e-ISSN: 2829-6192, p-ISSN: 2829-6184
DOI: https://doi.org/10.38035/ijam.v3i1
Received: June 4th, 2024, Revised: June 11th, 2024, Publish: June 29th, 2024

IJAM
INTERNATIONAL JOURNAL OF ADVANCED MULTIDISCIPLINARY
E-ISSN: 2829-6192, P-ISSN: 2829-6184
https://greenpub.org/index.php/IJAM
editor@greenpub.org
0811 7401 455

The Effect of Price and Product Quality on Consumer Satisfaction of Goat Milk

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Abstract: The purpose of this study was to determine and analyze: (1) Price; (2) Product quality; (3) Consumer Satisfaction; (4) Price Effect on Consumer Satisfaction; (5) Effect of Product Quality on Consumer Satisfaction; and (6) Effect of Price and Product Quality on Consumer Satisfaction of Goat Milk at Company both simultaneously and partially. The research method used in this research is Descriptive and Verification, the unit of analysis in this study is the consumers of Goat milk Company in Bandung Regency and surrounding areas with a sample of 100 people. The analysis used in this research is Path Analysis with the help of the SPSS for Windows 22.0 program. Based on the results of the study, it was found that: (1) The price at Company is good (2) Product Quality at Company good (3) Consumer Satisfaction at Company is quite good (4) Price affects Consumer Satisfaction at Company (5) Product Quality affects Consumer Satisfaction at Company (6) Price and Product Quality have a joint effect on Consumer Satisfaction at Company. The results showed that price and product quality proved to have an effect on consumer satisfaction of Etawa peranakan goat milk at Company both partially and simultaneously, but when viewed partially, it turns out that product quality is the more dominant influence.

Keyword: Price, Product Quality, Consumer Satisfaction

INTRODUCTION

Indonesia is a developing country with abundant natural resources. These natural resources are the first and foremost factor for the growth and development of the country's agricultural sector. Indonesia's agricultural sector has an important role in Indonesia's national development, including as a provider of industrial raw materials, as a source of foreign exchange, and an alternative source of income for almost all Indonesian people. Agriculture in a broad sense consists of five subsectors, namely food crops, plantations, livestock, fisheries, and forestry.

Public demand for livestock commodity products continues to increase along with population growth, increased income, improved education levels, urbanization and creativity

of local SMEs, lifestyle changes and increased awareness of balanced nutrition. The development of livestock product consumption in the last five years from 2009 to 2017 shows an increase with an average growth of 6.8% for meat, 5.38% for eggs and 2.66% for milk. The livestock sector has become one of the pillars that built agribusiness in Indonesia in the last decade which still has the potential to continue to be developed, this is supported by the character of products that are easily accepted by the Indonesian people and is a potential market for the development of livestock agribusiness. One livestock sector that has great potential to be developed is the dairy goat commodity. Support from the Government strengthens the positive opinion of the community that goat milk can be a reliable food alternative, besides that the community has another assumption that goat milk can help cure various diseases such as complaints of respiratory diseases, complaints of blood deficiency symptoms, help strengthen bones, complaints of stomach diseases improve the condition of fat tissue and increase endurance and immunity.

The types of goats that are modeled in Indonesia as milk producers are saanen goats from the saanen valley in Switzerland, etawa goats from Jamnapari in India, alpine goats from the alps in Switzerland, toggenburg goats from Toggenburg Valley in Switzerland, anglo-nubian goats from Nubia, and (PE) goats (Sodiq & Abidin, 2008). Of the six types of dairy goats, the most commonly cultivated and popular by the people of Indonesia is the (PE) goat.

Some of the diseases that can be cured include: allergies, asthma, respiratory problems, cholesterol, gout, diabetes, osteoporosis, rheumatism and ulcers. Goat milk has many features compared to other milks. According to (Setiawan and Tanius, 2003), the specialty of goat's milk includes the high content of protein, enzymes and vitamin A. Rarely found consumers of goat's milk suffering from diarrhea, it is due to the composition of goat's milk and morphological shape is very unique so easily absorbed by the digestive organs.

One of the businesses engaged in Dairy Goat Farming and its commodity is Goat milk is the Company located in Bandung Regency,West Java. Company is a dairy goat farming company that has been consistent from 2011 until now (2018), as well as Company is the initiator and Business Aggregator for the Greening Farmer Group (KTH) and Mekar Harapan (MH) PE Goat breeder coach up to 10 breeder fostered groups in the Mount Manglayang area. In its implementation, Company focuses on marketing Goat Milk products and other processed goat milk derivatives and always strives to improve marketing strategies by providing the best service for the satisfaction of its consumers with the aim of increasing company profits and customer loyalty.

Table 1. Average annual sales turnover

Year	Turnover	Target	Description
2013	Rp. 240,000,000,-	Rp. 250,000,000,-	Achieved
2014	Rp. 350,000,000,-	Rp. 355,000,000,-	Achieved
2015	Rp. 480,000,000,-	Rp. 420,000,000,-	Not Achieved
2016	Rp. 500,000,000,-	Rp. 400,000,000,-	Not Achieved
2017	Rp. 500,000,000,-	Rp. 485,000,000,-	Not Achieved

Source: researcher's initial survey

From table 1 above, the turnover of goat milk sales of Company tends to decrease from year to year. The company's biggest challenge is how to strengthen all marketing elements so that the survival of the dairy goat business can survive and even develop better. But it is not enough to stop here, Goat milk produced by Company must continue to innovate products and improve product quality to meet consumer satisfaction so that consumers are more loyal.

