The Effect of Price, E-Service Quality, and Product Quality on Customer Satisfaction at Kick Avenue Online Marketplace in Medan City

Fadli[1] and Irgi Adyatama Fahrezy[2]
{fadlifauzi28@gmail.com[1], adyatmairgi@gmail.com[2]}

Universitas Sumatera Utara[1,2]

Abstract. This study aims to determine the effect of price, e-service quality, and product quality on customer satisfaction at Kick Avenue Online Marketplace in Medan. This type of research is associative research. The population in this study were followers of the Urban Sneaker Society community who had online purchased sneakers through Kick Avenue in Medan. The sample was taken with a non-probability sampling design with accidental sampling technique. Data analysis used multiple linear regression analysis. The results of this study indicate that simultaneously price, e-service quality, and product quality have a positive and significant impact on customer satisfaction at Kick Avenue Online Marketplace in Medan. Partially, price, e-service quality, and product quality have a positive and significant effects on customer satisfaction at Kick Avenue Online Marketplace in Medan.

Keywords: Price; E-Service Quality, Product Quality, Customer Satisfaction.

1 Introduction

The rapid growth of social media impacted how people see and buy a product by being able to see and follow the newest trends. Moreover, the growth in the use of social media and emergence of social search is playing a central role in consumer brand interactions and engagement [1]. Especially in fashion to receive a lot of likes and follows on social media many people buy expensive rare luxury goods. Luxury goods are traditionally defined as goods such that the mere use or display of particular brings the owner prestige apart from any functional utility [2]. Celebrity were often seen using luxury goods and to imitates their style some items aare limited and people willing to pay extra to get their hands on, which creates new opportunities in the aftersales market where people reluctantly able to pay a higher price than retail to get their hands on a rare sought out luxury item. Understanding how customers perceived price is a priority in marketing [3].

This new trend is also accommodated by a specific marketplace that focused on the aftersales market which sells luxury goods in Indonesia. one of the marketplaces is Kick Avenue, Kick Avenue was created in 2017 they started from only able to buy and sell branded rare sneakers to now being able to buy any luxury goods and even provide a concierge service for high-end top of the line luxury items their growth is also followed by trends happening in Indonesia by providing website and app on the mobile phone to accommodate the demands. Kick Avenue implemented a unique way for the price of their product to imitate how the stock market determines the price of a stock, Kick Avenue implicates the same method for their

product based on supply and demand of the product itself based on brand, collaboration, rarity, and the sizing of the product,

To accommodate these unique and complicated ways of pricing electronic service quality are very important for things to run smoothly across the platform, electronic service quality becomes one of the most critical issues for marketers in the service sector it's becoming an important factor in determining the success or failure of the electronic marketplace across platform [4]. Luxury goods are often seen to have better product quality, the more suitable the price towards the expectations of the customer is a factor to determines customer satisfaction, customer satisfaction is pleased or displeased resulting from comparing the performance of a product or service in accordance to expectation [5]. However, many technology-based self-services are designed without considering quality defined by user and cause customer dissatisfaction [6]. In today's hihgly competitive market, customers are seen as intangible assets a firm should wisely acquire, maintain, and maximize just like other financial assets [7]. There is an ongoing discussion in the literature about the relationship between customer satisfaction in internet-based services. Several studies found that specific e-services can positively affect customer satisfaction. Several studies also found that Price and Product quality affect positively customer satisfaction. A question is that does Price, Electronic service quality and Product quality will positively affect Kick Avenue customer satisfaction?

2   Literature Review

A review on the assessment of instruments developed to measure Price, E-Service Quality and Product Quality towards Customer Satisfaction addressed the need to validate the instruments and to define the variables and dimensions used, determining the price of a product is one of the most important aspects in marketing [3], the price that's been set by the company affect the public view on a product or the brand and contributed towards brand positioning and potential consumer evoked set [8]. An image of a brand can be created by the pricing strategy, a company set an expensive price to create and keep a prestigious image, determining the price are very significant in the company setting of the value/benefit and have a key role to give illustration for the service quality they provide [8]. Theories and instruments like the price for measuring customer satisfaction are affordability, quality suitability, benefit suitability, and price competitiveness [9].

