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THE EFFECT OF PROMOTION, PRICE, AND FACILITIES ON CUSTOMER SATISFACTION (A CASE STUDY AT RESTO THE LOBBY)

By

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Abstract

The purpose of this study was to determine the effect of promotion, price, and facilities on customer satisfaction at Resto the Lobby. In this study, the researcher applied the qualitative method with a quantitative approach. In addition, the employed sampling technique was purposive sampling, resulting in 75 people as respondents. The collected data were analyzed using the reliability test, multicollinearity test, linear regression analysis, T-test, and F-test with SPSS v. 22. Results showed that promotion, price, and facilities simultaneously have a positive and significant effect on customer satisfaction. Partially, prices and facilities have a positive and significant effect on customer satisfaction. However, promotion partially has no effect on customer satisfaction.

Keywords: Promotion, Price, Facilities, Customer Satisfaction

INTRODUCTION

Currently, the development of the business world in the service sector has experienced changes in customers' consumption patterns. Therefore, the companies in that sector are required to compete in the aspect of creating advantages so that they can stay competitive with other companies (Purwanti et al., 2020). In addition, the intense business competition requires companies to always provide the best service in satisfying customers. Companies that are successful in the business competition are those that can win customers and meet their needs. In other words, they can retain the customers. To fulfill those aspects, the companies must be able to satisfy the customers (Dian & Putriku, 2021).

Every company from time to time always tries to give satisfaction to its customers because giving satisfaction to customers is the same as maintaining and even increasing the business of the company. By giving satisfaction to customers, customers

tend to be loyal and even invite others to use products/services that have given them satisfaction. In reality, customers are not always satisfied with what the company has done. However, the company at least has tried to do its best to give satisfaction to the customers.

Satisfied customers are those who feel that they are getting value from the service provider. This value can come from products, services, or something emotional. If customers consider that value is the promotion, price, and facilities available on a product, then satisfaction will be felt directly by the product used.

Makassar is one of the big cities in Indonesia with a fairly large population. Businessmen and entrepreneurs see this as a business potential in Makassar. Therefore, many of them open a restaurant business. This can be seen from the number of restaurants in Makassar which has grown significantly. The increasing number of restaurants leads to

increased choices for customers. Customers who choose restaurants as places to eat pay attention to not only the promotions offered but also the affordable prices and adequate facilities. Therefore, the management of the restaurant must provide the right quality of product service to compete with other restaurants and win many customers.

One of the restaurants in Makassar that is facing competitive competition in the business world is Resto the Lobby which is located on Jl. Hertasing. Resto The Lobby is a restaurant that provides food and drinks with a contemporary or millennial concept. Resto The Lobby serves a variety of food and beverages. In addition, this restaurant offers various promotions to customers with a certain period. Moreover, the prices of food and drinks are very affordable, especially among today's teenagers. The facilities offered are sufficient to attract and provide satisfaction to customers. By seeing this phenomenon, the researcher was interested in conducting a study for investigating these conditions.

LITERATURE REVIEW

a) Promotion

Promotion is a company activity to communicate with customers. The right promotion strategy and implementation are one of the methods to convey information regarding their products to customers. The selection of the promotion form of each company is very influential on the characteristics of the product and the implemented marketing policies. The company's goal to increase sales can be achieved by carrying out certain strategies focusing on understanding and implementing appropriate and targeted advertising effectively and efficiently (W. Yulianto, 2020). Promotion is also an important marketing activity for the company to maintain continuity and improve sales quality. To increase marketing activities, it is not sufficient to only develop a model product

using distribution channels and fixed price channels but also must be supported by promotional activities (Ririn Arifah, 2014).

Promotion is a field of marketing activity and is a communication carried out by companies to convey information to buyers or customers in the forms of information, persuasion, and influence (Handoko, 2017). Meanwhile, according to Yoebrilanti (2018), sales promotion is a form of direct persuasion through the use of various incentives that can be arranged to stimulate product purchases immediately and/or increase the amount that customers will buy. The purposes of sales promotions are to attract new customers, encourage customers to buy more, and increase impulse buying (purchases without a prior plan).

