The Influence of Price, Product, Promotion, and Situation on Customer Decision and the Impact on Customer Satisfaction

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Keywords: Product, price, promotion, situation, purchasing decisions, customer satisfaction.

Abstract: This research meant to find out the influence of product, price, promotion, and situation on customer decision and its impact on customer satisfaction. The research object is all of the customers who ever purchased at Restaurant on Yogyakarta. The sample collection has been done by performing a non-probability sampling technique, and the numbers of the sample are 200 respondents. In this study, there are four independent variables, namely product, price, promotion, and situation. And the dependent variable is customer satisfaction. For the intervening variable is a purchasing decision. The data analysis use Structural Equation Models. The results of this study obtained that (1). Product has a significant effect on purchase decisions, (2) the price affects purchasing decisions, (3). The promotion affects purchasing decisions, (4). Situations influence on purchasing decisions, (5). Purchase decisions affect customer satisfaction.

1 INTRODUCTION

Development of the tourism industry in Yogyakarta today, followed by increasing tourism providers supporting components such as hotels, recreation, and restaurant. On the other hand, the development of the tourism industry is needed support with several restaurants whose quality and quantity can be relied upon to serve the needs of tourists. The restaurant industry is one of the key distributors for the service sector for countries in Asia (Voon, 2011). One of the fundamental reasons for culinary entrepreneurs is that "people eat to live," so the culinary and restaurant business is a business that is quite promising at this time when the economic level and the population is increasing. This is a factor in the increasing culinary market in Indonesia today. Today's culinary trends are another factor that is increasing competition in the culinary industry. Supported by active social media, culinary development is becoming faster.

To be able to maintain its existence as the largest restaurant in Yogyakarta, restaurants need to measure the level of customer satisfaction. The increasingly competitive foodservice industry is a challenge for culinary businesses. With an increasingly competitive market, companies must always pay attention to competition in the business environment.

Restaurants, as culinary service business businesses, need to pay attention to the level of customer satisfaction. Creating ongoing and continuous customer satisfaction needs to be done. Achieving customer satisfaction can be created by improving the quality of service with several approaches. Satisfying customer needs is the desire of every producer or service provider. In addition to being an important factor for the survival of the institution, satisfying customer needs can increase excellence in competition.

Customer satisfaction in the culinary industry needs to pay attention to the level of customer satisfaction. Creating ongoing and continuous customer satisfaction needs to be done. Achieving customer satisfaction can be created by improving the quality of service with several approaches. Satisfying customer needs is the desire of every producer or service provider. In addition to being an important factor for the survival of the institution, satisfying customer needs can increase excellence in competition. Customers who are satisfied with the product or service tend to repurchase and invite prospective new customers to use the services they have felt the satisfaction of their service performance.

This paper intends to examine and analyze the effect of the product on customer satisfaction, the effect of promotion on purchasing decisions, the
effect of prices on purchasing decisions, the effect of prices, the influence of the situation on purchasing decisions and the influence of purchasing decisions on customer satisfaction.

2 LITERATURE REVIEW AND HYPOTHESIS

2.1 Purchase Decision

According to Kotler and Keller (2012), states that the higher the benefits or performance of products that can be offered to customers, the higher the value the customer thinks. This means that customers' incentives to make purchasing decisions will be even higher. In other words, customer decision making is directly proportional to the value thought by the customer.

While Kotler (2000) states that purchasing decisions are a process of all stages in the consumer purchasing process, consumer decisions are based on consumer perceptions about the product.

2.2 Customer Satisfaction

Satisfaction is seen from the extent to which the performance of a product is felt following the expectations of the buyer so that it can cause feelings of pleasure or disappointment to the buyer. If the performance of the product or service does not meet expectations, the customer is not satisfied. If the performance of products and services meets expectations, the customer is satisfied. If the performance of a product or service exceeds customer expectations, then the customer becomes very satisfied or happy (Kotler & Armstrong, 2012).

2.3 Product

Product is everything that is offered to the market to satisfy wants or needs (Kotler & Keller 2012). From this definition, it can be concluded that the product is everything that is made by a company to meet the needs or meet customer satisfaction. While quality is the totality of features and characteristics of a product or service in meeting or satisfying needs (Kotler & Keller, 2012). Product and service quality, customer satisfaction, and company profits are related, the higher the quality of service, the higher the level of customer satisfaction that will bring profits to the company. In this research, the product will be divided into product quality and service quality.