A product is a set of tangible and intangible attributes including taste, price, manufacturer's good name, good name for those who sell (reseller), and manufacturer's services, as well as retailer (reseller) services received by buyers to satisfy desires. Therefore, every company strives to develop its products, so that it can compete with rival products in the market. The most important element in the product is quality. The consumer's view of quality is intended as a perception to the producer of the level of ability of his product to meet what consumers expect from a product. What consumers expect can be the durability or life of a product in the face of various conditions. Therefore, from the consumer's point of view, product quality is closely related to consumer satisfaction. With the indicator of satisfaction from a product by consumers, the better the product's position in the competition, because it is increasingly sought after and in demand by consumers.

Price plays an important strategic role in marketing, if the price is too expensive, the product will not be affordable by certain targeted target markets or even low consumer assessment of the product. Today's Digital Era of Technology is increasingly believed that the main key to winning the competition is customer satisfaction through a strategy of delivering quality products at competitive prices.

Price

Prices and costs cannot be separated because they affect each other, if production costs are high then the selling price of a product is also high and vice versa. Prices are influenced by demand and availability of materials if the availability of materials is small and demand soars, the selling price of the product rises if the availability is excessive and demand falls, the price drops.

The dimensions of price according to Kotler and Keller (2012: 410) are divided into several parts, namely:

1. Price affordability
2. Price match with quality
3. Price compatibility with benefits
4. Price competitiveness

The pricing concept according to Alma (2013: 150) which can be used with the *cost plus* approach is total cost (*Total Cost*), product cost (*Product Cost*) and variable cost (*Variable Cost)*.

1. Total Cost Concept

   Based on this total cost concept, the selling price is determined from the total costs: production costs + marketing costs + administrative and general costs, plus the amount of profit desired by the company. The definition of *mark up* according to this total cost concept is the *desired profit*. The application of determining the selling price of a product or service using this total cost concept is

   a. Determine the amount of production costs consisting of raw material costs, labor costs and factory *overhead costs*.
   b. The production costs are then added to marketing costs and administrative and general costs, the result is equal to total costs.
   c. The total cost is divided by the number of units produced or sold to obtain a cost per unit figure.
   d. Determining the amount of *markup* or in other words, the desired amount of profit. The desired profit is generally a certain percentage of the assets used (*rate of return on assets*).
   e. Determines the *markup* percentage of the total cost calculated from the desired profit amount divided by the total cost.

f. The *markup is* multiplied by the cost per unit to obtain the *markup* per unit.
g. The selling price per unit is determined from the cost per unit plus the *markup* per unit.

1. Product Cost Concept
   Based on this concept, called the *Absorption Approach*, the selling price is determined from the production costs plus a *markup*. The definition of *markup* according to this product cost concept is desired profit + marketing costs + administrative and general costs.
2. Variable Cost Concept
   According to this concept, also called the *Contribution Approach*, variable costs (variable production costs + variable marketing costs + variable administrative and general costs) are added to the *markup*. The definition of *markup* in this case is the desired profit plus all fixed costs.

Products

The definition of *product* according to Kotler (2009) is anything that can be offered to the market to get attention, buy, use, or consume that can satisfy wants or needs. Conceptually, a product is a subjective understanding of the producer of something that can be offered as an effort to achieve organizational goals through meeting consumer needs and activities, in accordance with the competence and capacity of the organization and the purchasing power of the market.

According to Kotler and Keller (2008), products are key elements in the overall market offering. In addition, products can also be defined as consumer perceptions described by producers through their products (Tjiptono, 2008).

According to Kotler and Armstrong (2008) some of the attributes that accompany and complement the product (product attribute characteristics) are:

1. Brand *(branding)*
   A brand is a name, term, sign, symbol, or design, or a combination of these that is intended to identify the products or services of one or a group of sellers and distinguish them from those of competitors. Branding is a key issue in product strategy. Branding is expensive and time-consuming, and can make or break a product. A good brand name can add great success to the product (Kotler and Armstrong, 2008).
2. *Packing*
   Packaging is the activity of designing and making containers or wrapping a product. Packaging involves designing and manufacturing the container or wrapper of a product.
3. *Product Quality*
   Product Quality is the ability of a product to perform its functions including, durability reliability, accuracy ease of operation and repair, and other valuable attributes. To improve product quality, companies can implement a *"Total Quality Management (TQM)"* program. In addition to reducing product damage, the main objective of total quality is to increase consumer value.

Product Quality

According to Kotler and Armstrong (2008) quality is a characteristic of the product in its ability to meet predetermined and latent needs. Meanwhile, according to Garvin and A. Dale Timpe (1990, in Alma, 2011) quality is the advantage possessed by the product. Quality in the view of consumers is something that has its own scope which is different from the quality in the view of the manufacturer when issuing a product commonly known as actual quality.

According to Kotler (2009), quality is defined as the overall characteristics and properties of goods and services that affect the ability to meet stated or implied needs.

Meanwhile, according to Tjiptono (2008), quality is a combination of properties and characteristics that determine the extent to which the output can meet the prerequisites of customer needs or assess how far the properties and characteristics meet their needs.

Based on the definitions above, it can be concluded that quality is a product and service that goes through several stages of the process by taking into account the value of a product and service without the slightest shortage of the value of a product and service, and producing products and services according to the high expectations of customers.

To achieve the desired product quality, a quality standardization is required. This method is intended to maintain that the products produced meet predetermined standards so that consumers will not lose confidence in the product concerned. Marketers who do not pay attention to the quality of the products offered will bear consumer disloyalty so that sales of their products will tend to decline. If marketers pay attention to quality, even reinforced by advertising and reasonable prices, consumers will not think long about making purchases of products (Kotler and Armstrong, 2008).

According to Kotler and Armstrong (2008) *the* meaning of product quality is "*the ability of a product to perform its functions, it includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes*" which means the ability of a product to demonstrate *its* function, it includes overall durability, reliability, accuracy, ease of operation and repair of the product as well as other product attributes.

