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ANALYSIS OF FACTORS AFFECTING CONSUMER SATISFACTION OF ORGANIC VEGETABLES UMKM SIANTAR SEHAT IN PEMATANGSIANTAR CITY

Silalahi Clara Emalia, Budiarto, Permai Ni Made Suyastiri Yani* University of "Veteran" National Development Yogyakarta, Yogyakarta, Indonesia

*E-mail: nimade.suyastiri@upnyk.ac.id

ABSTRACT

Public awareness of a healthy lifestyle is increasing which encourages people to make changes in lifestyles by consuming foods that are produced naturally. The increase in demand for organic vegetables is an implication of a switch in consumption patterns from non-organic vegetables to organic vegetables. However, UMKM Siantar Sehat (SiSe) is currently experiencing a decrease in demand because of the consumer satisfaction factor. This study aimed to (1) examine how customer satisfaction is affected by price, service quality, and product quality of organic vegetables UMKM Siantar Sehat (SiSe), (2) analyze the level of consumer satisfaction of organic vegetables UMKM Siantar Sehat (SiSe), (3) analyze indicators that are improvements to increase consumer satisfaction of organic vegetables UMKM Siantar Sehat (SiSe). A descriptive research method was used in this study. The method of taking the research location was chosen intentionally (purposive). The method of taking respondents using accidental sampling of 50 respondents: (1) Multiple linear regression analysis and (2) Importance Performance Analysis were used to analyze the data (IPA). Based on the study's findings, it is possible to conclude: (1) Product quality, and price affect consumer satisfaction of organic vegetables UMKM Siantar Sehat (SiSe), (2) The level of consumer satisfaction of organic vegetables UMKM Siantar Sehat shows that consumers are not satisfied. (3) The indicators that are improved are the physical appearance of organic vegetables, the resistance of organic vegetables, the packaging of organic vegetables, and the conformity of prices to the quality of organic vegetables.

KEY WORDS

Consumer satisfaction, price, product quality, service quality.

Recently, public awareness of a healthy lifestyle increase. For some people, adopting a healthy lifestyle by consuming naturally produced foods become a new way of living. People get more aware of healthy lifestyles movement by paying attention to their own health and the health of environment. This encourages them to consume products that are healthy and safe for the environment, such as organic vegetables. Regarding the quality assurance, Organic vegetables are the better agricultural products than non-organic vegetable because they grow naturally and not harming the environment. According to (Tangkulang, 2015), organic vegetables are produced from plants grown without the use of synthetic chemical fertilizers such as urea and KCl, pesticides, herbicides, insecticides, fungicides, or any other chemicals. As substitute, organic fertilizers such as manure and compost are used in their cultivation.

UMKM Siantar Sehat (SiSe) is a business engaged in organic farming that produces organic vegetables in Pematangsiantar City. Currently, UMKM Siantar Sehat (SiSe) produced 10 kinds of organic vegetables such as sweet mustard, white mustard, bitter mustard, pakcoy, kailan, green spinach, red spinach, batik spinach, samhong and water spinach. The price of organic vegetables at UMKM Siantar Sehat (SiSe) starts from Rp. 3,500.00 to Rp. 15,000 depending on the weight and type of vegetables. UMKM Siantar Sehat (SiSe) use social media to promote and market their products. Furthermore, they directly deliver their product to costumers' hand.

The increase demand for organic vegetables is an implication of a change in consumption patterns from non-organic vegetables to organic vegetables. However, the company is currently experiencing a decline in demand. Records in 2021 shows that the



demand for organic vegetables continues to decrease. Consumer satisfaction factors, such as price, service quality, and the quality of the product may have a significant impact on how satisfied consumers with the product. Realizing the important role of consumers and consumer satisfaction in the survival of the company, UMKM Siantar Sehat (SiSe) is required to improve their business performance by fixing existing problems to ensure that consumers are pleased.

This company faces tough challenges due to the declining demand. As a result, Healthy Siantar UMKM (SiSe) must be aware of the factors that affect the decline in demand such as product quality, service quality, and price. As a result, it is critical to conduct this study, which will examine the impact of product quality, service quality, and price on organic vegetable consumer satisfaction at Siantar Sehat (SiSe) MSME organic vegetables. Other than that, it also analyzes the level of satisfaction of Siantar Sehat MSME organic vegetable consumers (SiSe), and indicators that can be transformed to improve and to increase the ability of Healthy Siantar UMKM (SiSe) to please the consumers.

