

THE INFLUENCE OF PRODUCT QUALITY AND SERVICE QUALITY ON CUSTOMER SATISFACTION AT JB VAPE STORE*PENGARUH KUALITAS PRODUK DAN KUALITAS LAYANAN TERHADAP KEPUASAN PELANGGAN DI JB VAPE STORE*

By:

Christ Dave Walewangko¹**Sifrid S. Pangemanan²****Merinda Pandowo³**

^{1,2,3}International Business Administration, Management Program
Faculty of Economics and Business
University of Sam Ratulangi Manado

Email:

christdavewalewangko007@gmail.com¹sifrid_s@unsrat.ac.id²merindapandowo@unsrat.ac.id³

Abstract: As more consumptive and varied behavior of customers in Indonesia and supported with a large population, with cigarette consumption that is high, it is becoming a risk to the country in order to reduce the consumption of cigarettes has a negative impact on health, vape (non-electric) appears and become a suitable alternative to become a substitute product. In the study, writer only focused on JB vape store because this store is quite popular so it has lots of customers. Realizing that today JB vape had been known by many and having plenty customers, the level of competition is higher in this line of business. In order to survive in the midst of vape store competition, JB vape must create a consumer-oriented marketing strategy. Several factors that affect customer satisfaction are Product Quality and Service Quality. The results of research conducted through multiple linear regression analysis showed that of the two independent variables product quality and service quality obtained significant results. These results can be caused by consumers assessing the products offered must have a good standard and also for service must be able to compensate for customer standards where the level of consumer satisfaction can make the image of Jb vape store can be considered good.

Keywords: *Product Quality, Service Quality, Customer Satisfaction*

Abstrak: Dengan semakin konsumtif dan beragamnya perilaku konsumen di Indonesia serta didukung dengan jumlah penduduk yang besar, dengan konsumsi rokok yang tinggi maka menjadi resiko bagi negara sehingga mengurangi konsumsi rokok berdampak negatif bagi kesehatan, vape (non -elektrik) muncul dan menjadi alternatif yang cocok untuk dijadikan produk pengganti. Dalam penelitian ini penulis hanya fokus pada toko vape JB karena toko ini cukup populer sehingga memiliki banyak pelanggan. Menyadari bahwa vape JB saat ini telah dikenal oleh banyak orang dan memiliki banyak pelanggan, tingkat persaingan di lini bisnis ini semakin tinggi. Agar bisa bertahan di tengah persaingan toko vape, vape JB harus membuat strategi pemasaran yang berorientasi pada konsumen. Beberapa faktor yang mempengaruhi kepuasan pelanggan adalah Kualitas Produk dan Kualitas Layanan. Hasil penelitian yang dilakukan melalui analisis regresi linier berganda menunjukkan bahwa dari dua variabel bebas kualitas produk dan kualitas pelayanan diperoleh hasil yang signifikan. Hasil tersebut dapat disebabkan karena konsumen menilai produk yang ditawarkan harus memiliki standar yang baik dan juga untuk pelayanan harus mampu mengimbangi standar konsumen dimana tingkat kepuasan konsumen dapat menjadikan citra Jb vape store dapat dinilai baik.

Kata kunci: *Kualitas Produk, Kualitas Pelayanan, Kepuasan Pelanggan*

INTRODUCTION**Research Background**

Until today, it is estimated that there are 2.2 million vape users in Indonesia and 5,000 vape sellers throughout Indonesia, referring to data from the Indonesian Personal Vaporizer Association (APVI). Based on current trends, the demand and market for e-cigarettes is still very high. In 2018, the e-cigarette market in Indonesia reached USD 410.6 million. Meanwhile, state revenue from excise on Other Tobacco Products (HPTL) in 2019 has reached IDR 427.1 billion. In 2018, the World Health Organization (WHO) reported that 225,720 people died each year from diseases related to cigarette consumption. Given that 67 million people or around 39 percent in Indonesia are adult smokers, this number makes vape has great potential by being present in Indonesia as the home of the largest number of adult smokers among other Southeast Asian countries.

