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## The Relation Between Price, Product Quality, And Image of A Batik Brand Toward Customer Satisfaction

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### Abstract

This study reviews whether there is a relation between price, product quality, and image of a batik brand toward customer satisfaction. This study uses quantitative research. The method that is used in collecting primary data is random sampling method. There are a hundred (100) responders as the sample of this study. The data in this study is obtained from questionnaire (primary), several observations, and direct interview with the party who is related to customer criteria that comes to buy Batik Tamina between July and September 2016. The analysis technique of this study is multiple regression analysis and the hypothesis test of this study is partial T-test and simultaneous F-test with less than 5% (0.05) of significance level, and Coefficient Determination Test (R<sup>2</sup>). The result of this study shows that price ( $X_1$ ) has a relation to customer satisfaction (Y) with  $0.046 < 0.05$  of significance level. Product quality ( $X_2$ ) has no significant relation to customer satisfaction (Y) with  $0.138 > 0.05$  of significance level. Partially, a brand's image ( $X_3$ ) has a significant relation to customer satisfaction (Y) with  $0.00 > 0.05$  of significance level. The amount of the relation between price ( $X_1$ ), product quality variables ( $X_2$ ), and brand's image variables ( $X_3$ ) toward the customer satisfaction variables (Y) is 40.5% while the rest (59.5) are explained by other factors that are not mentioned in this study.

### *Keywords:*

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customer satisfaction, price,  
quality product, brand

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## 1. Introduction

Customer satisfaction is a feeling or an outburst of excitement of somebody after the product he/she bought fulfilled the desired expectation. Customer satisfaction is *customer evaluation of a product or service of whether that product or service has met their needs and expectation* (Bitner, M. J. and Zeithaml, V. A., 2003). To determine customer satisfaction, there are five (5) factors that should be noticed by the company, including product quality, in which customer will be satisfied if the results show that the products they use have a certain quality (Lupiyoadi, Rambat, 2001); The price, in which the products have the same quality but determining the price to be relatively cheap will offer a higher value to the customers. The cost, in which the customers do not have to spend an additional cost or waste the time to get a product or service, they tend to be satisfied with the product or service (Lupiyoadi, Rambat, 2001).

In choosing the market, the industry of Batik Martha and Batik Tamina pick those two markets, however now the industry of Batik Tamina is focusing on direct customer marketing which has more purchasing power, the customer satisfaction provides many benefits to the company, and the higher level of customer satisfaction. In long term, it will be more beneficial to preserve a good customer rather than continuously withdraw and develop new customers in order to replace outgoing customers. Satisfied customers will spread a positive story by word of mouth communication and it will be a walking advertisement and for a company, that will decrease the benefit of customer satisfaction (Lovelock, Christopher H. and Wright, Lauren K., 2005).

Hence, to achieve a good customer satisfaction, we need to know what we should offer to the customers so the products are demanded by customers. One of variables that is often found related to product quality, price, and brand is customer satisfaction. Therefore, this study uses a satisfaction as dependent variable. In this case, it is explained that customer satisfaction is one of variables that becomes a reason of the existence of other variables (independent variable). Those independent variables include price, quality product, and brand. According to the result of the study, the researcher wants to test how far the role of product quality, price, and brand play in affecting the customer satisfaction.

### Research Problem

According to the background of the study above, we can formulate the problems as follows: (1) Does the price have a relation to customer satisfaction? (2) Does the product quality of batik have a relation to customer satisfaction? (3) Does the brand's image have a relation to customer satisfaction? (4) Do the price, product quality, and brand collectively have a relation to customer satisfaction?

In the research activity, it is usually based on the science that already exists. In general, the researcher will start the study by digging up from what the researcher has been studying from the previous researcher. The utilization of what has been revealed and found by the researcher can be done by studying, scrutinizing, exploring, and digging back, also identifying things whether it exists or it does not. To recognize the things exist or not, we can find out from the study reports such as journal or scientific works. In this study, the researcher will observe about the relation of price, product quality, and brand's image of batik toward customer satisfaction.