2.4 Quality Food

Quality has an important role in influencing decision making in a restaurant and has a direct correlation with the level of customer satisfaction (Soriano, 2002) and is directly related to customer satisfaction (Bitner and Hubbert, 1994). Food is a major component of a restaurant. Because the restaurant serves food products, then food is a very important and fundamental thing in a restaurant. If the food served meets consumer expectations, both in taste, appearance, and cleanliness of food, then certainly consumers will feel satisfied and return to the restaurant. (Sulek & Hensley, 2004) combining all food elements into one variable called “Food Quality,” which includes Presentation, Taste, Safety, Color, Temperature, and Size.

2.5 Quality

Service is an inseparable dimension in the foodservice industry at this time. Customers not only enjoy food as a fulfillment of their needs, but customers also need more culinary services. According to Rozheki (2016), service quality is a dynamic situation that is closely related to products, services, human resources, and processes and the environment that can at least meet or even exceed the quality of service expected.

According to Rozheki (2016), the quality of service is an effort to meet the needs coupled with the desires of consumers and the accuracy of the delivery method to meet the expectations and satisfaction of these customers. In a good quality of service, there are several types of service criteria as follows: Punctuality in service, Accuracy of service to the food menu, Polite and friendliness when providing services, Appearance, and expertise of restaurant employees in serving customers.

2.6 Prices

In addition to environmental and food quality, prices are another important customer element (Andaleeb & Conway, 2006; Liu & Jang, 2009). While Zeithaml (1988) describes the price as what is given or sacrificed to get a product, which means that customers pay uncertainty, not knowing what they are experiencing what is offered by a company.

Price is one element in the marketing mix that generates income if the other elements produce costs.
(Kotler & Keller, 2012). Price is the most important characteristic used by consumers in deciding where to eat. Value of money is another high-ranking attribute for dining at upscale restaurants. Price is an important variable that is considered by a consumer where they will eat. The price will be compared with quality. Customers have high expectations for a product when they have incurred a high enough cost. They will expect the quality of food, service, and place commensurate with the value spent. If it does not meet expectations, then the customer will feel dissatisfied.

2.7 Promotion

Promotion is one component of the marketing mix. The function of promotion in the marketing mix is to achieve various objectives of communication with consumers. Promotion is one way to attract customers to be interested in buying a product. With the digital era as it is today, marketing strategies cannot be separated from promotions, especially with online media. The influence of social media in society is an era that must be used positively in the marketing mix in terms of promotion. Because feedback from the influence of online media is very fast at the moment. Promotional communication through word of mouth is also one of the best forms of promotion for a restaurant. The direct experience of negative information tends to be stronger than positive information. The saying goes that "satisfied consumers are your best sales" this illustrates the importance of Word of Mouth for marketers, satisfied consumers will influence friends and relations to buy. Dissatisfied consumers will hamper sales (Assael, 1998)

Definition of promotion, according to Kotler & Armstrong (2012), 'promotion means activities that communicate the merits of the product and persuade target customers to buy it.' It means promotion is a part of activities that communicate the benefits of a product and persuade the target consumer to buy the product.

2.8 Situation

Besides product and price, another dimension that supports the level of customer satisfaction is the situation. In this study, the situation will be measured through the state of the physical environment in the restaurant. For some consumers, the physical condition of a restaurant gives a big enough influence in determining where they will eat. Physical conditions in the form of building conditions, equipment used, atmosphere, wi-fi facilities, cleanliness to support a restaurant to become a destination for a consumer.

The quality of the Physical environment can be determined by the physical surroundings, not by Nature or the Social Environment. Service is an invisible thing, but the environment of the service situation has a huge influence on the level of customer satisfaction. According to Ryu and Han (2011), for most people, eating at a restaurant is more important than just eating. Some customers may be looking for a dining experience that will always be remembered, and therefore the environmental situation of a restaurant plays an important role in making an experience that will always be remembered.

2.9 Research hypothesis

H1: Price influences purchasing decisions
H2: Situations affect purchasing decisions
H3: Promotion influences purchasing decisions
H4: Products affect customer satisfaction
H5: Prices affect customer satisfaction
H6: Buyer decisions affect customer satisfaction

3 RESEARCH METHODS

3.1 Population and Samples

The population in this study is all visitors of Yogyakarta Restaurant, whose number is not limited to the age where visitors can be from adolescents to the elderly. The number of samples used was 200 respondents. The sampling technique is purposive sampling, namely the sampling technique based on the consideration and determination of researchers. In this study, researchers chose the sample criteria, including the respondents in this study, were consumers who bought in a restaurant with more than one visit. Another criterion is respondents who are over 17 years old with the assumption that the customer has full awareness in choosing a product.