The emerge of this vape trend, make people interested to try vape and reduce cigarette consumption, because vape has many flavors and is safer to consume (with proper use and recommended treatment). The trend is on the rise in Manado city and is quite a favorite among wide range of ages (above age 21) as seen from many vapers today in Manado city and the appearance of the shops that sell various vape and needs. One of the shop that sells vape along with its spare and liquid is JB vape store Manado, which is a retail vape store that is quite popular among vape users in Manado city. Increasing number of users and the number of brand vape products and vape liquid make product selection are more varied, therefore store managers must provide quality of service and the right product quality in order to compete with other vape stores. In order to survive in the midst of retailers competition, JB vape must create a consumer-oriented marketing strategy. Several factors that affect customer satisfaction are Product Quality and Service Quality. According to Kotler and Armstrong (2012), the quality of products is closely related to the product's ability to perform its functions, so the quality of the product is a set of features and characteristics of the goods and services that have the ability to meet the needs, a sense of a combination of reliability, accuracy, ease of, maintenance and other attributes of a product.

Another factor that can influence consumer satisfaction is the quality of service in effort to meet the needs and desires of consumers as well as the provision of its delivery to balance consumer expectations (Tjiptono, 2007). Good service that can determine customer satisfaction is the quality of service, namely: physical evidence or (Tangible), reliability, responsiveness, assurance and Empathy. This study focused on JB vape store because this retail store is quite popular so it has lots of customers every day, from people who come to see the products offered, to people who buy or do replacement parts in the shop. The interesting thing about the JB vape store is that it offers a variety of products such as mods, pods, spareparts, accessories, and liquids which are certainly legal with a variety of products that are widely known by the public. JB vape itself sells offline where they sell their products directly to consumers who come directly to the store and online using the services of Instagram, Gojek and Grab. This services allows JB vape to provide a wider reach of consumers and increase its brand.

Realizing that today JB vape had been known by many and having plenty customers, the level of competition is higher in this line of business. With a lot of business competitors in Manado and a variety of new products with different treatment and handling of different products, business owners are required to always able to meet the needs and provide a sense of satisfaction to customers with good service. JB vape store itself never do any survey that related to customer satisfaction, where customer satisfaction will determine the pace of the shop owner to be able to know the appropriate strategy, or if JB vape store should carry out a new adjustment to further improve customer satisfaction which will increase customer loyalty to keep buying their products.

Research Objectives

Based on the research problems, the objective of this research are

1. To determine the effect of product quality on customer satisfaction JB vape store
2. To determine the effect of service quality on customer satisfaction JB vape store
3. To determine the effect of product quality and service quality on customer satisfaction of JB vape store.

Marketing

Defined marketing by Kotler & Keller (2012), "Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitably". Marketing is to identify and satisfy human needs and social. One good definition and a brief of marketing is meet the needs in a profitable way. Every companies and organization really needs the profit, but they also have to consider about the value that customer get in their product or services. Marketing is a process of planning and executing the perception, pricing, promoting and distribution of ideas, good and services to create exchange that satisfy individual and organizational goals. Marketing is the process by which company create value for customers and build strong customer relationships in order to capture value from customers in return.

It argue that marketing is activity, set of institutions, and process for creating, communicating, delivering, and exchanging offerings that have value for customers, client, partners, and society at large. They said marketing involves more than just activities performed by a group of people in defined area or department. "Marketing is a process of planning and implementation of the conception, pricing, promotion, and distribution of ideas, goods, and services to review the exchange creates That Satisfy individual objectives and the organization as well. Kotler and Amstrong (2010) goal of marketing is to attract new costumer by promising superior value and to keep and grow current customers by delivering satisfaction. Marketing is the process by which companies create value for customer and build strong customer relationships in order to capture value from customer in return.

Burns and Bush (2007) defined marketing as "an organizational function, not a group of person or separate entity within the firm. It is also a set of processes and tactic such as creating and end-aisle display. The processes create, communication, deliver value to the customers. Marketing is not trying to sell customers something; rather, it is providing customers with something they value.

Customer Behavior

Kotler & Keller (2012:172) considered that consumer behavior is the study of how individuals, groups, and organizations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Consumer behavior involves services and ideas as well as tangible products. In this process the consumer evaluates a purchase depicted by the need recognition \pm realization of the difference between desired situation that serves as a trigger for the entire consumption process (Engel 1995:55). The researcher defined consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, dispose of products, services, experience, or ideas to satisfy need and the impacts that these processes have on the consumer and society.