The study conducted by Maddalena Sihombing, Retno Budi Lestari, Edin S. Djatikusuma entitled "*Analisis Pengaruh Citra Toko Terhadap Kepuasan Konsumen Carrefour Palembang Square Mall*". The result of the study showed the variables of the store's image were product, price, the store layout, and customer service simultaneously had a positive and significant effect toward customersatisfaction of Carrefour Palembang Square Mall.

The study conducted by Putri Setyarini entitled “*Analisis Pengaruh Kualitas Produk, Harga, and Merekdeterjen “Attack Easy” Terhadap Kepuasan Konsumen in ANDINA MART GONILAN, Kartasura Sukoharjo*”. The method in collecting data included questionnaire and interview. From the studies above show that three variables include product quality, price, and brand simultaneously have a significant effect toward customersatisfaction.

The study conducted by Joko Putro Nugroho entitled “*Analisis Pengaruh Kualitas Produkand Citra Merek Terhadap Kepuasan Konsumen Dalam Meningkatkan Word of Mouth Pada Produk Autan*”. The result of the study shows product quality and brand’s image affect customer satisfaction. Variables include product quality, brand’s image, and customer satisfaction have a positive and significant effect toward word of mouth.

## **2. Methods**

This study uses quantitative research. Quantitative research does not focus too much on the depth of the data, but it is important to record data as much as possible from a wide population (Kuncoro, 2011). The data obtained from random distribution questionnaires for almost two months, then processed and analyzed using multiple regression analysis technique. This analysis includes: classical assumption test, multiple regression analysis, T-test, F-test. This study demonstrates the relation of price, product quality, and brand’s image toward customer satisfaction.

### **Theoretical Framework**

Customersatisfaction is feelings of pleasure or disappointment of someone that appear after comparing performance (result) of a product that is considered toward the expected performance (Kotler, PhilipAnd Kevin Lane Keller, 2007). The customer satisfaction is the perception level of someone after using a product then comparing the product performance that the customer experiences to his/her expectation. Satisfaction or dissatisfaction of the customer is a response toward an evaluation of incompatibility or disconfirmation that is perceived between the previous expectation and the actual product performance that is perceived after the usage (Tse. O.K and P.E. Wilton. 1988).

Many factors are affecting customer perception and expectation when making a purchase of a good or service, such as the needs and desires felt by the customer when making a purchase of a good or service, the past experience when consuming or using the goods and services and the experience of friends who have consumed the goods or services.

Gaspers (in Nasution, 2005) said that customer satisfaction is really depending on customer perception and expectation. Satisfaction is post-consumption evaluation to choose several alternatives in order to meet expectations (Engel, James, F, Roger D. Blackwell, and Paul W. Miniard, 1994). Customer satisfaction can be achieved if the product quality fulfill and exceed the expectations. Otherwise, if the quality does not fulfill and exceed customer expectation, desire, and needs, then satisfaction will not be achieved. The customer who are dissatisfied with the goods or services they consumed will look for other company which are able to provide their needs.

### **The Relation of Price and Customer Satisfaction**

Price helps the customers decide how to get the highest expected benefits or utilities based on their purchasing power. So, the price can help the customers decide how to allocate their purchasing power to different types of goods and services. The customers compare the prices of the various alternatives available, then decide the desired budget.

### The Relation of Product Quality and Customer Satisfaction

Product quality is a factor that influences customer satisfaction (Lupiyoadi, R. 2001). The product that is proved qualified will cause customer satisfaction. The product can be said qualified when it has performed its function properly and if the customer expectations of the product have been fulfilled. The existence of these expectations is formed through the image of the product. Product image is a set of associations perceived by customers of a product.