LITERATURE REVIEW

According to Kotler and Keller (2008), satisfaction is a feeling of pleasure or disappointment that people experience as a result of evaluating how well a product (or result) performs in comparison to their expectations. The customer will be unhappy if the performance falls short of their expectations. The customer will be satisfied if performance meets expectations. The client will be delighted if the performance meets or exceeds expectations.

Customer satisfaction is also described by Tjiptono (2015) as a contrast between prospects or expectations before purchase and perceptions of performance following purchase. The following chart illustrates the idea of customer satisfaction:

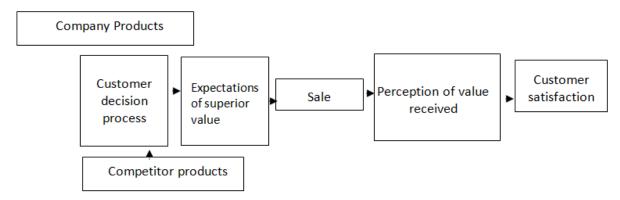


Figure 1 – Customer Satisfaction Concept (Tjiptono, 2019)

The most fundamental principle of contemporary marketing theory and practice is customer pleasure. A business can generate and maintain customer satisfaction and win the competition. Customer satisfaction benefits the company by increasing price tolerance, which tends to make customers more open to product line extensions, decreasing customer transaction costs, reducing volatility and risk regarding predicting future cash flows, decreasing customer transaction costs, and so on. It also increases the company's relative bargaining power with its network of suppliers, business partners, and other stakeholders.

The company must examine five elements in evaluating customer satisfaction (Lupiyoadi, 2001), including:

- Product quality. If a customer uses a high-quality goods, they will be happy;
- Service or product quality. If customers receive good service or what they anticipate, they will be satisfied;
- Emotions. When utilizing products from particular brands that have a tendency to have a greater degree of pleasure, the consumer will feel proud and receive the



impression that other people will be in awe of him. Customers feel satisfied with certain brands not because of the product's quality but rather because of their social or self-esteem;

- Price. Customers will receive more value out of products of similar quality but lower pricing;
- Cost. Customers are more likely to be satisfied with a product or service when they
 don't need to spend extra money or time receiving it.

Kotler (2008) established four approaches for measuring customer happiness, namely:

- 1. Complaint and Suggestion System. Consumer-focused businesses (customer-focused) offer a wide range of possibilities for their customers to make recommendations, thoughts, and concerns through a variety of useable media, including suggestion boxes, comment cards, dedicated toll-free hotlines, and so forth. In order for the business to respond swiftly and nimbly to challenges that develop, the information acquired can offer ideas and feedback;
- 2. Ghost Shopping. Employing many people (ghost shoppers) to assume the role or act as customers or potential buyers of the company's products and competitors is one technique to get an overview of customer satisfaction. Then, based on their experiences buying these things, they report on the outcomes of the strengths and weaknesses of the firm's and competitors' products. They can also make observations about how the company and competitors respond to various complaints at the same time;
- 3. Lost customer analysis. Companies should get in touch with clients or consumers who have stopped buying from them or who have switched suppliers in order to identify what went wrong and to implement a strategy for future improvement. Customer loss rates are equally critical to exit interviews as they are. The reason for this is that a rising customer loss rate shows that the business is not doing enough to please its clients;
- 4. Customer satisfaction survey. By conducting surveys, businesses may measure customer happiness. Postal, telephone, and in-person interviews are all options for conducting surveys. The survey will allow the company to receive direct replies and input from customers while also demonstrating that the company values its customers.

METHODS OF RESEARCH

Descriptive method is used as the research methods meanwhile the research implementation used is survey method. The research location is the Siantar Sehat UMKM (SiSe) with the consideration of the information obtained that this is the first organic vegetable business in Pematangsiantar City. In this study, the method of taking respondents used was accidental sampling or samples selected with considerations of availability or convenience (Darmawan, 2016). In addition, taking respondents was adjusted to the theory according to Roscoe in Sugiyono (2019) as many as 50 respondents.

The research data analysis method is Multiple Linear Regression Analysis and Importance Performance Analysis, based on previous research (Riyandani, 2021). Multiple Linear Regression Analysis is used to determine whether the independent variables, namely product quality, service quality, and price, had an effect on the dependent variable, namely customer satisfaction. the form of the multiple linear regression equation is as follows:

$$Y = a + b1X1 + b2X2 + b3X3 + e$$
 (1)

Where:

Y = customer satisfaction (score):

X1 = product quality (score);

X2 = service quality (score);

X3 = price (score);

a = Constant;

b1, b2, b3 = regression coefficient;

e = Standard error.