Consumer Satisfaction

Customer satisfaction is a major factor in various business activities. Customer satisfaction is the consumer's response to evaluating the perceived mismatch between previous expectations and perceived product performance.

By satisfying the basic wants and needs of consumers and customers, it has a positive impact on the company. If consumers are satisfied with a product, of course, these consumers will always use or consume the product continuously (*Repeat Order*). With satisfaction as the main indicator of the company's product and the impact is that the product is declared marketable, the company will be able to make a profit and the company will survive or survive and possibly even grow.

According to Kotler and Keller quoted by Bob Sabran (2012: 177) customer satisfaction is a feeling of pleasure or disappointment for someone who arises after comparing the performance or expected results. Then according to Fandy Tjiptono (2012: 146) customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the perception of the performance (results) of a product with his expectations. In addition, Daryanto and Setyobudi (2014: 43) say that customer satisfaction is an emotional assessment of consumers after consumers use products where the expectations and needs of consumers who use them are met.

METHODS

The research method applied by the author is using a survey method. The methods applied in this research are descriptive and verification.

This study was conducted to determine the effect of price and product quality on customer satisfaction based on quantitative data collected through questionnaires distributed to consumers of Goat Milk Company Bandung Regency, then this data will be subjected to statistical analysis. The population in this study were all consumers of Goat Milk users at Company consumers located in Bandung Regency, West Java. The sample taken in this study were consumers of Goat Milk users at Company consumers who either buy online or directly visit the Company farm. The population in this study is unknown, so the number of samples determined using the Slovin formula (Husein Umar, 2009: 78) as follows:

$$n = \frac{N}{1 + N_{2}e}$$

Where: n = Sample size
N = Total population
e = Percentage error rate in selecting sample members that is tolerated

The maximum error that can be tolerated in this study is set at 10%, based on the maximum error that can be tolerated for sampling between 5% - 15% (Sugiyono, 2007: 57). So based on these calculations obtained:

$$n \quad \frac{150}{1 + 150\ (0,1)^2} == 99,34$$

For this reason, the researcher took a sample of 100 consumers as respondents, where 99.34 is the minimum size of the number of respondents.

Validity and Reliability Test

Validity Test

Validity is a measure that shows the levels of validity or validity of an instrument (Suharsimi, 2010: 168). An instrument is said to be valid if it is able to measure what is desired in revealing data from the variables studied precisely.

Reliability Test

To test its reliability, the *split half* method is used, the item is divided into two groups, namely the odd item group and the even item group, then each group of scores for each item is summed up to produce a total score.

Data Analysis Design and Hypothesis Test

Data analysis in quantitative research is the result of data processing on the answers given by respondents to questions from each questionnaire item. After the data from all respondents were collected, the researchers grouped the data based on the variables of all respondents, presented the data for each variable studied, and performed calculations to answer the problem formulation. Data analysis is also used to test the hypothesis proposed by the researcher, because the analysis of the data collected is used to determine the effect between the independent variables (X_1, X_2) on the dependent variable (Y). Tabulated data is applied to the research approach used in accordance with the research objectives. To determine the effect of price and product quality on customer satisfaction, the data is processed by analyzing the respondents' attitudes towards each questionnaire item to see the results of the respondents' assessment (positive / negative), the implementation of the variables studied using *Likert's summated rating* analysis.

Descriptive Analysis

Descriptive data analysis aims to describe the extent of consumer perceptions of price, product quality and customer satisfaction. The stages of analysis are carried out up to *scoring* and index, where the score is the sum of the results of multiplying each value weight (1 to 5) by frequency (Sugiono, 2014: 135). At the next stage, the index is calculated using the mean method, which divides the total score by the number of respondents. The index number shows the unity of all respondents' responses to each research variable.

$$Panjang\ kelas\ Interval = \frac{rentang}{banyak\ kelas\ interval}$$

Where:
Range = highest value - lowest value Number of interval classes = 5

$$Panjang\ kelas\ Interval = \frac{5-1}{5} = 0.8$$

Verificative Analysis

The verification analysis method carried out in this study is to use *path analysis*. The main analysis carried out is to test the path construct whether it is empirically tested or not. Further analysis is carried out to find the direct and indirect effects of a set of independent variables on the dependent variable. In addition, path analysis is a type of multivariate analysis to study the direct and indirect effects of a number of variables hypothesized as cause variables on other variables called effect variables. The causal relationship between variables has been formed with a model based on the theoretical basis. The data in this study will be processed using the *Statistical Package for Social Sciences* (SPSS) program.

Path Analysis Method

Path analysis itself does not determine the cause-and-effect relationship and also cannot be used as a substitute for researchers to see the causal relationship between variables. The causal relationships between variables have been established by models based on theoretical foundations. What path analysis does is determine the pattern of relationships between three or more variables and cannot be used to confirm or reject imaginary causality hypotheses.

Path Coefficient

The path coefficient indicates the magnitude of the direct effect of an influencing variable on an influenced variable or from an *exogenous* variable on an *endogenous* variable. To further clarify each path coefficient can be seen in a *path diagram*.

Structural Equation

In addition to using path diagrams to state the model being analyzed, path analysis can also be displayed in the form of equations commonly called structural equations. Structural equations describe the causal relationship between the variables studied which are expressed in the form of mathematical equations. In the diagram in Figure 3.1, the structural equation model can be made a mathematical structural equation model as follows: Y = Pyx X1 + Pyx X2 + Pyx ε. The equation states that the causal relationship (cause and effect) of X1 and X2 and ε to Y.

