

## Research Article

## The Effect of the Quality of Meat Product and Customer Value on Customer Satisfaction and Its Impact on the Consumer'S Word Of Mouth at Ulee Kareng Beef Market, Banda Aceh, Indonesia

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**Abstract:** The objective of study is to explain the condition of product quality, customer value, customer satisfaction and consumer word of mouth and to investigate the effect of (2) product quality on customer satisfaction in the beef market, (3) customer value on customer satisfaction (4) the product quality on word of mouth (5) customer value on word of mouth (6) customer satisfaction on word of mouth on the beef market and (7) indirect influence on product quality and customer value of word of mouth through customer satisfaction. The object of this research is product quality, customer value, customer satisfaction and word of mouth beef. The results prove that product quality has an effect on beef customer word of mouth, customer value has an effect on word of mouth, product quality has an influence on customer satisfaction, customer value has an effect on customer satisfaction, customer satisfaction has a significant influence on customer word of mouth, there is an indirect effect of product quality influencing employee performance through beef market customer satisfaction, and there are indirect effects of customer value influencing employee performance through customer satisfaction.

**Keywords:** Quality of Meat Products and Customer Value, Customer Satisfaction, Word of Mouth.

### INTRODUCTION

Beef products are one type of meat that is a high source of animal protein. The meat content consists of 75% water, 18-20% protein, 1% carbohydrate, minerals, fat 0.5 - 1% and other dissolved materials (nonprotein and non-carbohydrates) around 3-5% (Person and Young, 1989). Therefore, aging of cattle is needed by humans to meet nutritional needs and will further improve the quality of human resources.

The more population increases, the need for meat increases. Thus all aspects related to the production and distribution / marketing of meat must be a major concern in meeting the needs of the community. Production is an activity to produce goods / services, while distribution / marketing / trading systems are activities to deliver goods / services from producers to consumers. The marketing channels are long and some are short. The short length of the marketing channel is influenced by: the distance between producers and

consumers, the speed or failure of the product, the scale of production and the financial position of the company (Hanafiah and Saefudin 2012). Beef is one of the livestock products that is easily damaged, so it requires a marketing process that is fast or not damaged products, the scale of production and the company's financial position (Chan, 2012), states that beef is one of the livestock products that are easily damaged fast and efficient marketing process.

Now there are many traders, so it is not uncommon to compete with one another. In trading activities traders have their own strategies in attracting buyers. In addition, traders also have to offer beef that is suitable for consumption to satisfy buyers. Traders are people who are engaged in buying and selling businesses, such as vegetable traders, fish traders, and beef traders. The average beef trader in the Ulee Kareng Market resides in Banda Aceh City and Aceh Besar District. The process of buying and selling beef at that market starts from 05.00 to 18.00 WIB. Some traders

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have subscriptions from restaurants that order 20 kg of meat every day. And certain days there are those who order for weddings, maulids and other big events. The stalls they use to sell are given the right to use by the manager of the store in Banda Aceh

To increase the volume of beef sales, there is a need for a marketing strategy better known as the marketing mix. It refers as a component consisting of products, prices, promotions and distribution (Kotler, 2014). As the attributes inherent in a product that is used as a consumer attraction, the marketing mix must be well communicated to consumers through various information media to influence consumers. The impact for consumers of marketing mix information will be a stimulus in making decisions to buy. When the stimulus received by consumers to the marketing mix is positive, the product image according to the consumer will also be good and vice versa if the image received is negative then the range of consumer decisions in making decision to buy will be further away.

Consumers always have different needs and desires that are constantly changing and that result in consumers being able to switch products or services used. This is a separate difficulty for the company to be able to retain its customers so that companies need to think about strategies on how to manage consumers so that the number of consumers persists and even increases and provides long-term benefits. With the creation of Word of Mouth communication with consumers, it will make it easier for companies to market their products or services. In this case the seller and the buyer do not have to convey about what has been felt, but consumers who are satisfied will notify their colleagues or family about the experience of buying in that place.

The research results of Sulaiman (2013) prove that the satisfaction felt by customers has an influence on Word of Mouth.

