

THE EFFECT OF PRODUCT QUALITY AND DISTRIBUTION ON TOKOPEDIA INDONESIA CUSTOMER SATISFACTION

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Abstract: This study aims to determine the effect of product quality and distribution on customer satisfaction. Due to a large number of similar competitors, it is very easy for customers to move. To obtain customer satisfaction, companies such as Tokopedia must be sensitive to their competitors, for this reason, the company must be able to meet the wishes of its customers and implement appropriate marketing strategies. This can be done to ensure product quality and effective distribution of goods, and apply to both new and existing customers. This study used a multiple linear regression method with the SPSS 25 analysis tool. 3 variables and 13 indicators that then got 30 statements were distributed to 100 respondents. The results of this study found that product quality and distribution significantly affect customer satisfaction.

Keywords: *product quality, distribution, customer satisfaction*

Introduction (Include Literature Review)

The development of information and communication technology in Indonesia is very rapidly developing, one of which is with the increasingly high level of internet users. According to APJII (Association of Indonesian Internet Service Providers), in 2022, it was found that the number of internet users in Indonesia grew by 77.02%, with a total of 210,026,769 internet users from the total Indonesian population of 272,682,600 people. With this increase, people can now carry out the process of buying and selling goods through the internet, known as electronic commerce or e-commerce.

The e-commerce business form model in Indonesia also varies, including The Classified Ad List, Marketplace 2C2, Shopping Mall, B2C

Online Store, and finally, The Social Media Online Store. Launching iPrice website data on the top 5 e-commerce in Indonesia, Tokopedia dominates as the most visited e-commerce, with 157 million visitors in the first quarter of 2022.

Customer satisfaction can be influenced by several factors, such as product quality and distribution strategies used in e-commerce. Product quality that does not match the needs and desires of consumers will result in consumers not using the product anymore. Conversely, products that meet consumer needs and desires will be liked by consumers. Of course, consumers will choose quality products. Good or bad image of a product can be determined by the quality provided to the public.

Most customers don't like to wait too long to get their products. The distribution process usually occurs during the day, when people are working. This less feasible distribution can lead to obstruction of the delivery of goods, adding to the costs of the company to pay customers. To obtain market revenue, competitive advantage, and customer satisfaction, system improvements and online customer service must be carried out.

According to Kolter & Keller (2016), companies must work hard to create new strategic policies in selling their products and services in order to face fierce competition with competitors who can provide more value to customers. Due to a large number of similar competitors, it is very easy for customers to move. In order to obtain customer satisfaction, companies such as Tokopedia must be sensitive to their competitors. For this reason, the company must be able to meet the wishes of its customers and implement appropriate marketing strategies. The thing that can be done is to ensure product quality and effective distribution of goods and apply to both new and existing customers.

Based on the above problems, this study aims to determine the influence of product quality and distribution on customer satisfaction.

According to Kotler and Armstrong "Product quality is the ability of a product to perform its functions, it includes the overall durability, reliability, accuracy, ease of operation, and repair of the product and other attributes of the product" (Freekey 2018).

Product quality is the ability of a product to satisfy the integrity or desires of customers. Product quality must also be determined by the way the customer views the product (Ristanto and Aditya 2021).

According to Maria & Anshori "product quality is one of the factors that affect consumer satisfaction. Product quality is determined by a set of uses and functions, including performance/performance, durability, conformity to specifications, product aesthetics, and also the perception of product quality/impression." (Imron 2019).

Only a quality product can satisfy a customer (Hoe & Mansori, 2018).

Menurut (Schiffman and Kanuk, 2019) that product quality is the ability of a company to provide identity or feature to each product so that consumers can recognize the product.

Distribution is a route or series of intermediaries, both managed by marketers and independent ones, in conveying goods from producers to consumers (Yusuf, Nurhilalia, & Putra, 2019).

Products distributed through various means can only provide satisfaction when the distribution is of high quality (Yusuf, Nurhilalia, & Putra, 2019).