Calculating the Correlation Coefficient

To find the correlation coefficient between variables X1 and Y, variables X2 and Y, X1 and X2 as follows:
Where:

$$rxy = \frac{n\Sigma x_i xtot - (\Sigma x_i)(\Sigma xtot)}{\sqrt{\{n\Sigma x^2{}_i - (\Sigma x_i)\}\{n\Sigma X^2 tot - (\Sigma xtot)^2\}}}$$

Coefficient of Determination

Determination Coefficient Analysis (KD) is used to see how much the independent variable (X) affects the dependent variable (Y) expressed in percentage. The coefficient of determination is calculated using the following formula:

Kd = $(r)^2$ x 100%

Where:
KD = How far the change in variable Y is used by variable X r^2 = Square of the correlation coefficient.

Hypothesis Test

The hypothesis test referred to in this study is to determine whether or not there is an effect of price, product quality, customer satisfaction. Hypothesis testing for this correlation is formulated with the null hypothesis (H) and the alternative hypothesis (H_a),

Partial Hypothesis Test

If the results of the test jointly conclude that there is a significant effect, then partial testing is carried out to see more clearly which of the two exogenous variables, namely price and product quality, have a significant effect on customer satisfaction. To test the path coefficient of each exogenous variable, the t test is used, with the following formula:

$$t_i = \frac{P_{YXi}}{\sqrt{\frac{\left(1 - R^2_{Y.X1X2}\right) \times C_{ii}}{(n-k-1)}}}$$

The test statistic above follows the t-distribution with n-k-1 degrees of freedom. The test criterion is "Reject H_0 which states that $P_{yxi} = 0$ if t count> t $_{table}$".

Simultaneous Hypothesis Test

Hypothesis testing using the simultaneous test with the F-test aims to determine the joint effect of the independent variables on the dependent variable. The hypothesis put forward can be described as follows:

H_0: $\beta_1 \beta_2 = 0$: There is no influence between price (X) and product quality (X) on customer satisfaction (Y).
H_a: $\beta_1 \beta_2 \neq 0$: There is an influence between price (X) and product quality (X) on customer satisfaction (Y).

The design of testing the hypothesis of this study is to test whether there is an influence between the independent variables (X), namely Price (X_1) and Product Quality (X_2) and Consumer Satisfaction as the dependent variable (Y).

RESULT AND DISCUSSION

Price Variable Instrument Validity Test Results

Table 3. X1 Validity Test Results

Price data validity (X1)			
Research items	variableCalculation result	Standard of validity of questionnaire	Category
X1.1	0,507	0,3	Valid

X1.2	0,693	0,3	Valid
X1.3	0,750	0,3	Valid
X1.4	0,460	0,3	Valid
X1.5	0,523	0,3	Valid
X1.6	0,752	0,3	Valid
X1.7	0,693	0,3	Valid
X1.8	0,557	0,3	Valid

Source*:* Primary data processed, 2018

The statement in the Price variable instrument above consists of 8 items. The variable test results meet the required criteria of> 0.30, and it is concluded that statement items 1 to 8 are declared **valid** as indicators of Price.

Product Quality Variable Instrument Validity Test Results

Table 4. X2 Validity Test Results

Validity of Product Quality (X2) data			
Research variable items	Calculation result	Standard validity questionnaire	of ofCategory
X2.1	0,517	0,3	Valid
X2.2	0,534	0,3	Valid
X2.3	0,362	0,3	Valid
X2.4	0,427	0,3	Valid
X2.5	0,488	0,3	Valid
X2.6	0,777	0,3	Valid
X2.7	0,645	0,3	Valid
X2.8	0,490	0,3	Valid
X2.9	0,584	0,3	Valid
X2.10	0,714	0,3	Valid
X2.11	0,777	0,3	Valid
X2.12	0,428	0,3	Valid
X2.13	0,693	0,3	Valid
X2.14	0,534	0,3	Valid

Source: Primary data processed, 2018

The statement in the Product Quality variable instrument above consists of 14 items. The variable test results meet the required criteria of> 0.30. Thus it can be concluded that statement items 9 to 22 can be declared **valid** and truly as indicators of Product Quality.

Results of the Validity Test of the Consumer Satisfaction Variable Instrument

Table 5. Y Validity Test Results

Validity of Consumer Satisfaction (Y) data			
Research variable items	Calculation result	Standard of validity of questionnaire	Category
Y1	0,665	0,3	Valid
Y2	0,484	0,3	Valid

Y3	0,718	0,3	Valid
Y4	0,791	0,3	Valid
Y5	0,686	0,3	Valid
Y6	0,649	0,3	Valid
Y7	0,563	0,3	Valid
Y8	0,565	0,3	Valid
Y9	0,484	0,3	Valid
Y10	0,686	0,3	Valid
Y11	0,718	0,3	Valid
Y12	0,483	0,3	Valid
Y13	0,791	0,3	Valid
Y14	0,791	0,3	Valid

Source: Primary data processed, 2018

The statement in the Consumer Satisfaction variable instrument above consists of 14 items. The variable test results meet the required criteria, namely> 0.30. Thus it can be concluded that statement items 23 to 36 can be declared **valid** and truly an indicator of customer satisfaction.