The phenomenon related to the marketing of beef at the moment is the sluggish demand for beef on weekdays except for *meugang* and festivities. The problem experienced by beef traders in Java spread to Aceh. Meat traders in Market complained about the loneliness of buyers following the high price of cows on the market. Indeed, every day there are buyers. But lately it's very lonely. We admit that the price of cattle is indeed expensive so the selling price is also higher than before.

## LITERATURE REVIEW

### Word of Mouth

Most management experts provide a definition of WOM that is oral communication, people to people between recipients and communicators that recipients consider to be non-commercial, regarding

brands, products or services. Westbrook describes WOM as all informal communication directed at other consumers about the ownership, use, or characteristics of certain goods and services or their sellers. Harrison-Walker defines it as informal, person-to-person communication between perceived non-commercial communicators and recipients about brands, products, organizations, or services (Chan and Ngai, 2011).

Word-of-mouth is defined as consumers for communication that consumers are given about goods and services (Dean and Lang, 2008).

It derives from a consumer's mouth will be very crucial for service providers whose offerings are more varied, most of which are intangible and based on experience or trust. In this service, customers are very dependent on suggestions and suggestions from other people who have experienced the service. In addition, as a consumer who often and mutual trust in the product will be better than they trust communication from the company, thus highlighting the importance of WOM communication (Ng *et al.*, 2011).

The term can be explained in the form of direction, valence and volume. The direction can be entered into the decision making process, or the output of the buying process. The validity can be positive or negative. The volume is related to the number of people who receive messages (Stokes and Lomax, 2002). Yi suggested that customer satisfaction is an important determinant of positive word-of-mouth (Liang and Wang, 2007). WOM has a strong influence on consumer choice, so companies have a good opportunity to increase their market share by developing positive WOM among customers (Casalo *et al.*, 2008).

Lovelock (2010), mentions Word of Mouth is an action carried out by consumers in providing information to other consumers from one person to another (interpersonal) both commercially both brand, product or service in the form of utterances or statements from the mouth to the mouth which can be an effective promotion method because it is generally recognized by consumers, customers and consumers so that customers or consumers who are satisfied will be an intermediary for an advertisement for a company that sells products (Arndt, 1967a). The WOM dimension is Recommendation (Arndt, 1967a), Personal Services (Godes & Mayzlin, 2004), communicating with others (Boston, *et al.*, 1991)

### Customer Satisfaction

According to the opinion expressed by Kotler and Keller (2008) that satisfaction perceived by customers will explain that customer satisfaction is a feeling of pleasure or may feel disappointed that appears after comparing between expectations with the reality felt by the consumers concerned. Satisfaction is

a function of perceptions / impressions of performance and expectations. If performance meets expectations, customers are not satisfied. If the performance is below expectations, the customer is satisfied (satisfaction). If performance exceeds expectations, customers are very satisfied and happy, so customer satisfaction between needs to balance needs and desires with what is given. According to Heryanto (2015) for service responsiveness, Transaction Speed (free trade), Service Availability, Professionalism, overall satisfaction with services.

According to Griffin (2008) the definition of customer loyalty as a manifestation of the behavior of the unit making continuous purchasing decisions on the goods / services of a selected company. Oliver in Vanessa (2007) defines loyalty as the commitment of customers to maintain in depth to re-subscribe or buy back products / services that are consistently chosen in the future, even though the influence of the situation and marketing efforts has the potential to cause behavioral changes. The characteristic of loyal customers among other things by Griffin (2008) is referring to others, repurchasing regularly, and showing resistance to competitors' pulls.

Kotler and Keller (2012) say that "satisfaction is a feeling of pleasure or disappointment that results from comparing the perceived performance of the product (or outcome) with expectations". Meanwhile, customer satisfaction according to Jahanshahi *et al.* (2011) is "customer satisfaction is the result of customer perceptions of the value received in a transaction or relationship - where value equates perceived service quality relative to the price and cost of customer acquisition". However, this is different from the study of Tu *et al.* (2013) which shows that "customer satisfaction is seen as influencing intention and repurchase behavior, which, in turn, leads to the organization's future income and profits".