Customer Satisfaction

Umar (2005) defines that consumer satisfaction will be fulfilled if the service delivery process from the service provider to consumers is in accordance with what the consumer perceives. According to Kotler & Keller (2012), customer satisfaction is the level of a person's feelings after comparing the performance (or results) he perceives compared to his expectations. Meanwhile, Yamit (2010) states that customer satisfaction is an after-purchase evaluation or evaluation results after comparing what is felt with expectations. Consumers who make repeat purchases of products and services produced by the company is a customer d natural real sense or a customer who is satisfied.

Product Quality

Products in marketing terms are physical forms of goods offered with a set of images and services that are used to satisfy needs. Products are purchased by consumers because they can fulfill certain needs or provide certain benefits. Characteristics of the product not only covers the aspect of the product's physical (tangible features), but also aspects of nonphysical (intangible features) such as images and services that cannot be seen. Product quality (Product Quality) is Capacity of a product to carry out its functions include, power lasting, reliability, accuracy ease of operation and repair, as well as the attributes worth more (Gaspersz, 2008).

Service Quality

The definition of service quality according to the American Society for Quality Control in Kotler (2010) is the totality of features and characteristics of the products or services that depend on its ability to satisfy stated or implied needs. Meanwhile, the quality is a dynamic condition associated with the product, people/work force, processes and tasks and environments me filled or exceed the expectations of customers or consumers. If the service received exceeds consumer expectations, then the quality of service is perceived to be very good and high quality. Conversely, if the services received is lower than that expected, then the perceived poor service quality. Quality is a measure to ascertain that goods or services have had value for such desired or in other word an item or service is considered to have quality if functioning or has a use value as desired. While the service is an activity or sequence of events that occur in direct interaction between someone and another person or a physical machine which provide customer satisfaction.

Previous Research

The first article is from Juwita Magdalena Sitanggang, Sukiria Sinulingga and Khaira Amalia Fachruddin with title Analysis Of The Effect of Product Quality On Customer Satisfaction And Customer Loyalty Of Indihome ATPT Telkom Regional 1 Sumatera, Medan, North Sumatra, Indonesia.

The second article is from Ling Chen Hoe and S haheen Mansori with title The Effects of Product Quality on Customer Satisfaction and Loyalty: Evidence from Malaysian Engineering Industry

The third article is from Gloria K.Q Agyapong with title The Effect of Service Quality on Customer Satisfaction in the Utility Industry A Case of Vodafone (Ghana)

Conceptual Framework

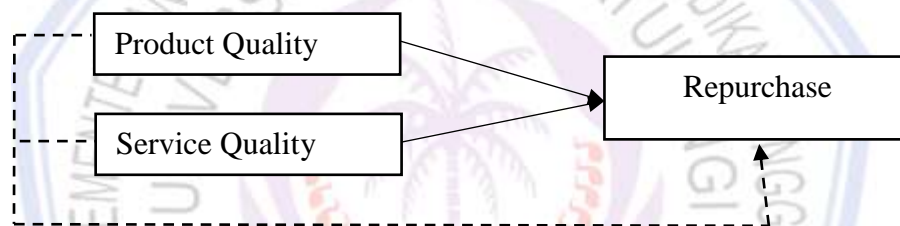


Figure 1. Conceptual Framework

Source: Theoretical Review, 2020

RESEARCH METHOD

Research Approach

This research will use causal type of research with Quantitative method. As an analysis tool this research will use multiple linear regression method. The factorial design focuses on two or more categories with the independent variables as compared to the dependent variable

Population and Sample

Ehlers (2009) referring the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specifications. The population taken from this study is the number of customers who stop by and buy, approximately 25 people a day where within a week there are approximately 175 people who shop at JB vape store. Based on the results of the calculation using the Solvin technique, the number of samples was 122.

Data Collection Method

Primary data is the data obtained directly from the original source, specifically the primary data collected by researchers to answer the research questions. The primary data of this study gets from the results of questionnaires. The questionnaires are distributed to respondents so they can respond directly on the questionnaires. There were two sections in the questionnaires that should be filled in by respondents. The first section asked about respondents' identities and the second section asked about things that related with the variables.