Based on the results of the validity test with the question instrument on the price variable, product quality variable and customer satisfaction variable, the recapitulation results can be described in the table as follows:

Table 6. Recapitulation of Instrument Question Items

Questionnaire/Variables	**Valid**		**Invalid**		**Total**	
	Total	**%**	**Total**	**%**	**Total**	**%**
Price (X1)	8	100	-	-	8	100
Product Quality (X2)	14	100	-	-	14	100
Consumer Satisfaction (Y)	14	100	-	-	14	100
Total	36	100	-	-	36	100

Source: Appendix of validity -reliability test results

Reliability Test Results

Table 7. Reliability Test Results Reliability of X1, X2, and Y data

Research Variables	Calculation Result	Questionnaire Reliability Standard	Category
Price (X1)	0,753	0,6	Reliable
Product Quality (X2)	0,745	0,6	Reliable
Consumer Satisfaction (Y)	0,758	0,6	Reliable

Source: Processed Primary Data, 2018

The reliability test results above can be stated that all variables are in the reliable category, because the score is> 0.60. Thus the research instrument used for each variable in this study can be declared **reliable** and truly as a reliable measuring instrument and has a high level of stability, in the sense that if the measuring instrument is carried out repeatedly, the results of the instrument test will show permanent results.

Data Processing Results

Data analysis in quantitative research is the result of data processing on the answers given by respondents to questions from each questionnaire item.

Descriptive Analysis

Recap of Average score Research variables

Table 8. Price variable score recap

Price Variable		
NO	**STATEMENT**	**SCORE**
1	Product prices offered are very affordable	326
2	Price varies greatly according to product size	340
3	The price offered is very suitable for the quality of the product	318
4	The price of the product is very suitable for the desired results	406
5	The price is very much in line with the benefits received	378
6	The price of the product is very much in line with the service received	317
7	There is a discount	340
8	Prices are very competitive with other manufacturers	309
	AMOUNT	2734
	AVERAGE	341,8

Source: Primary data reprocessed

From the table above, it can be seen that the price variable at Company states that consumers have the perception that they agree and are affordable with the price set.

Table 9. Recap of Product Quality variable scores

Product Quality Variable		
NO	**STATEMENT**	**SCORE**
1	The quality of raw materials for E Goat milk in Company is very Guaranteed	367
2	In the production process Company prioritizes Hygiene	349
3	Long shelf life of goat milk products	306
4	The expiration time of PE Goat milk is indicated on the label.	405
5	The product is served in a disposable bottle which is very appropriate	318
6	The net weight of the product is very suitable for the serving size	308
7	Product Characteristics are Unique	356
8	The choice of PE Goat milk products and derivatives is very varied and many options	246
9	Reliability of dairy stock is well-prepared and always available	240
10	Product has a very consistent flavor	313
11	PE Goat milk product packaging is very attractive	308
12	Product packaging is very unique compared to other competitors	273
13	The general quality of milk from Company is in accordance with health standards	316

14	The reputation of the company, Company, is very good in my eyes.	345
	AMOUNT	4454
	AVERAGE	318

Source: Primary data reprocessed

From the table above, it can be seen that in the product quality variable, consumers have a fairly agreeable perception of product quality. In other words, consumers can be interpreted as having a less favorable perception of the quality of products produced by Company. From the average score obtained based on the recapitulation of the product quality variable table, namely with a score of 3.18, this shows that the statement items submitted to the respondents are stated below average, so that it really requires an increase in quality in order to create a good impression and its impact on better customer satisfaction at Company

Table 10. Recap of Consumer Satisfaction variable scores

Consumer Satisfaction Variable		
NO	**STATEMENT**	**SCORE**
1	The quality of the products produced is guaranteed	301
2	The price set is very affordable for the general public	379
3	The flavor quality of the milk is as good as I expected	264
4	The variety of milk flavors is very much in line with my expectations	290
5	The color of the dairy is as attractive as I expected	270
6	Product packaging is very good according to my expectations	260
7	The quality of the product packaging is very good in accordance with my expectations	250
8	Product Serving Size is very much in line with my expectations	248
9	The durability of the product is very much in line with my expectations	379
10	The delivery of the product was very much in line with my expectations	270
11	The price of the product and the variety are very much in line with my expectations	264
12	I hope the quality of the product is maintained and even improved.	405
13	I hope the price of PE Goat milk is very affordable	290
14	Goat milk and its derivatives are heavily promoted	290
	AMOUNT	4160
	AVERAGE	297,1

Source: Primary data reprocessed

From the table above, it can be seen that in the consumer satisfaction variable, it states that consumers have a fairly agreeable perception of consumer satisfaction. In this study, researchers can conclude that the main problem in this study is correct, namely about customer satisfaction. In another sense, consumers can be interpreted as having a less satisfied perception of expectations and performance of the price and product quality variables produced by Company. With a final score of customer satisfaction of 2,971, this shows that customer satisfaction is still below average and customer satisfaction is only moderately satisfied, another conclusion is that consumers of Goat milk are less satisfied with the price and quality

of the product. So it really requires an evaluation of marketing strategies in order to create a good impression and its impact on better customer satisfaction at Company

Verification Analysis

The verification analysis method carried out in this study is to use *path analysis*. The main analysis carried out is to test the path construct whether it is empirically tested or not.

Classical assumption test

a. Normality Test

Table 11. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	7.91343494
Most Extreme Differences	Absolute	.101
	Positive	.059
	Negative	-.101
Kolmogorov-Smirnov Z		1.015
Asymp. Sig. (2-tailed)		.254

b. Test distribution is Normal.
c. Calculated from data.

