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The Effect of Quality of Service, Promotion and Prices on Customer Satisfaction of Semen Baturaja

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Abstract---*This study means to decide the impact of administration quality, advancement, and cost on consumer loyalty of Semen Baturaja. The populace in this study were all building material shops in the Palembang region, with upwards of 535 structure shops in 2022. The example utilized in this study was 100 respondents who were customers of building shops in the Palembang region who bought Semen Baturaja in 2022 utilizing a straightforward irregular examining method. The numerous straight relapse investigation results show that help quality, advancement, and cost decidedly and fundamentally influence consumer loyalty at Semen Baturaja. Quality of service, apart from direct telephone calls and WhatsApps and Tokopedia, it is better if PT Semen Baturaja (Persero), Tbk also provides ordering services through more diverse e-commerce services. Promotion, PT Semen Baturaja (Persero), Tbk should not only give gifts to consumers who buy cement in large quantities but also give gifts to consumers who make small quantities even though the gifts given are not too expensive, such as gifts of tools. Construction support (plastic buckets, cement spoons, etc.). Price, with the high level of competition due to the large number of cement competitors who provide lower prices, it is recommended that an evaluation of price adjustments be carried out, supported by the provision of sales programs that can have a direct impact on consumers such as giving discounts and direct gifts in the form of coupons or shopping vouchers.*

Keywords---*customer satisfaction, price, promotion, service quality*

Introduction

The form of services provided by Semen Baturaja is a technical service program, such as a concrete compressive strength test, hammer test, aggregate analysis, and assistance in making job mix formulas for free, as well as assisting customers (batching plants) for trial mix activities at the plant location. As part of the service to consumers, the Company provides services to facilitate customers submitting complaints, suggestions, and criticisms via telephone, email, website, and social media. Customers can use these communication facilities to obtain information about the products and services offered and a means for customers to submit complaints about the products and services provided. As of December 31, 2020, the number of consumer complaints that entered the Company was

221, an increase of 78.23% from the realization in 2019, which was 124 complaints. Incoming consumer complaints are well received, recorded, and immediately responded to by coordinating with the Technical Service Team to make visits and clarifications to customers who submit complaints (PT Semen Baturaja (Persero) Tbk, Annual Report, 2020).

Often consumers perceive the price set for a particular brand as a product feature. Through this knowledge, consumers compare the prices offered by other companies in the same product class. The more economical the price offered, the more satisfied consumers will buy the product/service and vice versa. For this reason, the price factor determines consumer satisfaction with goods/services. Moreover, with many competitors from cement producers, it will be a challenge for Semen Baturaja to be able to compete with price determination. The excess supply of domestic cement, so that the utilization of cement producers is only 54%, and the presence of new cement producers has also pushed for increasingly fierce price competition (PT Semen Baturaja (Persero) Tbk, Annual Report, 2020).

From 2016 to 2019, cement sales in Indonesia increased but in 2020 decreased by 10.7% from the previous year, and cement growth increased again by 4.3% in 2020. According to the Indonesian Cement Association (ASI), cement consumption growth during 2021 almost occurred in all regions, with the largest increase in Java at 5.5%, followed by consumption in Sulawesi, which rose by 20%, respectively Kalimantan rose by 7.2%, and Maluku and Papua 4%. Meanwhile, consumption in Sumatra only rose 2.5%, and Nusa Tenggara rose 0.8% (www.bisnis.com, January 22, 2022).

The COVID-19 pandemic poses multidimensional problems, from health, humanity, social, to economics. The government has taken various policy steps to overcome its spread, including limiting community mobility by enacting the Large-Scale Social Restrictions (PSBB) policy in 2020, which impacts decreasing cement sales. Then entering the third quarter of 2021, the Covid-19 pandemic was again turbulent due to a new variant, namely the Delta variant; the government responded with the Enforcement of Community Activity Restrictions policy, which had implications for a decrease in community mobility and economic activity (Shi et al., 2014; Özer et al., 2013; Kariman et al., 2022).

During the lockdown period, the Company's activities continued to run normally as usual because the cement industry is one of the critical sectors allowed to continue operating to support the community's needs. The Company continues to serve cement purchases and distribute cement to customers. Technical service assistance activities are also carried out by implementing strict health protocols. In addition, in 2021, the Company will begin to develop digital sales transactions through collaboration with the e-commerce platform Tokopedia and marketplace Build. Id.