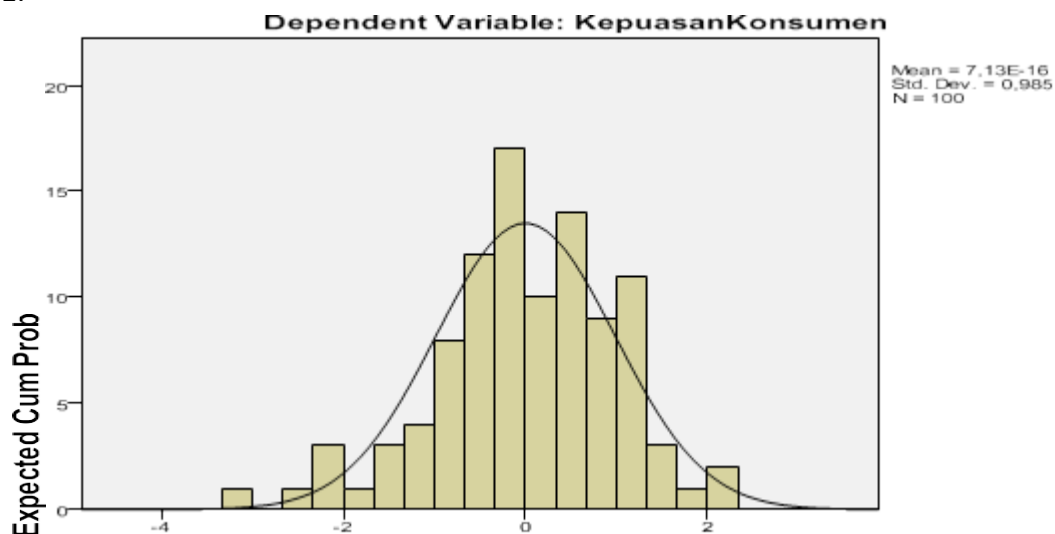
### The Relation of Brand's Image and Customer Satisfaction

Customer satisfaction is a phenomenon after purchasing (Giese & Cote, 2000). It means that customer satisfaction happens after purchasing, where after doing a purchase, the customer will evaluate the product, whether it is as they expect or not. Brand is an identity that is easiest to remember by the customers, the better the product performance is, the better brand image will be.

## 4. Classical Assumption Test Result

### a. Normality Test

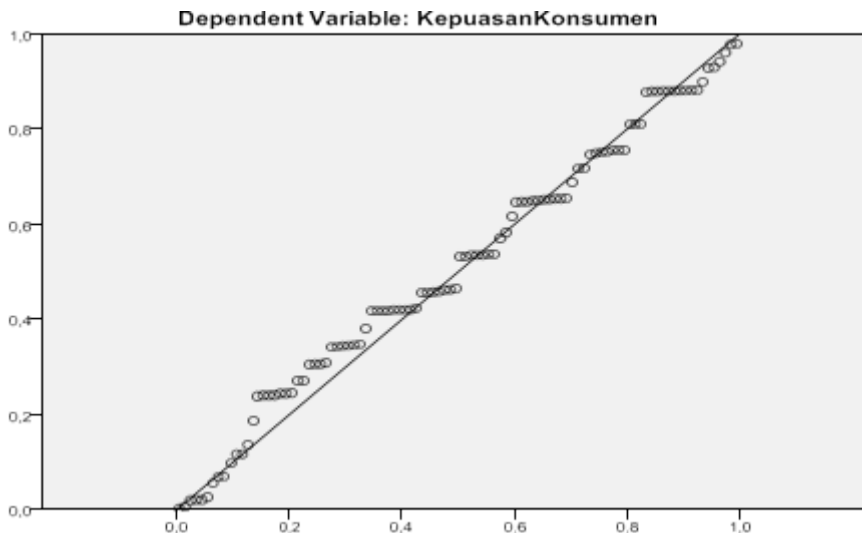
One of the easiest way to see residual normality is by looking at histogram graphic that compares observation data and the distribution that close to normal distribution, as shown in picture 1.



Picture 1.

