INFLUENCE OF SERVICE QUALITY AND PRODUCTS ON CUSTOMER SATISFACTION IN PNM MEKAAR NGRONNGGOT NGANJUK DISTRICT

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Abstract
This study aims to determine the effect of service and product quality on customer satisfaction at PNM Mekaar Ngronggot Nganjuk Regency. This research is an ex-post facto research because this research was conducted to examine events that have occurred and then trace back to find out the factors that can cause these events to occur. The population in this study are all customers who make transactions at PNM Mekaar Ngronggot Nganjuk Regency. While the sample in this study is as many as 100 respondents. To determine the sample size, the researcher used the Slovin formula. Methods of data collection using the questionnaire method, observation method, and documentation method. While the method of data analysis using percentage descriptive analysis, classical assumption test, and multiple linear regression analysis, simultaneous significant test (F test), t test (partial), and test the coefficient of determination (R^2). From the results of this study it can be concluded that: (1) There is a positive and significant influence of service quality variables on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency. (2) There is a positive and significant effect of product variables on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency. (3) There is a Positive and Significant Influence on service and product quality variables together on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency.
Keywords: service quality, product, customer satisfaction, transactions, PNM Mekaar

INTRODUCTION

The business world in the era of globalization as is happening now is in a situation that is completely uncertain and very difficult to predict when facing challenges. The main factor that influences customer satisfaction is when the customer feels what he wants is fulfilled to the fullest. Meanwhile, according to Wilkie in Fandy Tjiptono (2018: 354) defines "Customer satisfaction as an emotional response to the evaluation of the experience of consuming a product or service". Emotional responses can be in the form of more feelings that are felt when something is expected achieved. Good product or service quality in creating consumer satisfaction provide various benefits, including
providing a strong basis so as to create consumer loyalty which in turn is referred to as customer loyalty. The advantages of MSEs in surviving the storm of crisis for various reasons. First, MSEs generally produce consumer goods and services that are close to the needs of the community. Second, MSEs do not rely on imported raw materials and utilize local resources more in terms of human resources, capital, raw materials, and equipment. Third, generally MSE businesses use relatively low capital. With these advantages, MSEs do not really feel the influence of the global crisis which is usually marked by a decline in the rupiah exchange rate (I Gusti Gede; Rahmadi, Afif Nur; Yap, Nonni, 2023). Satisfaction with a company will prevent customers from being influenced by other companies (retention). In addition, having high satisfaction is also a driving force for repurchasing (repurchasing) and inviting other people to use these services (referrals) (Kotler, 2018: 49). Service is one of the most important factors for the survival and development of a company. Therefore, service companies engaged in services must continue to strive to develop the quality of their services properly, so that they can provide satisfaction for customers, so that customers will remain loyal. Customers form their expectations based on messages received from sellers, other people, friends and other sources of information. If the seller increases a product too much and the customer cannot feel that satisfaction then the customer will experience futile expectations. Based on the description above, the researcher wants to conduct research with the title "The Influence of Service and Product Quality on Customer Satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency".

a. Service quality
Quality is very diverse and contains many meanings. Quality is a word that for service providers is something that must be done well. Goetsch and Davis in Tjiptono's book (2019: 51) define "quality is a dynamic condition related to products, services, people, processes and the environment that meet or exceed expectations.

b. Product
A product is something that is able to meet consumer needs, not just something tangible, such as food, clothing, etc., but something that is intangible, such as services. Likewise, when buying a product, consumers always hope that the goods purchased can satisfy all their wants and needs. (Kotler and Armstrong, 2019: 347) states that a product is the ability of a product to perform its functions which include durability, reliability, accuracy, convenience, operation and repair as well as other attributes.

c. Customer satisfaction
According to Kotler (2018: 76) satisfaction is the number of attributes of a product or service. Regarding products, there is a difference between goods and services customer satisfaction. The difference between tangible and intangible goods into various factors of customer satisfaction, and that is why they must be treated separately. Customer satisfaction has an overall reaction between consumption expectations with products or services on the basis of perception, evaluation and psychological reactions. (Laksana, 2019: 86).
METHOD
The hypothesis is a temporary answer to the research problem formulation, where the research problem formulation has been stated in the form of a question sentence. (Sugiyono, 2019). Based on the framework above, the hypothesis in this study is:

H1: There is a positive and significant influence of service quality on customer satisfaction at PNM Mekaar Ngronggot Nganjuk Regency.
H2: There is a positive and significant effect of the product on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency.
H3: There is a positive and significant influence of service and product quality together on customer satisfaction at PNM Mekaar Ngronggot Nganjuk Regency.

RESULTS AND DISCUSSION
a. The Effect of Service Quality on Customer Satisfaction of PNM Mekaar Ngronggot, Nganjuk Regency
The results of this study indicate that there is a positive and significant influence between service quality (X1) on customer satisfaction (Y). The results of the analysis using simple regression obtained a coefficient price (rx1y) of 0.498 and a coefficient of determination (r²x1y) of 0.248. The coefficient of determination means that the magnitude of the influence of service quality on customer satisfaction is 24.8%. The results of the t test show that tcount is 5.692 and ttable at a significance level of 5% is 1.984. The results of the t test show that tcount shows a number greater than ttable, or 5.692 > 1.984, so that the effect of service quality on customer satisfaction is significant.