3.2 Operational Variables Customer Satisfaction

Satisfaction is seen from the extent to which the performance of a product is felt following the expectations of the buyer so that it can cause feelings of pleasure or disappointment to the buyer.
If the performance of the product or service does not meet expectations, the customer is not satisfied. If the performance of products and services meets customer expectations, then the customer becomes very satisfied or happy (Kotler & Armstrong, 2010). Indicators of customer satisfaction are as follows:

Effect of product performance to customer satisfaction: product quality affects customer satisfaction, value-added privilege, reliability of products and services, conformity of products to customer expectations, customers convenience

3.3 Purchase Decision

Kotler (2000) states that the purchase decision is a process of all stages in the process of consumer purchases. Consumer decisions are based on consumer perceptions about the product. Before consumers decide to buy, consumers usually go through several stages and the following purchase decision indicators: identification of problems, information search, evaluation of alternative, buying decisions or not post-purchase decisions.

3.4 Product

Product is everything that is offered to the market to satisfy wants or needs (Kotler, 2012). From this definition, it can be concluded that the product is everything that is made by a company to meet the needs or meet customer satisfaction. While quality is the totality of features and characteristics of a product or service in meeting or satisfying needs (Kotler, 2012). Product aspects in a restaurant can be in the form of food quality and service quality.

3.4.1 Food Quality

Quality in a restaurant is the main thing and has a role in making decisions where people will eat. Food quality has an important role in influencing decision making in a restaurant and has a direct correlation with the level of customer satisfaction (Soriano, 2002) and is directly related to customer satisfaction (Bitner and Hubbert, 1994).

(Sulek& Hensley, 2004) combining all food elements into one variable called 'Food Quality', which includes: Food taste, Food temperature, Safety indicators, namely through hygienists and freshness of food ingredients, and food performance.

3.4.2 Service

According to Rozheki (2016), service quality is a dynamic condition that is closely related to products, services, human resources, and processes and the environment that can at least meet or even exceed the quality of service expected. According to Negrita & Edu (2016), the quality of this service is an effort to meet the needs coupled with the desires of consumers and the accuracy of their delivery methods to meet the expectations and satisfaction of these customers. In a good quality of service, there are several types of service criteria as follows: punctuality in service, the accuracy of service to the food menu, polite and friendliness when providing services, appearance, and expertise of restaurant employees in serving customers.

3.5 Price

Price is the sum of all values given by customers to benefit from owning or using a product or service, and throughout history, the price has been a major factor influencing the choice of buyers (Kotler & Armstrong, 2008). Then the following are price indicators: price compatible with food quality, price compatible with services provided, price compatible with convenience, and price compatible with customer expectations.

3.6 Promotion

Definition of promotion, according to Kotler & Armstrong (2012), 'promotion means activities that communicate the merits of the product and persuade target customers to buy it.' It means promotion is a part of activities that communicate the benefits of a product and persuade the target consumer to buy the product. Promotion is an activity that has a very important role in the marketing mix, to know how much influence the promotion of customer interest. Then the following indicators for promotion: advertising gives influence to customers attractive, sales promotions for customers, and source of customer information.

3.7 Situation

The situation in a restaurant in this study is in the form of physical environment Restaurant conditions with a natural lake nuance. The quality of the Physical environment can be determined by the physical surroundings, not by Nature or the Social Environment. Service is an invisible thing, but the
environment of the service situation has a huge influence on the level of customer satisfaction. According to Ryu and Han (2011), for most people, eating at a restaurant is more important than just eating. Some customers may be looking for a dining experience that will always be remembered, and therefore the environmental situation of a restaurant plays an important role in making an experience that will always be remembered. Indicators for the situation are: Cleanliness and beauty in the environment restaurants, Comfort Where to eat, Layout appealing to customers, Atmosphere restaurants attract customers.

3.8 Data Analysis Techniques

Hypothesis Test performed by analyzing the Goodness of Fit Model values. The goodness of fit test is performed to find out how far the model is hypothesized to fit the sample data. Path analysis is done by observing the weight of the path coefficient between latent constructs by taking into account the results of the estimated coefficient parameters and the level of significance. Hypothesis testing can be seen through the amount of Critical Ratio (CR) or the P-Value. If the P-Value <0.05, then the hypothesis will be accepted.