The Kolmogorov-Smirnov value is 0.254> 0.05, it can be concluded that the data is normally distributed.

d. Autocorrelation Test

Table 12. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.702[a]	.493	.483	7.99460	1.492

a. Predictors: (Constant), PRODUCT QUALITY, PRICE
b. Dependent Variable: SATISFACTION_CONSUMER

From the table above, it can be seen that the Durbin-Watson value is 1.492. The Durbin-Watson value must be between dL and (4 - du) to say there are no autocorrelation symptoms. From the values listed in the table, the value is more than the dL value (1.4298). And less than the value (4 - du) or (4 - 1.6148) or 2.3852. The dL value and du value can be seen in the Durbin-Watson table for alpha = 5%. So from the values listed in the table, it can be seen that 1.492 < 2.3852. Thus it can be concluded that no autocorrelation symptoms occur.

c. Multicollinearity Test

Table 13. Coefficients[a]

Model		Unstandardized Coefficients		Standardi zedt Coefficie nts		Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolera nce	VIF
1	(Constant)	2.445	2.769		.883	.379		
	PRICE	.565	.183	.310	3.083	.003	.517	1.934
	QUALITY_ PRODUCTS	.483	.108	.451	4.483	.000	.517	1.934

a. Dependent Variable: CUSTOMER SATISFACTION

From the table above, it can be seen that the Tolerance value is 0.517> 0.10, and the VIF value is 1.934 < 10. So it can be concluded that there is no Multicollinearity.

d. Heteroscedasticity Test

Table 14. Coefficients[a]

Model		Unstandardized Coefficients		Standard ized Coefficie nts	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolera nce	VIF
1	(Constant)	12.388	1.480		8.371	.000		
	PRICE	-.289	.098	-.381	- 2.952	.104	.517	1.934
	QUALITY _PRODUCT	-.016	.058	-.036	-.277	.783	.517	1.934

a. Dependent Variable: RES2

From the table above, it can be seen that the significance value of the Price variable is 0.104. Where 0.104> 0.05, and the significance value of the Product Quality variable is 0.783, where 0.783> 0.05. This means that heteroscedasticity does not occur.

Calculation of the Effect of Price and Product Quality on Instrument Satisfaction

Correlation Analysis Results

Calculation of correlation analysis using *Pearson Product Moment* correlation, carried out to determine how strong the relationship between several independent variables studied in this study. This calculation uses the SPSS program, and the results are obtained as in the following table:

Table 15. Correlation Results Between Variables Correlations

	PRICE	ODUCT QUALITY	SATISFACTION_ CONSUMER
Pearson Correlation	1	.695**	.623**

PRICE	Sig. (2-tailed)		.000	.000
	N	100	100	100
	Pearson Correlation	.695**	1	.666**
PRODUCT QUALITY	Sig. (2-tailed)	.000		.000
	N	100	100	100
	Pearson Correlation	.623**	.666**	1
SATISFACTION_CONSUMER	Sig. (2-tailed)	.000	.000	
	N	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Primary data reprocessed

Calculation Results The effect of price (X_1) and product quality (X_2), on customer satisfaction (Y) simultaneously.

Table 17. Model Summary

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.702[a]	.493	.483	7.99460

a. Predictors: (Constant), PRODUCT QUALITY, PRICE

Table 18. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6032.710	2	3016.355	47.194	.000[b]
	Residuals	6199.623	97	63.914		
	Total	12232.333	99			

a. Dependent Variable: SATISFACTION_CONSUMER
b. Predictors: (Constant), PRODUCT QUALITY, PRICE

Based on the table above, the ANOVA section shows that the *p-value sig*. 0.000 <0.05 and F count 47.194> F table 3.097 (Ftabel seen from the F table with a denominator dk value = 100 - 2 - 1 = 30 and numerator dk = 2 at the 5% significance level). While the correlation R = 0.702 which means there is a strong correlation between Price and Product Quality and Customer Satisfaction.

The decision of the simultaneous hypothesis test is: H_0 is rejected and H_a is accepted, meaning that Price and Product Quality have an effect on Customer Satisfaction. The amount of simultaneous influence is 49.30% (R2 = 0.493). While the remaining 50.70% is influenced by other factors not examined.

Calculation Results The effect of price (X_1) and product quality (X_2) on customer satisfaction (Y) partially.

Table 19. Coefficients[a]

Model	Unstandardized Coefficients		Standardize Coefficients	dt	Sig.
	B	Std. Error	Beta		

	(Constant)	2.445	2.769		.883	.379
1	PRICE	.565	.183	.310	3.083	.003
	QUALITY_PRODUK	.483	.108	.451	4.483	.000

a. Dependent Variable: CUSTOMER SATISFACTION

For partial hypothesis testing, for the Price variable (X_1) *p-value* 0.003 < 0.05 or t_{hitug} 3.083 > t_{tabel} 1.960. Then the Product Quality variable (X_2) *p-value* 0.000 < 0.05 or t_{hitug} 4.483 > t_{tabel} 1.960

The decision of the partial hypothesis test is:

1. First hypothesis: H_0 is rejected and H_a is accepted, meaning that Price (X_1) has a partial effect on Consumer Satisfaction (Y).
2. Second hypothesis: H_0 is rejected and H_a is accepted, meaning that Product Quality (X_2) has a partial effect on Consumer Satisfaction (Y).

Based on the results of the above calculations, the path coefficient value of the revised model of the effect of Price (X_1) and Product Quality (X_2) on Consumer Satisfaction (Y) is as follows:

Table 20. Path Calculation Results

Variables	Path Coefficient
Price $(X)_1$	0,310
Product Quality $(X)_2$	0,451

Source: Results of statistical calculations using SPSS

The table above illustrates the results of the path calculation, that variable X_1 has a path coefficient of 0.310, variable X_2 the path coefficient is 0.451, these results are described in the path equation as below.