The Importance Performance Analysis (IPA) technique in this study is used to analyze the level of customer satisfaction by comparing consumer desires or expectations with the performance they perform (Supranto, 2011). To find out the level of conformity between the level of importance and the level of performance can be seen by making a comparison between the total score of the level of performance (Xi) and the total score of the level of importance (Yi), which is stated as follows:

$$TKi = \frac{Xi}{Yi} \times 100\%$$
 (2)

Where: TKi = level of conformity; Xi = Total score of performance; Yi = Total score of consumer interest

After that, it will be described in four parts of the Cartesian diagram. The Cartesian diagram is used to improve the ability of Siantar Sehat (SiSe) SMEs in satisfying the consumers by looking at the indicators that are in the first priority quadrant.

RESULTS AND DISCUSSION

Multiple linear regression was used to determine the effect of product quality, service quality, and price on consumer satisfaction. The results of the regression analysis obtained can be seen in the following table 1.

Table 1 – The results of Multiple Linear Regression

Variable	Regression Coefficient	tcount	Significant
Constant	2,455	2,113	0,040
product quality (X1)*	0,160	3,598	0,001
service quality (X2)	-0,006	-0,074	0,941
Price (X3)*	0,325	3,279	0,002

dependent variable (Y): Consumer satisfaction Adjusted R Square:0,567F significant: 0,000

Fcount: 22,431 Ftable: 2,81 ttable: 2,011

Source: Processed primary data, 2022.

Based on the results in Table 1, the regression equation is obtained as follows:

$$Y = 2,455 + 0,160 X1 - 0,006 X2 + 0,325 X3 + e$$

The regression coefficient value of the product quality variable is positive, so it can be said that the better the quality of the product provided, the more customer satisfaction will be. The value of the regression coefficient of the service quality variable is negative, so it means that the better the service provided, it will not affect consumer satisfaction. Other than that, the value of the regression coefficient of the price variable is positive, so it means that the more appropriate the price offered, the more customer satisfaction will be. The coefficient of determination (Adjusted R Square) is 0.567. This means that the consumer satisfaction variable (Y) can be explained by product quality (X1), service quality (X2), and price (X3) by 56.7% while the remaining 43.3% is influenced by other variables not examined.

Based on the results, the F_{count} is 22.431, while the F_{table} is 2.81. This shows that $F_{count} > F_{table}$, where the Sig value is obtained. F value is equal to 0.000 < α 0.05, so it can be concluded that there is a merging effect of product quality, service quality, and price variables on consumer satisfaction variables. Based on the results of the t test on the product quality and price variables, the t_{count} (X1) and (X3) has a Sig value < α and $t_{count} > t_{table}$, so it means that product quality and price variables partially influence consumer satisfaction variables. However, t_{count} of service quality variable (X2) has a value of Sig. 0.941 > α 0.05 and t_{count} -0.074 < t_{table} 2.011, so it can be said that the service quality variable has no partial



effect on customer satisfaction variables.

The results of the analysis of total performance and total interest in each indicator of the variables of product quality, service quality, and price produce a level of conformity that is used to determine the level of consumer. If the conformity level is < 100%, it means that the consumer is not satisfied. If the conformity level = 100%, the consumer is satisfied, and if the conformity level is > 100%, the consumer is very satisfied. The results of the conformity level can be seen in table 2

Table 2 - Consumer Satisfaction Levels of Healthy Siantar MSME Organic Vegetables (SiSe)

No.	Indicator	Total Performance	Total interest	TKi (%)
Prod	uct Quality			
1.	Color of the product	192	230	83,47
2.	Physical appearance of the product	182	223	81,61
3.	Product durability	172	229	75,10
4.	cleanliness of the product	167	205	81,46
5.	tidiness of its packaging	169	197	85,78
6.	attractiveness of the packaging	139	228	60,96
7.	safeness of the product	207	238	86,97
8.	Merit of the product	206	234	88,03
Serv	ce Quality			
1.	Employee neatness	178	174	102,29
2.	accuracy in delivering product	177	214	82,71
3.	speed in delivering product	179	205	87,31
4.	employee attitude	197	211	93,36
5.	Information provision	191	223	85,65
Price				
1.	Affordability	184	219	84,01
2.	prices competitiveness	191	194	98,45
3.	Price conformity with its quality	182	224	82,14
4.	Price conformity with its merit	187	221	84,61
	Total	3.102	3.669	84,54%

Source: Processed primary data, 2022.