Histogram Graphic of Questionnaire Data

By looking at the histogram graphic preview, it can be inferred that histogram graphic gives a distribution pattern that close to normal, not tilted to the left or right. However, just looking at the histogram is considered to give less maximum results so it is necessary to see the *normal probability plot*, where in the normal graphic the plot looks the spots spread around the diagonal line and its distribution follows the diagonal direction, as shown in the following picture:



**Picture 2.**  
**Normal P-Plot Graphic of Questionnaire Data**

Based on the normal graphics plot, it shows that the regression model is worthy of use in this study because the data spreads around the diagonal line and follows the diagonal line direction, so the regression model fulfils normality assumption.

Beside using histogram graphic and normal plot graphic, the statistical test that can be performed in the normality test is *Kolmogorov-Smirnov Test*. Multivariate tests of normality of data performed on residual values. Normally distributed data is indicated by a significance value above 0.05. The Normality test result on a test of statistical data is shown in the following table 1:

**Table 1.**  
**One-Sample *Kolmogorov-Smirnov Test***

		Unstandardized Residual
N		100
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1,40890443
Most Extreme Differences	Absolute	.127
	Positive	.065
	Negative	-.127
Kolmogorov-Smirnov Z		.554
Asymp. Sig. (2-tailed)		.919

- a. Test distribution is Normal
- b. Calculated from data

According to the result in the table 4.4 above, the data is distributed normally. It is indicated by the value of *Kolmogorov - Smirnov* of 0.554 and significant at 0.919 which is higher than 0.05. It means that the residual data is normally distributed, since the significance value is more than 0.05.

### b. Multicollinearity Test

Multicollinearity test can be seen from the value of *variance inflation factor* (VIF). A regression model is said to be free of multicollinearity if it has a *tolerance* value higher than 0.1 and a VIF value less than 10. Full multicollinearity analysis results can be seen in table 2. below:

**Table 2.**  
**Coefficient (a)**

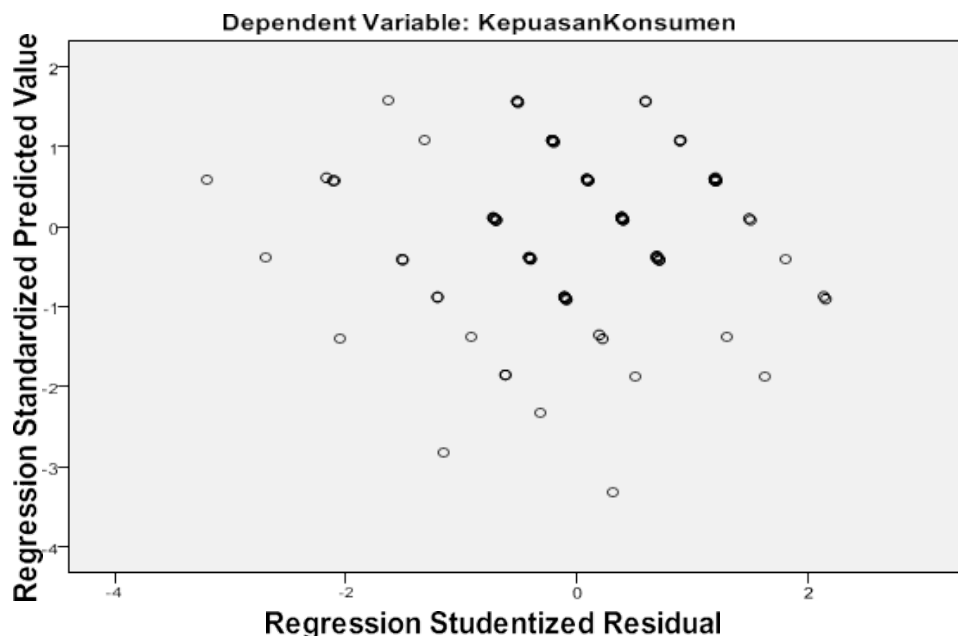
1	Model	Collinearity Statistics	
		Tolerance	VIF
	(Constant)		
	Harga	,648	1,542
	Kualitas Produk	,588	1,700
	Citra merek	,746	1,341

a. Dependant Variable: Customer Satisfaction

Based on the result of the study obtained the *tolerance* value and VIF value, for tolerance value, the variable of price equal to 0.648, the product quality equal to 0.588, and brand image 0.746, and for VIF value 1.542, the product quality equal to 1.700, and brand image equal to 1.341, tolerance value >0.1 and VIF <10 which means that the regression model has no symptoms of multicollinearity.