4 RESULTS

4.1 Validity Test

A validity test is done to measure the validity of a questionnaire as a measurement tool. In this study, the validity testing is done by correlation analysis Pearson product-moment, which is done by correlating each item score with a total score (Sakaran, 2006). Research items are said to be valid if the significance value is less than 5% (0.05). Therefore it can be concluded that all items of the purchase decision variable have passed the validity test and are suitable for future research.

4.2 Reliability

Test The reliability test is used to determine the level of stability and consistency of the measuring instrument used to measure the concept of bias can be minimized (Sakaran, 2006). The indicator for the reliability test is Cronbach Alpha if the value Cronbach Alpha > 0.70 indicates the instrument used is reliable. All the variables have a value of Cronbach's Alpha above 0, 70. Therefore it can be concluded that all research variables have good reliability.

5 DISCUSSION

5.1 Influence of Price to Purchase Decision in Restaurants Yogyakarta

Hypothesis 1 test results prove that there is a significant influence between price on purchasing decisions. Through the analysis that has been done obtained an estimated value of 0.184 with a significance value of 0.006. A positive value on the estimation results shows that the higher the price offered, the higher the consumer's decision to buy the product. That is because there is an assessment believed by consumers that the higher the price offered, of course, the quality received will also be better. At Yogyakarta Restaurant, there is a price list whose purpose is to make it easier for consumers to make purchase decisions based on prices chosen by consumers, and the prices are following the quality of the product and the reachability of consumers.

To measure the price variable, this study does not use a benchmark of rupiah value, but the researcher measures the price variable with valuation indicators. Indicators used include whether the food and drinks provided are following product quality, affordable prices, following the comfort of the place and the environmental situation, and whether they are in line with expectations.

The results of this study have in common with the price theory has two main roles in the process of making the decisions of buyers (Negrita, & Edu, 2016), namely: the role of the allocation of prices, namely the function in helping buyers to decide how to obtain the highest benefits or expected utility based on purchasing power. And the role of information from prices is the price function in capturing consumers about product factors, such as quality. This is especially useful in situations where buyers find it difficult to assess product factors or their benefits objectively. The perception that often holds among consumers is that the higher prices offered to indicate increasingly high quality.

5.2 Effect of Promotion on Purchasing Decisions in Yogyakarta Restaurants

Hypothesis 2 test results prove that there is a significant influence between promotions on
purchasing decisions. Through the analysis that has been done obtained an estimated value of 0.256 with a significance value of 0.00. A positive value on the estimation results shows that the more often the promotion is carried out, the more consumers will make purchases at Yogyakarta Restaurant. Promotion is one way to attract customers to be interested in buying products. At Yogyakarta Restaurant, several promotions were carried out, including promotions with online media. This strategy is carried out because the influence of social media in the community is very great. Therefore Yogyakarta Restaurant uses the opportunity positively in the marketing mix in terms of promotion, because feedback from the influence of online media is very fast at the moment.

In addition, promotion through "word of mouth" is also one of the best forms of promotion for a restaurant, because the direct experience of a satisfied customer will affect friends and relations to buy, and vice versa, dissatisfied consumers, will hinder sales because Yogyakarta restaurant always tries to provide the maximum possible service to consumers so that consumers feel satisfied and provide positive information to their friends and relations.

5.3 Effect of Situation on Purchasing Decisions

Hypothesis 3 test results prove that there is a significant influence between the situation on purchasing decisions. Through the analysis that has been done obtained, an estimated value of 0.401 with a significance value of 0.000. A positive value on the estimation results shows that the better the situation in the company environment, the higher the desire of consumers to make purchases at Yogyakarta Restaurants. The situation in this study is related to a clean and beautiful place, comfort when eating, the layout of the restaurant, and the interesting atmosphere provided at Yogyakarta Restaurant.

The results of this study are in line with the theory revealed by Peter (2005), consumers basically will feel superior in upper-class restaurants, because they are well served, and they claim that the atmosphere and style are following their self-fulfillment needs. For some consumers, the physical condition of a restaurant has a significant influence in determining where they will eat. At present, the current market trend, increasingly makes a competitive competition more competitive, so that supporting facilities from the physical environment must be better. A comfortable place with good wi-fi facilities will be a consideration for consumers today to choose a restaurant. A comfortable place with good wi-fi facilities is what the current being applied at Yogyakarta Restaurant to attract visitors to become regular customers at the restaurant.

5.4 Effect of Products on Customer Satisfaction in Yogyakarta Restaurants

Hypothesis 4 test results prove that there is a significant influence between products on customer satisfaction. Through the analysis that has been done obtained, an estimated value of 0.136 with a significance value of 0.000. A positive value on the estimation results shows that the better the product presented, the higher the level of customer satisfaction that purchases Yogyakarta Restaurant.