Operational Definition of Research Variable

The definition of research variables are:

1. Product Quality (X1), the increasing number of competitors makes business people have to think of ways to attract market interest, where this variable is measured by the products offered.
2. Service Quality (X2), Service quality is a dynamic condition that associated with product, services, people, processes and environments where quality ratings are determined at the time of the delivery of public services.
3. Customer Satisfaction (Y), Consumers anywhere and anytime will be faced with a purchase decision to make a purchase transaction. Where consumers will judge the products and services offered or provided to consumers.

Data Analysis Method

Descriptive analysis was employed to describe characteristics of respondents based on factors of age, education and work duration. Validity test was conducted to analyse of whether all questions used for variables in the questionnaire were valid or not, based on correlation between each question to the total questions. Pearson Product Moment was used for this test. A question was categorized as valid question if the value of Pearson correlation was positive and the significance value below 0.05 to the total questions of variables. Reliability test was established by testing for both consistency and stability of the answers of questions. Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. A variable is categorized as reliable valuable if value of Cronbach's Alpha is above 0.60.

Classical Assumption Test

Four assumptions including normality, no multicollinearity, homoscedasticity and no auto-correlation were analysed to make multiple linear regression. Normality was checked by plotting residual values on a histogram with a fitted normal curve. No multicollinearity was tested by the Variance Inflation Factor (VIF) statistic. Another way to think of co-linearity is "co-dependence" of variable. Intellectus Statistics plot the standardized residuals verses the predicted Y' values can show whether points are equally distributed across all values of the independent variables or not. According to Sekaran and Bougie (2009), homoscedasticity occurs if the one residual observation to other observation is fixed, otherwise it is called heteroscedasticity. The multiple linear regression model was checked for autocorrelation with the Durbin Watson test.

Multiple Linear Regression

In this research, multiple regression analysis was employed to analyse the effect of job satisfaction and perceived availability on job alternatives on turnover intention. In general, the equation of multiple linear regression is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where X1 and X2 are independent variables and Y is dependent variable. If Fcount is greater than Ftable, H0 is rejected and H1 is accepted. Accepting H1 means that all consumption values has an effect on consumer purchase decision at certain significant level used. To test partial effect of each independent variable ttest was used (5 %, $\alpha = 0.05$). Statistically, this test has a t distribution if the null hypothesis is true. In this test, t count is compared to t table. If t count is greater than t table H0 is rejected and H1 is accepted. Accepting H1 means that a single independent variable has an effect on dependent variable. Goodness of Fit Test through Coefficient of Correlation (R) and Coefficient of Determination (R2) was applied in this research. "Coefficient of determination is used to show the percentage of variability in Y that can be explained by regression equation". Meanwhile, "Coefficient of Multiple Correlation is used to measure the strength of relationship between Y (dependent variables) and X (independent variables)" (Newbold and Thorne, 2003). The following considerations are used to classify the strength of correlation: > 0.70 (very strong positive correlation), 0.50 – 0.69 (substantial positive correlation), 0.30 to 0.49 (moderate positive correlation), 0.10 to 0.29 (low positive correlation), 0.00 (no correlation), - 0.01 to - 0.09 (means a negligible negative correlation), - 0.10 to - 0.29 (low negative correlation), - 0.30 to - 0.49 (moderate negative Correlation), - 0.50 to - 0.69 (substantial negative correlation), < - 0.70 (very strong negative correlation).

RESULT AND DISCUSSION**Result**

Jb vape store itself is located in Kawasan Megamas Smart 2 No. 11 which is the main store, has operating hours from 11 am to closes at 8 pm Monday to Sunday. This shop itself provides a variety of products ranging from vape pods, mods, liquids, vape spare parts and various accessories that can be used. Jb Vape store itself provides various variants of well-known brands namely SMOK, Joytech, Geekvape, Voopoo, and Cravingvapor, MOVI, Emkay Brewer, Vapezoo, Hero 57, Steamqueen, EJM and JVS. After 3 years of establishing a business and seeing sales continue to increase with the increasingly hype vape trend, business owners opened their first branch in Tomohon city in early 2020 to be precise on February and the second branch was in Tuminting in November 2020.