### **Product Quality**

Quality products in the opinion of Henard and Szimanski (2014), mention that superiority or difference is higher when compared to products offered by competitors.

According to Zeithaml (1988), "quality can be broadly defined as excellence or excellence". Here, Kotler and Armstrong (2012) describe that "a product is something that can be offered to the market for attention, acquisition, use, or consumption that might satisfy desires or needs," while Aaker (1994), citing Ehsani (2015), says that "product quality is the customer's perception of the overall quality or superiority of a product or service, with respect to the intended purpose, relative to alternatives,". Kotler and Armstrong (2012) assume that product quality is "Product quality is a characteristic of a product or

service that bears the ability to meet stated or implied customer needs".

It is important to note that product quality is not reviewed by a company perspective, it is seen from the customer's perspective. Related to that, he raised several important factors to influence the quality of the product, namely the quality of the product expected and the quality of the product that was felt. In detail, if the product quality is felt as expected, the customer will see the quality of the product as an item also satisfied. Conversely, if the product quality is not as expected, the quality of the product considered by the customer qualifies as a poor product quality. Thus, the qualifications of both bad and good products depend on the company's ability to meet customer expectations. For toothpaste products, quality is a characteristic of toothpaste that depends on its ability to meet customer requirements, whether expressed or implied. Garvin (1987); Kotler and Keller (2012) think that product quality consists of several indicators, namely performance, features, reliability, compliance, endurance, service ability, aesthetics, and perceived quality.

### **Customer Value**

Monroe (1990), defines that "customer value is the buyer's perception of value representing the trade-off between the quality or benefit they feel in the product relative to the sacrifice they feel by paying the price", while Naumann (1995) shows that "customer value is made when the expectations of customers in each of the three areas are met or exceeded, only when the three are aligned will the customer value be maximized ". Therefore, Ma and Ding (2010) and Sugiarti have different perspectives on customer value, Ma and Ding (2010) think that "customer value is directly related to the benefits of a product or service", while Sugiarti *et al.* (2013) concluded that "customer value is an evaluation of the benefits of the product or service perceived by the customer as compared to what the customer has been dedicated to getting a product or service".

Customer value is seen as a ratio of benefits perceived by customers along with their sacrifice. This sacrifice is in line with the exchange process such as transaction costs and product risks offered by the company. Henceforth, there will be disappointment when the value of the ratio perceived by the customer's economic sacrifice with the product offered by the company is not in accordance with customer expectations. If not, when the value of the ratio matches or exceeds the customer's expectations, the customer will feel that satisfaction. Another idea about customer value is that the customer's perception of the quality and benefits of toothpaste to sacrifice to pay the price. Customer value can be measured by functional value, emotional value and social value (Kotler and Keller, 2012; Afiff and Astuti, 2009; and Shoki, 2012).

**RESEARCH METHOD**

**Research Design**

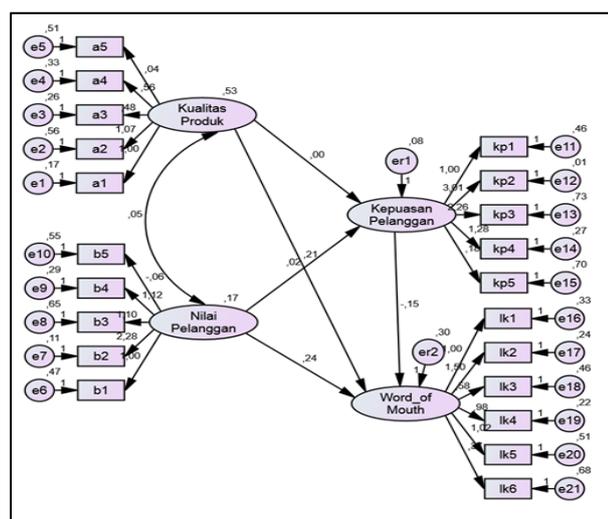
The design of this study is verification and descriptive research through quantitative methods and qualitative methods with a survey approach. The sample used was 275 respondents, who were the Tansjakarta bus customers in Jakarta and the Greater Jakarta area, Indonesia. Purpose sampling sampling (Sugiono, 2009) screens customers by assuming that respondents have at least used services from the same company and that the same address in Transjakarta has been used more than one for the past year. The analysis tool is used to describe the research variables that use descriptive statistics, namely average statistics and percentages, and for the analysis of influences between variables using Structural Equation Modeling (SEM) analysis with the help of Lisrel software (Hair, 2010).