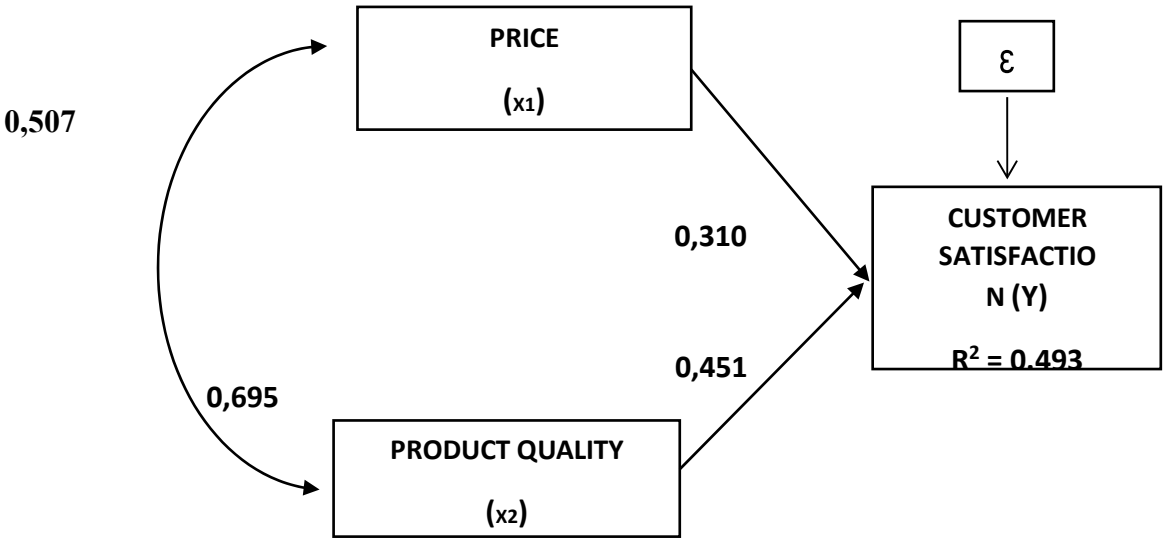

Figure 1. Path Analysis

Direct effect (*Direct Effect*) with path analysis can be calculated through the results of the effect of regression calculations (X_1 and X_2) then squared (a^2). While the indirect effect on

Y can be calculated Price (X_1) on Customer Satisfaction (Y) through Product Quality (X_2), and Product Quality (X_2) on Customer Satisfaction (Y) through Price (X_1).
From the data above, it can be seen that the *direct* and indirect effects (*Indirect Effect)* with path analysis of the independent variables on Y as the dependent variable. For more details, the calculation of the influence of the variables above can be seen in the calculation table below:
The effect of Price (X_1) on Consumer Satisfaction (Y) is**:**

Table 21. The Effect of Price on Consumer Satisfaction

Variables	Interpretation of path analysis	Calculation Process	Magnitude of Influence
X_1	Direct effect to Y	0.310 x 0.310	0.097
	Indirect effect through X_2 to Y	0.310 x 0.695 x 0.451	0.097
	Total		**0.194**

Source: Primary data reprocessed

From the table above, it can be seen that the effect of price directly on customer satisfaction is 0.097 through product quality of 0.097 and overall 0.194.

1. The effect of Product Quality (X_2) on Customer Satisfaction (Y) is:

Table 22. The Effect of Product Quality on Consumer Satisfaction

Variables	Interpretation of path analysis	Calculation Process	Basics of Influence
X_2	Direct effect to Y	0.451 x 0.451	0.203
	Indirect effect through X_1 to Y	0.451 x 0.695 x 0.310	0.097
	Total		**0.300**

Source: Primary data reprocessed

From the table above, it can be seen that the effect of Product Quality directly on Customer Satisfaction is 0.203 through Price of 0.097 and overall 0.300.
The effect of Price (X_1) and Product Quality (X_2) on Consumer Satisfaction (Y) is:

Table 23. Total Effect, Direct and Indirect Effect

Variables	Consumer Satisfaction (Y)			
	Direct Effect	Indirect Effect		Total Influence
		X_1	X_2	
Price (X_1)	9,70 %	-	9,70%	19,40 %
Product Quality (X_2)	20,30 %	9,70%	-	30,00 %

Total Influence	30,00 %	9,70 %	9,70 %	49,40 %

Source: Data processing results

Based on the table above, it can be seen that the Price variable (X_1) has a direct effect of 9.70%, the indirect effect through its relationship with Product Quality (X_2) is 9.70%, so that the total effect is 19.40%.Product Quality variable (X_2) has a direct effect of 20.30%, indirect effect through its relationship with Price (X_1) of 9.70%, so that the total effect is 30.00%.So that the total overall effect of Price (X_1) and Product Quality (X_2) on Consumer Satisfaction (Y) is 49.40%.Meanwhile, other factors that are not examined and contribute to Consumer Satisfaction are indicated by the value of P_y $\varepsilon = 0.507$ or 50.70%. With the following calculation: $\varepsilon = 1\text{-}R^2$ (0.493) = 0.507 or 50.70%.

Discussion

Price at Company

Based on the recap of the score of the data processing results in the price variable, the items that have scores below the average are statements about the price of the product offered is very affordable, the price varies greatly according to the size of the product, the price offered is very suitable for the quality of the product, the price offered is very suitable for the quality of the product, the price of the product is very suitable for the service received, there is a discount, the price is very competitive with other manufacturers. Thus these items show the need for improvement to create good prices and according to consumer needs, so that it will contribute to increasing Consumer Satisfaction at Company.

Product Quality at Company

From the table of data processing results, it can be seen that in the product quality variable, the items that have scores below the average are statements about The durability of goat milk products is very long, The net weight of the product is very suitable for the serving size, The choice of Goat milk products and their derivatives is very varied and has many choices, The reliability of milk product stock is very ready and always available, The product has a very consistent taste, The packaging of Goat milk products is very attractive, The product packaging is very unique compared to other competitors, The general quality of milk from Company is very suitable for health standards. This shows that these items require improvement to create product quality that is maintained and even better, which in turn will contribute to increasing Customer Satisfaction at Company.