The results of research conducted by Martoyo & Mahardika, (2020) show that distribution has a positive and significant effect on customer

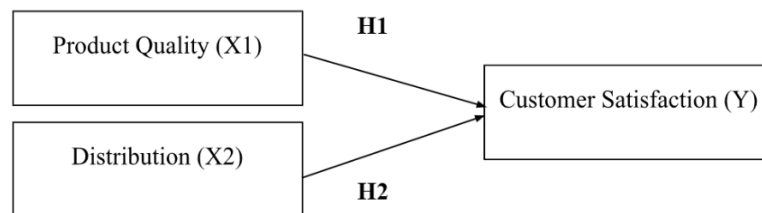
satisfaction. Martoyo & Mahardika, (2020) said that distribution activities would run smoothly if supported by the right distribution channels.

Oliver in Tandonet al.(2018) in his research, explains that customer satisfaction is an important factor in understanding how customer needs and desires are met.

If performance exceeds expectations, customers are very satisfied or happy (Kotler and Keller, 2018).

According to Richard L. Oliver in Tjiptono & Diana (2018, p.16), customer satisfaction is a feeling of pleasure or displeasure of a customer from a service or the result received with the expected one.

Logistics performance is an important indicator in e-commerce competition, the choice of logistics mode will affect product quality and costs. E-commerce companies must know the advantages and disadvantages of the distribution mode used by the company, so as to be able to improve customer experience and develop company e-commerce continuously.(Rizki et al., 2021)



H1 : Product Quality affects Customer Satisfaction

H2 : Distribution affects Customer Satisfaction

Method

This study was conducted to determine the effect of Product Quality and Distribution on Tokopedia Indonesia Customer Satisfaction using quantitative methods using Simple Linear Regression

calculations, Multiple Linear Regression, T Test, F Test using the SPSS 25 calculation tool. This research was conducted on Tokopedia e-commerce users. With a total population of 149,600,000, while the number of samples uses *slovin* calculations.

Based on the calculation results above, the number of respondents that must be collected is 100 respondents. In this study, there were 3 variables with 13 indicators with 30 statements determined.

Discussion and Result

Validity Test

The indicators used in this study have been tested for validity and declared valid. In measuring the validity of 100 respondents consisting of 30 statements, the R-Table was 0.165. With validity requirements is R-Calculate > R-Table.

Variables	Items	Pearson Correlation	R-Table	Status
Product Quality	X1.1	0.692	0.165	VALID
	X1.2	0.801	0.165	VALID
	X1.3	0.712	0.165	VALID
	X1.4	0.709	0.165	VALID
	X1.5	0.712	0.165	VALID
	X1.6	0.722	0.165	VALID
	X1.7	0.812	0.165	VALID

	X1.8	0.747	0.165	VALID
	X1.9	0.741	0.165	VALID
	X1.10	0.723	0.165	VALID
Distribution	X2.1	0.743	0.165	VALID
	X2.2	0.819	0.165	VALID
	X2.3	0.818	0.165	VALID
	X2.4	0.758	0.165	VALID
	X2.5	0.757	0.165	VALID
	X2.6	0.858	0.165	VALID
	X2.7	0.811	0.165	VALID
	X2.8	0.729	0.165	VALID
	X2.9	0.658	0.165	VALID
	X2.10	0.711	0.165	VALID
Customer Satisfaction	Y.1	0.556	0.165	VALID
	Y.2	0.663	0.165	VALID
	Y.3	0.488	0.165	VALID
	Y.4	0.448	0.165	VALID

	Y.5	0.680	0.165	VALID
	Y.6	0.632	0.165	VALID
	Y.7	0.785	0.165	VALID
	Y.8	0.720	0.165	VALID
	Y.9	0.732	0.165	VALID
	Y.10	0.726	0.165	VALID

Reliability Test

After processing the validity test, then calculate the reliability test of each variable, including product quality (X1), distribution (X2), and customer satisfaction (Y), where each variable refers to the > reliability value of alpha Cronbach which is 0.60. Where from the 3 variables obtained total app = 0.914.

Reliability Statistics

Cronbach's Alpha	N of Items
.914	33

T Test**Coefficients^a**

		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.477	1.459		7.179	.000
	Product Quality	.755	.034	.915	22.502	.000

a. Dependent Variable: Customer Satisfaction

Then a regression equation can be made to estimate the level of customer satisfaction that is influenced by product quality:

$$Y = a + bx$$

$$Y = 10.477 + 0.755x$$

From the equation, it can be concluded that the constant is worth 10.477 that the consistent value of the product quality variable is worth 10.477. The regression coefficient of the product quality variable is worth 0.755, which means that the product quality variable is positive. Then there was an increase in customer satisfaction worth 0.755. In testing the partial hypothesis (T) of this study, a significant value can be seen for the influence of product quality on customer satisfaction of $0.000 < 0.05$ and a value of 22.502. The real level (α) is worth 0.05, the degree of freedom (df) is $n-2 =$

$(100-2) = 98$. From these data, it can be obtained that the value is 1.661. The data used is $0.000 < 0.05$, then the H_0 result is rejected, and H_a is accepted. $22.502 > 1.661$ such results H_0 refused H_a accepted.

Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	10.194	2.625		3.883	.000
	Distribution	.736	.058	.786	12.587	.000

a. Dependent Variable: Customer Satisfaction

Then a regression equation can be made to estimate the level of customer satisfaction affected by the distribution:

$$Y = a + bx$$

$$Y = 10.194 + 0.736x$$

From the equation, it can be concluded that the constant is worth 10.194 that the consistent value of the product quality variable is worth 10,194. The regression coefficient of the product quality variable is worth 0.736, which means that the distribution variable is positive. Then there was an increase in customer satisfaction worth 0.736. In testing the partial hypothesis (T) this study can be seen a significant value for the effect of the distribution on customer satisfaction of $0.000 < 0.05$ and a value of 12.587. The real level (α) is worth 0.05, the degree of freedom (df) is $n-2 = (100-2) = 98$. From these data it can be obtained that the value is 1.661. The data

used is $0.000 < 0.05$, then the H_0 result is rejected and H_a is accepted.
 $12.587 > 1.661$ such results H_0 rejected H_a was accepted.

Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	7.338	1.630		4.503	.000
	Product Quality	.621	.049	.753	12.737	.000
	Distribution	.199	.055	.213	3.604	.000

a. Dependent Variable: Customer Satisfaction

Based on the table above, shows that it can form a multiple linear regression equation as follows:

The constant coefficient of 7.338, shows that there is no free variable (Product Quality), so Tokopedia Indonesia's performance value is 7.338.

The regression coefficient in the Product Quality variable (X_1) is 0.621. This value indicates that this variable has a regression coefficient value marked positively, which means that when product quality improves and Tokopedia customer satisfaction will increase by 0.621, assuming the variable is considered constant.

The regression coefficient on the Distribution variable (X2) is 0.199. This value indicates that the distribution variable has a positively marked regression coefficient value, which means that when the distribution increases and customer satisfaction increases by 0.199, assuming the other variables are considered constant.

Test F

ANOVA

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1910.150	2	955.075	290.633	.000 ^b
	Residual	318.760	97	3.286		
	Total	2228.910	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Distribution, Product Quality

Based on the table above, it shows that the value is 290.633. The value can be seen by the equation $df_1 = \text{the number of free variables}$. This means that $df_1 = 2$, while $df_2 = n - k - 1$ ($100 - 2 - 1$) = 97. Using the significance of 5% or (0.05), it can be seen that the value is 3,090. Based on the results in the calculation, it can be concluded that the $>$ is $290.633 > 3.090$ with a sig of $0,000 < 0.05$ so that H_0 rejected H_a is accepted, meaning that the variables of Product Quality as X1 and Distribution as X2 as a whole have a significant influence on Customer Satisfaction (Y).

Conclusion

Based on the results of the discussion on product quality and distribution to customer satisfaction at Tokopedia Indonesia, it can be drawn the following conclusions.

1. Product quality variables have a significant effect on customer satisfaction, this can be seen from the results of the t test where the T-Calculate value is $22.502 > T\text{-Table } 1.661$. With a probability value (Sig.) of 0.000, due to the value of a sig. $<$ from 0.05. Then it can be implied that H_0 was rejected and H_a accepted
2. The distribution variable has a significant effect on customer satisfaction, which can be seen from the results of the t-test where the T-Calculate value is $12.587 > T\text{-Table } 1.661$. With a probability value (Sig.), equal to sig. 0.000 because of the sig value. $>$ of 0.05 Then it can be concluded that H_0 was rejected and H_a was accepted.
3. In the calculation of multiple linear regression, the product quality regression coefficient is 0.621 which indicates that this variable has a positively marked regression coefficient value. The distribution regression coefficient is 0.199 y which shows that this variable has a regression coefficient value marked positively and with an F-Calculate value of $290.633 > F\text{-Table } 3,090$ which states that the product quality and distribution variables have a significant value to customer satisfaction.

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