**Population and Sampling**

The sampling technique in this study used a sampling method of 130 consumers. While the population of this study is that all of these consumers are consumers who buy beef products in the Ulee Kareng market in Banda Aceh which were taken in this study as many as 130 beef consumers, with sampling sampling methods.

**RESULTS AND DISCUSSIONS**

In this study, an analysis of data processing will be used, namely using SEM in the form of a uni dimensionality of several indicators as forming latent variables that will be tested by confirmatory factor analysis. Analysis of the results of data processing using the full SEM model was carried out by conducting suitability tests and statistical tests. The information on the results of AMOS processing can be explained in following Figure 1.



**Figure 1. Results of Structural Equation Model (SEM) Testing**

**Remarks:**

Kualitas Product : Product Quality

Nilai Pelanggan : Customer Value

Kepuasan Pelanggan : Customer Satisfaction

**Effect of product quality on Customer Satisfaction**

Product quality has an effect on customer satisfaction obtained CR value of 6.079 with a significance level of  $\alpha = 5$  of 0,000. Thus it can be concluded that the quality of products on beef in the Ulee Kareng Banda Aceh market has an effect on increasing beef customer satisfaction at the Ulee Kareng market in Banda Aceh.

**Influence of Customer Value on Customer Satisfaction with Beef**

The effect of quality customer value on customer satisfaction obtained a CR value of 6.740 with a significance level of  $\alpha = 5$  of 0.0001. Thus it can be concluded that customer value has an effect on increasing customer satisfaction. The magnitude of the effect of customer value on customer satisfaction is 0.320 or 32.0%. This indicates that the higher the level of customer value will further increase customer satisfaction.

**Effect of Customer Satisfaction on the Word of mouth**

The effect of customer satisfaction on word of mouth obtained a CR value of 6.579 with a significance level of  $\alpha = 5$  of 0.0001. Thus it can be concluded that customer satisfaction will affect word of mouth on beef. The magnitude of the effect of product quality on word of mouth is 0.188 or 18.8%. The direct influence of the increase in word of mouth beef on the Ulee Kareng market in Banda Aceh.

**Effect of product quality on Word of mouth**

The effect of product quality on word of mouth obtained a CR value of 4.253 with a significance level of  $\alpha = 5$  indicating that product quality has an effect on word of mouth on beef. The magnitude of the effect of customer value on word of mouth is 0.392 or 39.2%.

**Effect of customer value on Word of mouth**

The effect of customer value on word of mouth obtained a CR value of 4.296 with a significance level of  $\alpha = 5$  of 0,0001. Thus it can be concluded that the customer value of beef has an influence on the increase of word of mouth in beef. The magnitude of the effect of customer value on word of mouth is 0.216 or 21.6%.

**CONCLUSIONS AND RECOMMENDATIONS**

**Conclusions**

- Product quality influences beef customer word of mouth
- Customer value influences beef customer word of mouth

- Product quality has an effect on beef customer satisfaction
- Then the customer value has an effect on beef customer satisfaction
- There is an influence from customer satisfaction with beef customer word of mouth
- There is an indirect influence on product quality influencing employee performance through beef market customer satisfaction
- There is an indirect effect of customer value influencing employee performance through beef market customer satisfaction

### Recommendations

- To achieve customer satisfaction and word of mouth beef market customers based on product quality perspectives, what should be done is that traders should choose cattle that have lean meat where the Acehnese cattle are very few have weak saturated oxen .
- Then the customer value problem, what traders need to do is maintain good relationships with customers and treat customers very well.
- In order to increase customer satisfaction, what traders need to do is improve product quality and treat actual customer customers that must be valued.
- As for increasing word of mouth customers, what traders need to do is to communicate with fellow buyers and feel satisfied with the customer value of meat marketed and satisfied with the services provided.

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