Customer Satisfaction at Company

Based on the results of the data processing above, it can be seen that in the consumer satisfaction variable, the items that have scores below the average are statements about the quality of milk taste very good as expected, the variety of milk flavors is very much as expected, the color of dairy products is very attractive as expected, product packaging is very good as expected, the quality of product packaging is very good according to expectations, product serving size is very much in line with expectations, product delivery is very much in line with expectations, product prices and variants are very much in line with expectations. Thus indicating that these items need more improvement and attention to create better Customer Satisfaction at Company.

The Effect of Price on Customer Satisfaction at Company

Based on the results of data processing, it can be seen that the effect of price directly on customer satisfaction is 9.70%, through product quality of 9.70% and overall 19.40%. These

results mean that there is a significant influence between price and customer satisfaction partially.

The Effect of Product Quality on Customer Satisfaction at Company

From the results of data processing, it can be seen that the effect of Product Quality directly on Customer Satisfaction is 20.30% through Price of 9.70% and overall 30.00%. These results mean that there is a significant influence between product quality on partial customer satisfaction. Product quality has a more dominant influence when with price.

The Effect of Price and Product Quality on Consumer Satisfaction at Company.

Based on the results of data processing, the total overall effect of the Price variable (X_1) of 19.40% and the Product Quality variable (X_2) of 30.00% on the Consumer Satisfaction variable (Y) is 49.40%.

The data shows a significant effect simultaneously, this is in line with previous research, namely Johanes Gerardo Runtunuwu, Sem Oroh and Rita Taroreh (2014), Dian Kemalasari (2017) on price and product quality which have a positive and significant effect, but in research The Effect of Price and Product Quality on Customer Satisfaction at Company is partially product quality is more dominant in its influence on customer satisfaction in line with previous research from Purnomo Edwin Setyo (2017).

Both independent variables (Price and Product Quality) have a considerable influence on the dependent variable (Consumer Satisfaction). This means that if the price is adjusted to the needs of consumers and the quality of the product is improved, it will have an impact on increasing consumer satisfaction with Goat milk at Company.

CONCLUSION

Prices at Company are in the good category. This shows that consumers give affordable responses to product prices at Company, but even so there are still several things that must be improved to achieve prices that have a good effect on customer satisfaction, including statements about the price of the product offered is very affordable, the price varies greatly according to the size of the product, the price offered is very suitable for the quality of the product, the price offered is very suitable for the quality of the product, the price of the product is very suitable for the service received, there are discounts, the price is very competitive with other manufacturers. Product quality at Company is in the good enough category. This conclusion shows that consumers give a fairly agreed response to product quality at Company., with a fairly agreed category Company requires quality improvement in order to create a good impression and its impact on better customer satisfaction. Things that need to be improved again according to the results of this research score are about the statement The durability of goat milk products is very long, The net weight of the product is very suitable for the serving size, The choice of PE Goat milk products and their derivatives is very varied and has many choices, The reliability of milk product stock is very ready and always available, The product has a very consistent taste, The packaging of PE Goat milk products is very attractive, The poduk packaging is very unique compared to other competitors, The general quality of milk from Company is very suitable for health standards. Consumer satisfaction at PT. Company is in the good enough category. **The** conclusion can be interpreted that consumers give a fairly satisfied response to the expectations and performance produced by Company. The Moderately Satisfied category requires re-evaluation in implementing marketing strategies, because the real expectations of consumers must be at a satisfied level so that the problem behind this research, namely declining profits and non-optimal sales performance at Company can be resolved properly. From the above results, the things that need to be corrected are statements about the quality of milk taste very good as expected, the variety of milk flavors is very much as expected, the color

of dairy products is very attractive as expected, the product packaging is very good as expected, the quality of product packaging is very good according to expectations, the size of the product presentation is very much in line with expectations, product delivery is very much in line with expectations, product prices and variants are very much in line with expectations. Price affects Consumer Satisfaction at Company. Product quality has an effect on consumer satisfaction at Company. Company. Price and Product Quality have a joint effect on Customer Satisfaction at Company.

Advice

Prices are already in the Good category, but other sales strategy innovations are needed so that sales performance increases such as discounted prices if more than two items are purchased, free shipping with large purchases and buy two get one. Product quality at Company is in the Good Enough category, meaning that product quality is still considered sufficient but not maximized. There needs to be improvements in Goat milk pasteurization technology to make it more durable, application of good packaging according to GMP (*Good Manufacturing Product*) standards, strict supervision of product hygiene, innovative product variants and maintained product stock. To increase customer satisfaction at Company with this Fair category, the company must continue to evaluate various activities and improve its marketing performance again, this is done to be able to create maximum customer satisfaction. As for some things that need to be improved are better and unique product packaging quality, product durability, product delivery speed, attractive and competitive prices and proper promotion. Price has an influence on customer satisfaction at Company. Pricing towards consumers is expected to adjust, such as pricing for active consumers who make purchases more than 3 times have special discounts and active *resellers* with large purchases are not charged postage. Thus it is expected that the company's profits will increase. To improve the performance of Product Quality which has an influence on Consumer Satisfaction, it is better if Company has quality standards applied such as the application of SNI and ISO 9001: 2015 concerning Quality Management so that the quality of the product is guaranteed. production quality. With the Price and Product Quality which have a joint effect on Customer Satisfaction. This is used as a benchmark for sales strategy and evaluation for Company to pay more attention and improve pricing strategies and product quality control for the long term. It is recommended to improve the overall business process by improving the performance of HR, Operations, finance and marketing. For further research, the author hopes that if taking a similar theme, the title of this thesis will be added to the promotion variable and the *Place variable* as a unity of the marketing mix variable (*Mix Marketing*) and added to the *intermediate* variable (*Intervening*), namely customer value, because it is likely that the marketing mix variable as a whole and the customer value variable also have an influence on customer satisfaction.

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