### c. Heteroscedasticity Test

The heteroscedasticity test aims to test whether in the regression model there is a variance inequality of one observation to another observation's residual. If the variance of one observation to another observation's residual remains, then it is called homoscedasticity and if it is different then it's called heteroscedasticity. A good regression model is homoscedasticity or does not occur heteroscedasticity.



Picture 3.

SPSS output display results can be seen that the dots do not form a clear pattern, and the dots spread above and below the number 0 on the Y axis. So it can be concluded that there is no heteroscedasticity on the regression model.

#### d. Autocorrelation Test

Autocorrelation test aims whether the linear regression model has a correlation among disturber error in period t-1 (previously). A good regression model is a regression independent of autocorrelation.

**Table 3.**  
**Autocorrelation Test Result – Customer Satisfaction**  
**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,655(a)	,429	,405	1,43796	1,853

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

b. Dependent Variable: CUSTOMER SATISFACTION

With the DW table value at the significance level 5%, the number of samples 100 (n) and the number of independent variables 3 (k = 3), then in Durbin-Watson table will get the upper limit value (du) 1.736 and lower limit (dl) 1.613. Because the DW value of 1.853 is higher than the upper limit (du) 1.736 and less than  $4 - 1.736 = 2.264$  (4-du). Since the DW value lies between DU and 4-DU ( $1.736 < 1.853 < 2.264$ ), it can be concluded that there is no autocorrelation in this regression model.

#### Multiple Linear Regression Analysis

The amount of changes in the dependent factor (Y) due to changes in the independent factor (X) is partially explained through the regression equation obtained. By using SPSS program version 21.0 the results obtained as listed in Table Coefficients (a).

**Table 4.**  
**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	8,746	1,655	
	Harga	-,152	,090	,187
	Kualitas Produk	,132	,088	,174
	Citra merek	,434	,103	,435

a Dependent Variable: CUSTOMER SATISFACTION

Regarding to the analysis result that has been performed, the regression equation formed is as follows:

$$Y = 8.746 - 0,152X_1 + 0,132X_2 + 0,434X_3$$

## a) T-test (Partial)

Based on SPSS output it is seen two of free variables which are working capital and labor to income shown in the following table:

**Table 5.**  
**Coefficients(a)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,746	1,655		5,283	,000
	Harga	-,152	,090	,187	1,689	,046
	Kualitas Produk	,132	,088	,174	1,500	,138
	Citra merek	,434	,103	,435	4,214	,000

a Dependent Variable: CUSTOMER SATISFACTION

From the partially regression analysis result above we can conclude that:

1. T value – price ( $X_1$ ) of 1.689 with significance level of 0.046 due to significance level is lower than probability value 0.05 ( $0.046 < 0.05$ ) so it can be concluded that price has a positive influence toward customer satisfaction.
2. T value – product quality ( $X_2$ ) of 1.50 with significance level of 0.0138 due to significance level is higher than probability value 0.05 ( $0.138 > 0.05$ ) so it can be concluded that product quality has no influence toward customer satisfaction.
3. T value – brand's image ( $X_3$ ) of 4.218 with significance level of 0.00 due to significance level is lower than probability value 0.05 ( $0.00 < 0.05$ ) so it can be concluded that brand's image has a positive influence toward customer satisfaction.