Semen Baturaja's position in 5 (five) market areas that have been determined from 2016-2021. Semen Baturaja's market share is highest in the province of South Sumatra. Furthermore, in the second position, the highest market share is in the Lampung area. In the last 2 (two) years, Semen Baturaja's market share in South Sumatra has successively decreased by 10% in 2020 and 1% in 2021. This indicates a decline in Semen Baturaja and, conversely, an increase in competitor cement sales in South Sumatra. Practical marketing activities can influence the decrease and increase in sales of a product by a company. Providing good service quality, appropriate promotional programs, and competitive prices can affect consumer satisfaction, impacting the sales performance of a product. This is shown from the findings regarding the differences in the effect of service quality, promotion, and price on customer satisfaction (Faroq et al., 2018; Orel & Kara, 2014; Bauer et al., 2006).

Literature Review

Consumer Satisfaction

Fulfillment is an individual's sensations of joy or disillusionment from looking at an item or administration's apparent exhibition (or result) with assumptions (Kotler & Keller, 2021). A few things that can influence consumer loyalty should be visible from the size or aspects of consumer loyalty (Kotler & Keller, 2016), in particular: 1) stay steadfast, 2) purchase the items offered, 3) suggest items, 4) will pay more, 5) give input.

Service quality

Service quality is an opinion about what consumers feel about the overall service provided by the Company to consumers (Malik et al., 2012). According to Parasuraman, Zeithaml, and Berry in the book Tjiptono & Chandra (2019), there are five dimensions of service quality, namely: 1) tangible (physical evidence), 2) empathy (empathy), 3) reliability (reliability), 4) responsiveness (responsiveness), 5) assurance (guarantee).

Promotion

Advancement is a movement completed by organizations to impart the advantages of their items and to persuade purchasers to purchase. Advancement is a component of the showcasing blend that spotlights on endeavors to illuminate, convince, and help purchasers to remember the Company's brands and items (Tjiptono, 2015). Eight principal approaches to showcasing correspondence become the advancement aspect (Kotler & Keller, 2021), in particular; 1) publicizing through print media, 2) deals advancement, 3) occasions and encounters, 4) advertising and exposure, 5) web based promoting and online entertainment, 6) portable showcasing, 7) direct advertising and data sets, 8) individual selling.

Price

Cost is how much cash charged for an item or administration or the worth clients trade for the advantages of purchasing or utilizing an item or administration (Kotler & Armstrong, 2015). As per Kotler & Armstrong (2015), the value aspect can be estimated through a few pointers, to be specific: 1) cost moderateness, 2) cost reasonableness with item quality, 3) value seriousness, and 4) cost reasonableness with benefits.

Research Methods

The populace in this study are building material shops in the Palembang region, with upwards of 535 structure shops in 2022. In view of the example estimation utilizing the recipe, the example in this study is 100.31, gathered together to 100 respondents who are buyers. A structure shop in the Palembang region bought Semen Baturaja in 2022. The examining method in this study utilized a basic irregular testing strategy. Respondents taken as tests were building shop buyers in the Palembang region who bought Semen Baturaja in 2022 and were educated by phone, WhatsApp, or direct visits by circulating polls by means of a google structure is fundamental.

Results and Discussion

The effect of service quality on customer satisfaction of Semen Baturaja

In light of the t-test results with a relapse coefficient of 0.734 and an importance worth of 0.000, which is more modest than 0.05, it very well may be reasoned that the help quality variable to some extent significantly affects consumer loyalty. Administration quality decidedly influences consumer loyalty, demonstrating that the higher the client's evaluation of the help nature of Semen Baturaja, the higher the consumer loyalty of Semen Baturaja. The consequences of this study are in accordance with past exploration, including the consequences of examination from Ferdani et al., (2020); Sofyan et al. (2019); Keloay et al. (2019), which showed that help quality affected consumer loyalty. In view of the aftereffects of respondents' appraisal of the pointers on the help quality variable, it is known that the respondents' impression of the assistance nature of Semen Baturaja are, on average, included in the "Good" category. Several service quality indicators score above average, such as treating customers in a friendly manner, serving customers attentively, being responsive in fulfilling requests/orders and being professional in customer service. Semen Baturaja must maintain this service quality indicator. In addition, there are still several service quality indicators that score below the average, such as the provision of easy-to-use ordering services and the speed of sales officers in handling customer complaints, where it can be said that, according to some respondents, these indicators are not good enough and should be improved further by Semen Baturaja. This should be a worry for the Company in light of the fact that the help quality variable decidedly and essentially influences consumer loyalty. On the off chance that the help quality improves, Semen Baturaja's consumer loyalty will increment as well as the other way around. Shoppers will repurchase and prescribe the item to other people whenever happy with its administrations. Hence, organizations need to begin contemplating the significance of more experienced client assistance since it is progressively understood that consumer loyalty is imperative to making due in business and winning the opposition (Fiazisyah & Purwidiani, 2018; Oh, 1999; De Oña et al., 2016).