b. The Influence of Products on Customer Satisfaction of PNM Mekaar Ngronggot, Nganjuk Regency
The results of this study indicate that there is a positive and significant influence between products (X2) on customer satisfaction (Y). The results of the analysis using simple regression obtained a coefficient price (rx2y) of 0.404 and a coefficient of determination (r²x2y) of 0.164. The magnitude of the coefficient of determination has a meaning that is the magnitude of the product's influence on customer satisfaction, which is equal to 16.4%. The results of the t test show that tcount is 4.377 and ttable at a significance level of 5% is 1.984. The results of the t test show that tcount shows a number greater than ttable, or 4.377 > 1.984, so that the effect of product on customer satisfaction is significant. Based on the presentation of the results of the correlation coefficient price analysis, the price coefficient of determination and the t test, it can be concluded that the product has a positive and significant effect on customer satisfaction.

c. The Influence of Service and Product Quality Together on Customer Satisfaction of PNM Mekaar Ngronggot Nganjuk Regency
The results of the analysis using multiple regression obtained the price of the correlation coefficient (Ry(1,2)) of 0.499 and the price of the coefficient of determination (R²y(1,2)) of 0.249, which means the influence given by the quality of service and products together on customer satisfaction by 24.9% then 75.1% influenced by other factors not examined in this study. In the F test, the Fcount
value was 16.071 and $F_{\text{table}}$ was 3.090. The test results show that $F_{\text{count}}$ is greater than $F_{\text{table}}$ or $16.071 > 3.090$ so that it can be concluded that there is a positive and significant influence of service and product quality together on customer satisfaction.

### Table 4.1 Distribution of Service Quality Variable Frequency

<table>
<thead>
<tr>
<th>No.</th>
<th>Interval</th>
<th>Frekuensi</th>
<th>Persentase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>65 – 67</td>
<td>2</td>
<td>2 %</td>
</tr>
<tr>
<td>2</td>
<td>68 – 70</td>
<td>5</td>
<td>5 %</td>
</tr>
<tr>
<td>3</td>
<td>71 – 73</td>
<td>22</td>
<td>22 %</td>
</tr>
<tr>
<td>4</td>
<td>74 – 76</td>
<td>24</td>
<td>24 %</td>
</tr>
<tr>
<td>5</td>
<td>77 – 79</td>
<td>20</td>
<td>20 %</td>
</tr>
<tr>
<td>6</td>
<td>80 – 82</td>
<td>17</td>
<td>17 %</td>
</tr>
<tr>
<td>7</td>
<td>83 – 85</td>
<td>4</td>
<td>4 %</td>
</tr>
<tr>
<td>8</td>
<td>86 – 90</td>
<td>6</td>
<td>6 %</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

The histogram of the frequency distribution of Service Quality in Figure 3 shows that the greatest frequency is in the class interval 74-76, namely 24 customers. The research variable data is then classified into the category of service quality tendencies. To determine the tendency of each variable score, the ideal score is used. The ideal score is divided into 4 categories of tendencies, namely:

### Table 4.2 Component Assessment Criteria

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very high</td>
<td>$X \geq (\text{Mi} + 1.\text{SDi})$</td>
</tr>
<tr>
<td>2</td>
<td>Tall</td>
<td>$\text{Mi} \leq X &lt; (\text{Mi} + 1.\text{SDi})$</td>
</tr>
<tr>
<td>3</td>
<td>Low</td>
<td>$(\text{Mi} - 1.\text{SDi}) \leq X &lt; \text{Mi}$</td>
</tr>
<tr>
<td>4</td>
<td>Very low</td>
<td>$X &lt; (\text{Mi} - 1.\text{SDi})$</td>
</tr>
</tbody>
</table>

Source: Primary data processed by researchers (2023).
Based on the calculations, it can be made the frequency distribution of the trend of Service Quality in the table as follows:

**Table 4.3 Frequency Distribution of Service Quality Variables**

<table>
<thead>
<tr>
<th>No.</th>
<th>Score Range</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X ≥ 82</td>
<td>Sangat tinggi</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td>2</td>
<td>78 ≤ X &lt; 82</td>
<td>Tinggi</td>
<td>28</td>
<td>28%</td>
</tr>
<tr>
<td>3</td>
<td>73 ≤ X &lt; 78</td>
<td>Rendah</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>4</td>
<td>X &lt; 73</td>
<td>Sangat rendah</td>
<td>22</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>100</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Primary data processed by researchers (2023).

Based on the table above, the frequency of tendencies for the service quality variable that is in the score range of more than equal to 82 is included in the very high category of 12 customers (12%), the score range of more than equal to 78 to less than 82 is included in the high category of 28 customers (28%), the range of scores greater than equal to 73 to 78 are included in the low category of 38 customers (38%) and the range of scores less than 73 is in the very low category of 22 customers (22%).

**CONCLUSION**

Based on the results of research and discussion, it can be concluded as follows:

1. There is a positive and significant influence of service quality variables on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency. It is known that the value of the correlation coefficient (rX1Y) is 0.498; coefficient of determination (R2X1Y) of 0.248. Based on the coefficient of determination (R2X1Y) of 0.248, it means that service quality affects customer satisfaction by 24.8%.

2. There is a positive and significant effect of product variables on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency. It is known that the value of the correlation coefficient (rX1Y) is 0.404; coefficient of determination (R2X1Y) of 0.164. Based on the coefficient of determination (R2X1Y) of 0.164, it means that the product influences customer satisfaction by 16.4%.

3. There is a positive and significant influence on service and product quality variables together on customer satisfaction at PNM Mekaar Ngronggot, Nganjuk Regency. The correlation coefficient (Ry(1,2)) is 0.499 and the determination coefficient (R2y(1,2)) is 0.249. The magnitude of the influence of service and product quality together at 24.9% is obtained from the effective contribution that has been calculated.
REFERENCE


