Cronbach alpha score of the reliability test reaches 0.836, which is higher than 0.6. As a result, the findings of this study are reliable. The normality test shows that each variable is not normally distributed with Sig (2-tailed) $0.016 < 0.05$. If the multicollinearity test tolerance value is > 0.10 , the multicollinearity is not expected to occur but if the VIF value is < 10.00 , multicollinearity is expected to occur. There is no multicollinearity between the independent variables in the price, promotion, and quality regression models. Based on the heteroscedasticity test, data points are scattered and not patterned. As a result, there is no heteroscedasticity.

When price, promotion, and quality variables are examined together, they have a beneficial and quite large influence on consumer satisfaction of Oppo smartphones. Based on the f-test, the f-count of 6.619 is higher than the f-table of 4.062. Consequently, when the independent factors of price, promotion, and quality are combined, the dependent variable of satisfaction has a positive and substantial effect. The coefficient of determination or R Square of 0.282 indicates that the independent variable (X) has an influence of 28.2 percent on the dependent variable (Y).

a. The Effect of Price on Customer Satisfaction

The test results above provide results where the price does not affect consumer satisfaction. The calculated t value is smaller than t table and the sig value is greater than 0.05. From these results, it can be interpreted that the size, high and low prices will not affect customer satisfaction. This is because the price is relative, or according to the quality and brand. So the price is something objective. Goods that have a good quantity will certainly have a high price. Likewise, with poor quality, the price will be low. Therefore, customer satisfaction cannot be measured by the high or low price of goods.

The price of the goods is a description of how the seller appreciates the quality of the goods. Brands also have an important role in determining the price of a product. A good and well-known brand will increase the price of an item, this is because a well-known brand already has a brand image and also loyal customers and are willing to pay any amount for the product. therefore for them price is not a big issue for the sake of a brand and product. In this study, price is something that no longer needs to be debated because customers have received satisfaction from other factors.

This study is in accordance with previous research, namely that researched by Bairizki, (2017), and Syaleh, (2017) which states that price does not affect customer satisfaction

b. The Effect of Promotion on Customer Satisfaction

The results of this study indicate that promotion has no effect on customer satisfaction. In this study, the t value is smaller than the t table and the sig value is greater than 0.05. These results mean that good or continuous promotional activities will not increase customer satisfaction. This is influenced because the brand that is used as the object of research is a brand that is already big and has a good name enough to attract consumers. Customer satisfaction for a product that already has a good name will be measured more than capacity or other factors outside of this research.

Promotion is an activity carried out to provide information, introduce and make consumers and potential consumers interested in a product. However, promotion is not a determining factor of customer satisfaction.



Because consumers are satisfied when what is informed through advertisements is the same as the actual condition of the product. Especially with products from well-known brands and the prices offered are in accordance with the product conditions and product quality. Therefore, a good promotion is an introduction and not a factor that can affect customer satisfaction in this study.

This study is in accordance with previous research conducted by Rahmat, (2018) which has the result that promotion has no effect on customer satisfaction.

c. Effect of Quality on Customer Satisfaction

In this study, product quality has an influence on customer satisfaction. It is proven by the t-count value is more than t-table and the sig value is less than 0.05. These results prove that when the quality of the product is good or good, it will increase customer satisfaction. Vice versa, when the quality of the product is poor, it will reduce customer satisfaction.

Customer satisfaction of a product or service is influenced by how the quality and usability of the goods. A customer must be willing to spend big money or funds to get a quality product or service. And customers are satisfied with it, meaning that customers are not disappointed with the product. Good quality will certainly encourage customers to make more use of a product. So that customers will judge that this product is very good and meets their needs.

Previous research that supports the results of this study is research conducted by Harlin, (2021), Sari, (2020), Mubarakah, (2021), Erlina, (2017), Simanjuntak, (2021), Gerung, et al, (2017), Aristo, (2016), Fernando and Aksari, (2017), Riyono and Budiharja, (2016), Heryanto, (2015), Marpaung and Mekaniwati, (2020), and Garib, et al, 2019) which state that quality influences significant to customer satisfaction.

4. Conclusion

1. Variable X1 (price), has not a significant effect on variable Y.
2. Variable X2 (promotion) has not a significant effect on variable Y.
3. Variable X3 (quality) has a positive and significant effect on the Y.

It is suggested that companies should be able to develop strategies such as increasing promotional strategies, improving brand image, providing attractive promotions, and maximizing the use of social media to advertise goods as much as possible to increase sales.