In the aspect of the marketing mix, the promotion has an important role in communicating a product and can create customer preferences or provide potential customers information regarding the effectiveness and efficiency of the products or services (Rami Syah Putridan Indra Safri, 2015). In the end, promotion is a strategy carried out by companies to attract and influence customers to buy their products (Dian & Putriku, 2021).

b) Price

Price is the amount of money for goods and services, offered to transfer property rights of goods and services to other parties (Ummu Habibah, 2016). According to Tjiptono (2012), a price is a monetary unit or other measures (including other goods and services) that are exchanged to obtain ownership rights or use of an item or service. This understanding is in line with the concept of exchange in marketing.

According to Lupioyadi (2011), the pricing strategy is highly significant in providing value to customers and influencing product image and customer decisions to buy. Price is also related to income and also influences supply or marketing channels.

However, what is most important is that pricing decisions must be consistent with the overall marketing strategy.

The pricing strategy can be approached by selecting the final price by adding certain factors, including psychological pricing and company pricing policies. Psychological pricing is a condition in which customers use price as an indicator of quality. Meanwhile, company pricing policies aim at providing price intervals to salespeople to be given to customers for company profitability (Keller, 2021).

According to Fure (2013), the indicators used to measure prices are as follows.

1. The price that is adjusted to the benefits
2. Perception of price and its benefits
3. The price affordability of the product
4. Price competition
5. Suitability between the price and quality

The price of a product or service is a determining factor in market demand. In addition, price is a very important thing that is considered by customers in buying products or services. If customers feel comfortable with the price offered, then they will tend to make repeated purchases for the same product (Ifur & Budhi, 2015).

c) Facilities

Facilities are everything that is intentionally provided by providers of goods or services to be used and enjoyed by customers, aiming at providing the maximum level of satisfaction (Sofyan et al., 2013). According to (Srijani & Hidayat, 2018), facilities are the provision of physical equipment to provide convenience to customers in carrying out their activities so that their needs can be met.

Facilities are physical resources that must exist before a service can be offered to customers. Facilities can also be anything that makes it easier for customers to obtain satisfaction. Because the form of services cannot be seen, smelled, or touched, the aspect of physical appearance becomes important as a

measure of service (Palandeng & Lumentut, 2014).

Customers who want to find convenience during waiting for the implementation of services will feel more comfortable if the facilities used by customers are made pleasant and attractive (Moha & Loindong, 2016).

d) Customer Satisfaction

Customer satisfaction is determined by the customers' perception of the performance of the product or service in meeting their expectations. Customer satisfaction will be achieved if after the customers use a product/service, what they want and need can be fulfilled and even exceed their expectations (Permana, 2013). Customer satisfaction is a feeling or emotional assessment of customers towards the use of products and services in which the expectations and needs of customers are met (Widjoyo, 2014).

There are five main things that affect customer satisfaction, namely product quality, service quality, price, emotional factors, and the ease of getting the product or service (Yulianto, 2010). Satisfied customers are those who feel that they are getting value from the supplier, manufacturer, or service provider. This value can come from products, services, or something emotional. If the customers consider the value is a quality product, then satisfaction occurs when they get a quality product (Permana, 2013).

METHODOLOGY RESEARCH

In this study, the researcher applied the qualitative method with a quantitative approach. This study was conducted at Resto the Lobby which is located on Hertasing street No. 44, Makassar South Sulawesi, Indonesia. In a study, the population is a collection of units of analysis that have the information needed in the study. The population of this study was the customers of Resto the Lobby. The employed sampling technique was purposive sampling, resulting in 75 people as respondents from a total

population of 125 people. Data were collected using a questionnaire, observation, and literature study. After that, the collected data were analyzed using the reliability test, multicollinearity test, linear regression analysis, T-test, and F-test with SPSS v. 22.

RESULT AND DISCUSSION

a) Reliability Test

All question items in the questionnaire are considered reliable if the Cronbach's Alpha value is > 0.60.

Table 1. Results of the Reliability Test

Variables	Cronbach's Alpha	Note
Promotion (X ₁)	0.657	Reliable
Price (X ₂)	0.721	Reliable
Facilities (X ₃)	0.610	Reliable
Customer Satisfaction (Y)	0.639	Reliable

Source: Results of data processing

Results of the reliability test presented in the table above indicate that the values of Cronbach's alpha of variables X₁, X₂, X₃, and Y are > 0.60. It can be concluded that all variables used in this study are declared reliable as research instruments.

b) Multicollinearity Test

This test was conducted to find out whether the independent variables do not affect each other. Results of this test are presented in the following table.