The effect of promotion on Semen Baturaja's customer satisfaction

In view of the consequences of the t-test with a relapse coefficient of 0.462 and an importance worth of 0.003, which is more modest than 0.05, it tends to be presumed that the special factors upheld by the elements of deals

advancement, occasions, and encounters, as well as individual deals to some extent significantly affect consumer loyalty. The advancement emphatically influences consumer loyalty, demonstrating that the higher the client's evaluation of the advancement variable of Semen Baturaja, the higher the consumer loyalty with Semen Baturaja will be. This study's outcomes line up with past examination, including the exploration by [Ananditya & Hidayat \(2017\)](#), which show that advancement meaningfully affects consumer loyalty.

Based on the respondents' assessment of the indicators on the promotion variable, it is known that the respondent's perception of the promotion of Semen Baturaja is, on average, included in the "Good" category. Several promotional indicators score above average, such as routinely conducting product socialization and providing updated information. Semen Baturaja should maintain activities like this. However, several promotional indicators still score below the average, such as sales promotions by giving direct gifts for purchases in a certain amount, direct visits to consumers, and routinely conducting customer gathering activities where it can be said. According to some respondents, these indicators have not good enough, so Semen Baturaja should routinely carry out this activity. This should be a worry of the Company on the grounds that the advancement variable affects consumer loyalty. The better the advancement program, the higher the degree of consumer loyalty of Semen Baturaja as well as the other way around. Furthermore, what should be focused on are exercises in keeping up with great associations with clients and direct visits to shoppers to make commitment with clients ([González et al., 2007](#); [Rita et al., 2019](#); [Segoro, 2013](#); [Putra & Yasa, 2021](#)).

The effect of price on Semen Baturaja's customer satisfaction

In light of the consequences of the t-test with a relapse coefficient of 0.694 and an importance worth of 0.000, which is more modest than 0.05, it very well may be presumed that the cost variable upheld by the elements of cost moderateness, cost congruity with item quality, and seriousness to some degree has a positive and massive impact to consumer loyalty. Cost emphatically influences consumer loyalty, demonstrating that the higher the client's evaluation of the value variable of Semen Baturaja, the higher the consumer loyalty of Semen Baturaja will be. The consequences of this study are in accordance with past examination, including research results from [Maimunah \(2019\)](#), which show the outcomes that cost affects consumer loyalty.

In view of the respondent's appraisal of the pointers on the cost variable, it is realized that the respondents' normal impression of the Baturaja Cement cost are in the "Upside" class. The cost pointer that gets the most noteworthy score is the cost of Semen Baturaja as per the nature of the item; this shows that the shopper's view of the nature of Semen Baturaja is very great, so a few respondents can acknowledge the cost. However, several price indicators need to be considered by the Company, such as the price indicator of Semen Baturaja, which is cheaper than other cement, and the indicator that the price difference between Semen Baturaja and other brands is not too significant because, according to some respondents the price of Semen Baturaja is relatively high compared to other brands of cement. The price difference is quite significant, so it is necessary to evaluate and adjust the price of Semen Baturaja. This affordability and price competitiveness need to be the Company's attention so that consumers do not switch to other brands. The Company needs to consider this condition in light of the fact that the cost variable emphatically and essentially influences consumer loyalty. In the event that the view of cost is improving, the degree of consumer loyalty of Semen Baturaja will likewise increment, as well as the other way around. Setting the right cost will affect expanding consumer loyalty for Semen Baturaja.

Conclusions

Administration quality, advancement, and cost affect consumer loyalty of Semen Baturaja.

Suggestion

For PT Semen Baturaja (Persero), Tbk

1. In terms of service quality, apart from direct telephone calls, WhatsApp and Tokopedia, it is better if PT Semen Baturaja (Persero) and Tbk also provide ordering services through more diverse *e-commerce services such as Shopee, Blibli, or others*. In addition, it is hoped that sales officers can be more responsive in handling customer complaints.
2. In the promotional variable, PT Semen Baturaja (Persero), Tbk should not only give gifts to consumers who buy cement in large quantities but also give gifts to consumers who make purchases in small quantities even

though the gifts given are not too expensive, such as gifts of tools and equipment. Construction support tools (plastic buckets, cement spoons, etc.). In addition, activities that need to be considered are maintaining good relationships with customers, among others, by always maintaining communication with customers and regularly making direct visits to consumers.

3. On the price variable, with the high level of competition due to the large number of cement competitors who provide lower prices, it is recommended that an evaluation of price adjustments be carried out, which is supported by the provision of sales programs that can have a direct impact on consumers such as giving discounts and direct prizes in the form of coupons or vouchers shopping vouchers.

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