## b) F-test (Simultaneous)

**Table 6.**  
**The Result of F-Test or Simultaneous of Customer Satisfaction**  
**ANOVA(b)**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	111,900	3	37,300		
Residual	148,876	72	2,068	18,039	,000(a)
Total	260,776	75			

a. Predictors (Constant): Price, product quality, brand's image

b. Dependent Variable: Customer satisfaction

From the output result in the table 4.9 that F value of 18.039 with significance level of 0.000, due to significance level  $0.000 < \alpha = 0,05$  so there are simultaneous influences of price ( $X_1$ ), product quality ( $X_2$ ), and brand's image ( $X_3$ ) toward customer satisfaction (Y) in the industry of Batik Tamina.

## c) Coefficient Determination Test

By knowing the value of coefficient determination it can be explained the goodness of regression model in predicting the dependent variables. The higher the value of coefficient



determination will make the better capability of independent variables in describing the behaviour of dependent variables. Coefficient determination test result can be seen from the value of adjusted R square in multiple regression analysis.

**Table 6.**  
**Coefficient Determination Test**  
**Model Summary(b)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,655(a)	,429	,405	1,43796

a. Predictors (Constant): Price, quality product, brand's image

Based on table 4.10, coefficient determination has adjusted R square of 0.405. It means that 40.5% of customer decision (Y) that can be explained by the independent variables are the variable of price, product quality, and brand's image. While the rest (100% - 40.5% = 59.5%) are explained by other variables outside the models that are not explained in this study.

#### 4. Conclusion

The result of significance of individual parameters test (t-test), the influences of each of independent variables toward dependent variables and test of overall coefficient regression (f-test) can be illustrated as follows:

1. The Influence of Price ( $X_1$ ) toward Customer Satisfaction. T value – price ( $X_1$ ) of 1.689 with significance level of 0.046 due to significance level is  $0,046 < \alpha = 0,05$  so it can be concluded that price ( $X_1$ ) partially has an influence toward customer satisfaction (Y) of Batik Tamina in Pekalongan City. Price has a positive influence toward customer satisfaction, where the higher batik's price increase so it can increase the customer satisfaction as well.
2. The Influence of Product Quality ( $X_2$ ) toward Customer Decision. T value – product quality ( $X_2$ ) of 1.50 with significance level of 0.0138 due to significance level is  $0,138 > \alpha = 0,05$  so it can be concluded that partially product quality ( $X_2$ ) has no influence toward customer satisfaction (Y) of Batik Tamina in Pekalongan City. Product quality has no positive influence toward customer satisfaction, where the higher product quality of batik probably cannot satisfy its customer satisfaction.
3. The Influence of Brand's Image ( $X_3$ ) toward Customer Decision. T value – brand's image ( $X_3$ ) of 4.218 with significance level of 0.021 due to significance level is  $0,00 < \alpha = 0,05$  so it can be concluded that brand's image ( $X_3$ ) partially has a positive influence toward customer satisfaction (Y) of Batik Tamina in Pekalongan City. It means that if the brand's image is good, it will increase its customer satisfaction. This is because brand's image is easier to know compared to any other physical form.
4. The Influence of Price, Product Quality, and Brand's Image toward Customer Satisfaction. Based on the result of simultaneous significance test (f-test) that F value of 18.039 with significance level of 0.000 due to significance level is  $0,000 < \alpha = 0,05$ , this result shows that the independent variables; price, product quality, and brand's image simultaneously has a significant influence toward customer satisfaction of Batik Tamina in Pekalongan City. Based on regression analysis obtained the value of adjusted R square of 0.405 which means that the contribution of product quality and brand's image that simultaneously has an influence toward customer decision is 40.5% and the rest is 59.5% that can be explained by other variables that are not mentioned in this study.

### Suggestion

Based on the conclusion of the study above, then the following suggestions are proposed for the industry of Batik Tamina.

1. It is better to be able to maximize the use of quality materials to ensure product quality is maintained so that the company's goal to maximize the profit can be achieved.
2. Product efficiency must be performed due to the very elasticity price in the market.
3. Must be able to manage the company well so that the brand's image that has already known is maintained.
4. With a price that matches the better product quality and brand's image that are known by the customers so a business will run smoothly and will generate high profits.

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