Validity Test**Table 1. Validity Test Result**

		PRODUCT QUALITY	SERVICE QUALITY	CUSTOMER SATISFACTION
Product Quality	Pearson Correlation	1	.354**	.272**
	Sig. (2-tailed)		.000	.002
	N	122	122	122
Service Quality	Pearson Correlation	.354**	1	.271**
	Sig. (2-tailed)	.000		.003
	N	122	122	122
Customer Satisfaction	Pearson Correlation	.272**	.271**	1
	Sig. (2-tailed)	.002	.003	
	N	122	122	122

Source: SPSS Output, 2020

Table 1 shows that the correlation index is higher than 0.3 and below the significance level of 5%. Therefore the data is considered valid.

Reliability Test**Table 2. Reliability Test Result**

Cronbach's Alpha	N of Items
.548	3

Source: SPSS Output, 2020

Table 2 shows that Alpha Cronbach is 0.833 which is above the acceptance limit of 0.6; therefore the research instrument is reliable.

Multiple Regression Analysis**Table 3. Multiple Linear Analysis Output**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.935	1.042		3.776	.000
Product Quality	.134	.062	.201	2.176	.032
Service Quality	.116	.054	.200	2.162	.033

Source: Data processed, 2020

Discussion

This study wanted to see and discuss the effect of product quality and service quality on customer satisfaction of JB vape. Below here are the results obtained from the questionnaire that distributed throughout the research process and the interpretation within. First discussion is regarding the influence of product quality on customer satisfaction at the JB Vape store Manado is meant here. The product quality mentioned here as a

means that being given by the products that being sold on the store itself that can differentiate the store within other store or retailer. From the SPSS result, we find that product quality partially effects the customer satisfaction. These results alone can be concluded that the product quality of JB vape store is an important reference for consumers. By their popularity, sales result and the traffic within the store, it means that JB Vape already stock a high-quality product and answer the demands of the customer in Manado area. The results of this study are supported by the results of Sitanggang, Sinulingga and Fachruddin (2019) that the product quality is the one of the important key to maintain customer satisfaction. Therefore, JB vape must be able to maintain the quality of the goods to be sold, in order to increase consumer satisfaction.

The next discussion regarding the influence of service quality on customer satisfaction at the JB Vapestore Manado is meant here. The service quality mentioned here as a means that being given from the store itself in term of serving a customer within buying transaction in the eyes of customers so that customer can feel satisfied. From the SPSS result, we find that service quality partially effects the customer satisfaction. These results alone can be concluded that the quality of service, especially employees to customers, is the benchmark for customer satisfaction, all the conveniences of good service responses, and the response from employees to customers has an impact on satisfaction in shopping activities. These results are supported by research by Agyapong (2011), which shows the same results, that service quality has a significant effect on customer satisfaction.

From the perspective of customer satisfaction itself, there are many factors or reasons that can influence it, but in this study the factors chosen are product quality and service quality to the how it effects the customer satisfaction. Based on the research result, product quality and service quality simultaneously have a significant effect on customer satisfaction. This result is on the same line with results of previous research that tells also both of the variables have significant effects. These results can be caused by consumers assessing the products offered must have a good standard and also for service must be able to compensate for customer standards where the level of consumer satisfaction can make the image of Jb vapestore can be considered good.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, the conclusions based on this research can be formulated as follows:

1. The independent variable which are Product quality and Service quality simultaneously affect Customer Satisfaction as the dependent variable.
2. Product quality as one of independent variables does not partially affects Customer Satisfaction significantly.
3. Service Quality as one of independent variables does partially affects Customer Satisfaction significantly.

Recommendation

Based on the analysis and conclusions from overall result in this research regarding effect of research variables:

1. JB vape must be able to maintain quality standards in its products and further improve service quality to provide a level of satisfaction in purchasing at JB vape store
2. JB Vape must follow and keep adjusted to the trends due to the industry being followed is highly influenced by trends.
3. JB Vape should evaluate more because there is always a room for improvement since opening a business must have develop mindset.

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