References

- [1] Aristo, S. F. (2016). Pengaruh Produk, Harga, Dan Promosi Terhadap Kepuasan pelanggan Konsumen Woless Chips. *Jurnal Manajemen San Strat-Up Bisnis* .
- [2] Aziz, N. (2019). Analisis Pengaruh Kualitas Produk, Harga, Promosi Terhadap Kepuasan pelanggan Air Minum Dalam Kemasan (Amdk) Merek Aicos Produksi Pt Bumi Sarimas Indonesia. *Osf Preprints* .
- [3] Bairizki, A. (2017). Pengaruh Harga, Promosi Dan Kualitas Produk Terhadap Kepuasan pelanggan Dalam Meningkatkan Penjualan (Studi Kasus Pada Ud Ratna Cake Dan Cookies). *Jurnal Ilmiah* , 71-82.
- [4] Dewi, L. K. (2019). Pengaruh Kualitas Produk, Harga Dan Promosi Terhadap Kepuasan pelanggan Pada Marketplace Shopee (Studi Kasus Pada Mahasiswa Di Surabaya). *Uin Sunan Ampel Surabaya* .
- [5] Erlina, I. D. (2017). *Pengaruh Kualitas Produk, Citra Merek Dan Harga Terhadap Keputusan Pembelian Smartphone Merek Oppo Pada Mahasiswa Fakultas Ekonomi Un Pgri Kediri*. 1(06).
- [6] Fernando, M. F., & Aksari, N. M. (2017). Pengaruh Kualitas Produk, Harga, Promosi, Dan Distribusi Terhadap Kepuasan pelanggan Produk Sanitary Ware Toto Di Kota Denpasar. *E-Jurnal Manajemen Universitas Udayana* .
- [7] Garib, W. B., Lopian, S. J., & Mananeke, L. (2019). Pengaruh Bauran Promosi Persepsi Harga Dan Kualitas Produk Terhadap Kepuasan pelanggan Sepeda Motor Yamaha Pada Pt. Hasjrat Abadi Sentral Yamaha Malalayang. *Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi* .
- [8] Gerung, C. J., Sepang, J., & Loindong, S. (2017). Pengaruh Kualitas Produk, Harga, Dan Promosi Terhadap Kepuasan pelanggan Mobil Nissan X-Trail Pada Pt Wahana Wirawan Manado. *Jurnal Emba* .
- [9] Harlin, A. Y. Van. (2021). Pengaruh Promosi, Harga, Dan Kualitas Produk Handphone Oppo Di Kota Yogyakarta. *Angewandte Chemie International Edition*, 6(11), 951–952., 2013–2015.
- [10] Heryanto, I. (2015). Analisis Pengaruh Produk, Harga, Distribusi Dan Promosi Terhadap Kepuasan pelanggan Serta Implikasinya Pada Kepuasan Pelanggan. *Jurnal Ekonomi, Bisnis Dan Entrepreneurship* .

- [11] Korawa, E. (2018). Pengaruh Kelengkapan Produk Dan Harga Terhadap Pembelian Ulang Konsumen. *Administrasi Bisnis, Vol 6 No 3*.
- [12] Millah, H. (2020). Pengaruh Kualitas Pelayanan Karyawan Terhadap Kepuasan Konsumen. *Ekonomi Dan Bisnis Islam, Vol 6 No 2 (2020). Juni 2020*.
- [13] Marpaung, B., & Mekaniwati, A. (2020). Pengaruh Kualitas Produk, Harga, Promosi Dan Pelayanan Terhadap Kepuasan Konsumen Serta Dampaknya Pada Kepuasan pelanggan. *Jurnal Ilmiah Manajemen Kesatuan* , 29-38.
- [14] Rahmat, I. (2018). Pengaruh Harga, Kualitas Produk, Lokasi Dan Promosi Terhadap Kepuasan pelanggan Keripik Cinta Air Hitam Langkat . Universitas Islam Negeri Sumatera Utara .
- [15] Rahmawaty, D., & Nur, A. R. (2020). Analisis Pengaruh Citra Merek Dan Kualitas Produk Terhadap Kepuasan pelanggan Produk Smartphone Oppo. *Jurnal Ekonomi*, 23(1), 1–12. <https://doi.org/10.47896/Je.V23i1.99>
- [16] Riyono, & Budiharja, G. E. (2016). Pengaruh Kualitas Produk, Harga, Promosi Dan Brand Image Terhadap Kepuasan pelanggan Produk Aqua Di Kota Pati. *Jurnal Stie Semarang* , Vol. 8 No 2.
- [17] Sari, J. (2020). Pengaruh Promosi, Harga Dan Kualitas Produk Terhadap Kepuasan pelanggan Smartphone Oppo Pada Masyarakat Kota Yogyakarta. *Jurnal Fokus Manajemen Bisnis*, 9(1), 64. <https://doi.org/10.12928/Fokus.V9i1.1550>
- [18] Simanjuntak, U. B. (2021). Universitas Sumatera Utara Poliklinik Universitas Sumatera Utara. *Jurnal Pembangunan Wilayah & Kota*, 1(3), 82–91.
- [19] Syaleh, H. (2017). Pengaruh Kualitas Produk, Harga Promosi Dan Tempat Pendistribusian Terhadap Kepuasan pelanggan Sepeda Motor Yamaha Pada Perusahaan Tjahaja Baru Bukittinggi. *Journal Of Economic, Business And Accounting* , 68-82.
- [20] Venni Saniyatul Mubarakah. (2021). Pengaruh Brand Image, Kualitas Produk Dan Harga Terhadap Kepuasan pelanggan Smartphone Oppo (Studi Kasus Mahasiswa Feb Ump Purwokerto). *Skripsi*, 84.
- [21] Willy Yuberto Andrisma, S. . (2007). Metadata, Citation And Similar Papers At Core.Ac.U 1. *Pembagian Harta Waris Dalam Adat Tionghoa Di Kecamatan Ilir Timur I Kota Palembang*, 1(14 June 2007), 1–13. <https://core.ac.uk/download/pdf/11715904.pdf>