The products that are targeted in this study are the quality of food and beverages provided at Yogyakarta Restaurants. Food quality has an important role in influencing decision making in a restaurant, and has a direct correlation with the level of customer satisfaction (Soriano, 2002) and is directly related to customer satisfaction (Bittner and Hubbert, 1994). Good quality food and drinks can affect customer satisfaction so that it will attract customers to return to enjoy the food offered at the restaurant. As stated in Andaleeb and Conway's (2006) research, food quality has a major influence on relationships maintaining customer satisfaction and adding to new customers.

Indicators of product quality assessment in this study include the suitability of the taste of food and drinks with the listed menu, good temperature, freshness of food, whether the presence of hygiene and the display presented is attractive. Yogyakarta Restaurant does product quality because, considering that the current increasing culinary competition, the measurement of food quality for a restaurant is important. With good quality food, consumers will feel satisfied, thus providing a positive impact on the restaurant.

5.5 Effect of Prices on Customer Satisfaction

Hypothesis 5 test results prove that there is a significant effect between prices on customer satisfaction. Through the analysis, has done obtained an estimated value of 0.140 with a significance value of 0.05. A positive value on the estimation results show that the higher the price, the higher the customer satisfaction at Yogyakarta Restaurant. That is because the price is a reflection of the quality of the goods, the higher the price, the better the
quality of goods to be obtained, so that the satisfaction felt by consumers will also increase. Price is an important variable that is considered by a consumer where they will eat. Prices will be compared with quality. Customers have high expectations for a product when they have already spent a high enough cost, and they will expect quality food, service, and a place commensurate with the value incurred if it does not meet expectations, the customer will feel dissatisfied with the restaurant. Zeithaml (1988) describes that price as what is given or sacrificed to get a product, which means that customers pay uncertainty, not knowing what they are experiencing what is offered by a company. Whether or not the product will be received later, that will be a benchmark of the level of satisfaction that will be felt by consumers.

5.6 Effect of Purchasing Decisions on Customer Satisfaction

Hypothesis 6 test results prove that there is a significant influence between purchasing decisions on purchasing decisions. Through the analysis, that has been done obtained an estimated value of 0.208 with a significance value of 0.008. A positive value on the estimation results shows that the more often the customer makes a purchase, the customer satisfaction level also increases. Vice versa, when customers rarely make a purchase, it shows that customer satisfaction with the company decreases.

Purchasing decisions are actions of consumers to decide to buy or not on a product. In this study, consumers consider in terms of product quality, price, promotion, and situation. Consumers will experience a level of satisfaction if the goods obtained following their needs and desires; likewise, consumers will experience dissatisfaction after making a purchase, and the products obtained are not following their expectations.

6 CONCLUSION

Based on the results of the research described in the previous chapter, the following research conclusions can be obtained: (1) Price is proven to have a significant effect on purchasing decisions at Yogyakarta Restaurants. That price is the dimension that influences the customer's decision to decide on a restaurant. (2) The promotion proved to have a significant effect on purchasing decisions at Yogyakarta Restaurant. The more attractive and frequent promotions carried out by the restaurant will increase consumers to make purchases at the restaurant. (3) The situation proved to have a significant effect on purchasing decisions. (4) The product proved to have a significant effect on purchasing decisions. (5) Purchasing decisions proved to have a significant effect on customer satisfaction.

7 SUGGESTIONS

Based on these conclusions, further suggestions can be proposed that are expected to be useful for Restaurants as follows. (1) Proven price as a factor that influences consumers in purchasing decisions and customer satisfaction should be a consideration for restaurants to be more careful in determining pricing strategies. (2) Promotion is also proven as a factor that influences consumers in determining purchases, should also be taken into consideration by the restaurant, because promotion also provides an important role in the sustainability of restaurants, the more attractive the promotion delivered to prospective consumers will affect the increasing number of consumers who come to Yogyakarta Restaurants.

In this study, the situation also proved to influence purchasing decisions. A beautiful and clean place supports the situation is a supporting factor for the situation. The products in this study proved to be influential on purchasing decisions; therefore, the restaurant must always pay attention to the quality of the food and drinks that will be served so that consumers will always decide to buy at the restaurant. Proven purchasing decisions as a factor that influences consumer satisfaction should also be a concern of the restaurant because when they decide to buy at the restaurant of course consumers have high expectations of the restaurant and hope to obtain maximum service so that consumers will feel satisfied enjoying while in Restaurant.

REFERENCES