Table 2. Results of the Multicollinearity Test

Variables	Multicollinearity	
	Tolerance	VIF
Promotion	2.14	2.163
Price	1.18	3.329
Facilities	2.29	3.741

Source: Results of data processing

Based on the results of the test presented in the table above, the value of the promotion (X₁) is 2.163, the value of price (X₂) is 3.329, and the value of facilities (X₃) is 3.741, in which the VIF value is < 10. Therefore, it can

be concluded that multicollinearity does not occur in this study.

c) Linear Regression Analysis

Results of the linear regression analysis by using SPSS v. 22 can be seen in the following table.

Table 3. Results of the Multiple Linear Regression Analysis

Model	Coefficient ^b				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients	Beta		
	B	Std. Error				
1 (Constant)	2.987	.978			1.432	.008
Promotion	.289	.357	.181		2.497	.017
Price	.571	.082	.209		1.115	.006
Facilities	.297	.098	.146		1.756	.001

a. Dependent Variable: Customer Satisfaction

Source: Results of data processing

Data presented in the table above show that the resulting regression equation is: $Y = 2.987 + 0.289 X_1 + 0.571 X_2 + 0.297 X_3 + e$. The equation indicates as follows.

- 1) The constant value is 2.987, meaning that if the independent variables consisting of promotion (X₁), price (X₂), and facilities (X₃) are considered 0 (zero) or not applied, then the satisfaction of the customers of Resto the Lobby is 2.987 units.
- 2) The regression coefficient of promotion (X₁) is 0.289, meaning that if promotion increases by 1 scale in respondents' answers, then the satisfaction of the customers of Resto the Lobby will increase by 0.289 units, assuming that other variables are considered constant.
- 3) The regression coefficient of price (X₂) is 0.571, meaning that if price increases by 1

scale in respondents' answers, then the satisfaction of the customers of Resto the Lobby will increase by 0.571 units, assuming that other variables are considered constant.

- 4) The regression coefficient of facilities (X_3) is 0.297, meaning that if facilities increase by 1 scale in respondents' answers, then the satisfaction of the customers of Resto the Lobby will increase by 0.297 units, assuming that other variables are considered constant.

d) Partial Test

This test was conducted to find out the level of significance of each independent variable on the dependent variable. Results of this test are presented in the following table.

Table 4. Results of the T-Test

Model	t	Sig.
1 (Constant)	1.432	.008
Promotion	2.497	.127
Price	.115	.006
Facilities	1.756	.001

a. Dependent Variable: Customer Satisfaction
Source: Results of data processing

Table 4 shows that the significance value of promotion (X_1) is 0.127, which is greater than the alpha value of 0.050. Therefore, it can be concluded that promotion has no significant effect on customer satisfaction. In addition, the significance value of price (X_2) is 0.006, which is smaller than the alpha value of 0.050. Therefore, it can be concluded that price has a significant effect on customer satisfaction. Furthermore, the significance value of facilities (X_3) is 0.001, which is also smaller than the alpha value of 0.050. Therefore, it can be concluded that facilities have a significant effect on customer satisfaction.

e) Simultaneous Test

The simultaneous test was carried out to find out the level of significance of the three independent variables simultaneously in affecting the dependent variable. Results of the

simultaneity test can be seen in the following table.

Table 5. Results of the F-Test

ANOVA ^a					
Model	Sum of Squares	D F	Mean Square	F	Sig.
Regression	725.302	3	435.709	87.613	.000 ^b
Residual	12.315	54	6.968		
Total	89.654	67			

a. Predictors: (Constant), Promotion, Price, Facilities

b. Dependent Variable: Customer Satisfaction

Source: Results of data processing

Results of the simultaneous test show that the calculated F value is 87.613 with a significance value of 0.000. Because the significance value is 0.000 (< 0.005), it can be concluded that promotion, price, and facilities simultaneously have a significant effect on the satisfaction of customers of Resto the Lobby.

CONCLUSION

Based on the results of the analysis that has been carried out, promotion, price, and facilities simultaneously have a significant effect on the satisfaction of customers of Resto the Lobby. Furthermore, partially, price and facilities have a significant effect on the satisfaction of customers of Resto the Lobby. However, promotion partially has no effect on the satisfaction of customers of Resto the Lobby.

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