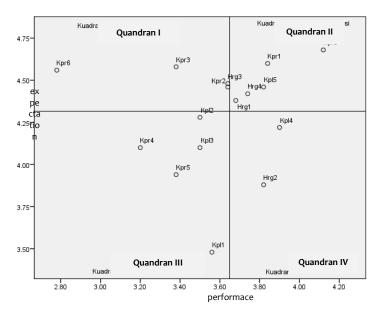


Figure 2 – Cartesian diagram (Source: Processed data, 2022

Note:

Kpr1: Color of the product;

Kpr2: Physical appearance of the product;

Kpr3: Product durability;

Kpr4: Cleanliness of the product; Kpr5: Tidiness of its packaging;



Kpr6: Attractiveness of the packaging;

Kpr7: Safeness of the product;

Kpr8: Merit of the product;

Kpl1: Employee neatness;

Kpl2: Accuracy in delivering product;

Kpl3: Speed in delivering product;

Kpl4: Employee attitude; Kpl5: Information provision;

Hrg1: Affordability;

Hrg2: Prices competitiveness;

Hrg3: Price conformity with its quality Hrg4: Price conformity with its merit.

The total conformity level is 84.54% and the total performance value is smaller than the total interest value of 3,102 < 3,669. It can be concluded that consumers are dissatisfied based on the level of compatibility between consumer interests and performance carried out by Siantar Sehat UMKM (SiSe). The level of conformity < 100% is shown in 16 indicators while the level of conformity > 100% is shown in just 1 indicator, which means that almost all indicators show that consumers are not satisfied.

Cartesian diagram is used to analyze indicators that can be transformed to increase the ability of Siantar Sehat (SiSe) MSMEs in satisfying organic vegetable consumers. The Cartesian diagram is divided into four types of quadrants which determine the level of customer satisfaction.

Based on figure 2, first quadrant, the main priority, pointing out indicators that are considered important and have influences on consumer satisfaction. In this quadrant there are 4 indicators, including the physical appearance, the durability, the attractive packaging used, and the price offered is in accordance with the quality of the product. It can be seen that the performance is not in accordance with what consumers' expectation so that consumers are not satisfied.

The second quadrant is the quadrant for maintaining achievement pointing out indicators that have been successfully implemented and for this reason must be maintained. The indicators included in this quadrant are the bright color of products, safeness to be consumed of the product, information provision of the product, competitiveness of the prices with non-organic vegetables in the market, and the affordability by consumers. This indicator is considered very important and very satisfying.

Quadrant III, Low Priority, shows several indicators that have less important impact on consumers, and their performance is considered mediocre. The indicators included in this quadrant are cleanliness of organic vegetable products, tidiness of its packaging, the neatness of employees when delivering products to consumers' orders, accuracy in delivering organic vegetables to consumers' orders, speed in delivering products to consumers.

Quadrant IV, Exaggerated, shows indicators where consumers have low expectations of these indicators but the performance implementation is considered very well by consumers. The indicators included in this quadrant are employee politeness and friendliness, and prices competitiveness with non-organic vegetables on the market.

CONCLUSION

Product quality and price have an effect on consumer satisfaction for organic vegetables Siantar Sehat (SiSe) MSME organic vegetables. The level of consumer satisfaction for organic vegetable shows that consumers are not satisfied. Physical appearance, durability, packaging, and price compatibility of the products are the major factors to increase consumer satisfaction.

Organic vegetables are preferred by pests so the consumers sometimes get organic vegetables with imperfect physical appearance, especially on the leafage products. To overcome this, researchers suggest optimizing the maintenance and taking care manually by removing pest-affected parts, planting pest-fighting plants such as tagetes, and paying more attention during sorting such as removing imperfect parts in organic vegetables. In



maintaining the resilience of the products, this can be done by providing paper packaging or plastic packaging with holes. The paper will prevent the temperature from absorbing into the organic vegetables while the perforated plastic will provide access to airflow. This packaging will still maintain the freshness of organic vegetables longer. Researchers also recommend making tutorials through social media about how to store organic vegetables so they last longer for consumers.

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