E-Service Quality is a popular research topic, with the growth of the e-commerce and digital marketplace. E-Service Quality has increasingly known as a critical channel through which customer needs can be automatically granted over the internet throughout the consumption life cycle [4]. To deliver superior service quality, managers of companies with web presences must first understand how consumers perceive and evaluate online customer service [10]. Instruments of E-service Quality for measuring customer satisfaction through various contexts, for example, efficiency, reliability, fulfillment, security, site aesthetics, website responsiveness, and ease of use are the dimensions to measure E-Service Quality as well as indicators like website availability, website interactivity, website working properly, ease of use, safety, website attractiveness, website visually pleasing, website info and website map to addressed E-Service Quality [11]. A satisfied customer is more likely to revisit a website and spread favorable word. Hence, identifying service quality dimensions and their roles in customer satisfaction provides a frame of reference for e-service providers to assess their sevice performance [12].

Products are something that is offered to the customer in goods or services to fulfill the needs and wants of the customer that can be used or felt by the customer, customer are pleased when the quality of the product are exceeding their expectation [13]. Vice versa, product quality can be defined as a product's ability to fulfill the needs and expectations of the customer, to carry out its function comprising of agility, durability, originality, accuracy, and fixability also other valuable attributes [14]. The dimensions of product quality are performance, features, reliability, conformance to specification, durability, serviceability, esthetics, and perceived quality [13].

Customer satisfaction is important and is likely to be more important online since there are so many options to choose from. In the service industry, varies based on the online experience of the customer. E-satisfaction is the result of the customer based on online convenience, trades, website design, safety, and service in their experience using the internet. In this assessment, Customer Satisfaction can be defined as the relations of customer experience after buying something on specific e-commerce [14].

3   Research Method

This research is associative research which formulates the relations between two variables or more to observe between variables through hypothesis testing and a quantitative approach. The variables in this research consist of Price, E-Service Quality, and Product Quality as the independent variables and customer satisfaction as the dependent variable. Data that are being used are primary data and secondary data, primary data are the data that's gathered directly from the respondent through a questionnaire, while secondary data are data from other sources like journals, books, and articles.

The population for this research is customers that have already bought products through Kick Avenue in Medan, North Sumatra, sampling method being used is accidental sampling. Accidental sampling is a technique to determine a sample based on coincidence for anyone that fits in the criteria can be used as a sample using the supramono [15] equation resulting that this research respondent that used as a sample is 71 people, with criteria of: (1) Living in Medan and part of urban sneaker society who owns luxury goods (2) who already purchased goods on Kick Avenue.

Utilizes a questionnaire designed to collect data regarding customer satisfaction. The questionnaire has 29 questions with 5 parts. The first part is demographic questions. The Second part evaluates price which has been chosen from the literature review which consists of : (1) suitability of price with product quality (2) suitability of price with service quality (3) suitability of price with benefits (4) price competitiveness [10]. The third part are E-service quality variables which consist of: (1) website availability (2) website interactivity (3) website functionality (4) ease of use (5) safety (6) attractiveness (7) visually pleasing (8) website info (9) website map [12]. The fourth part are variables of product quality which consist of: (1) product design (2) taste accordance (3) originality (4) durability (5) comfort [13], The last series of the questionnaire are customer satisfaction variables which consist of: (1) customer expectation suitability [14] (2) emotional factor (3) Convenience (4) not in search for other marketplaces [16]. Each item that is related to the studied constructs is rated on a five-point Likert scale range ranging from "strongly disagree"(1) to "strongly agree"(5).

Constructed indicators show high reliability (Cronbach's Alpha of 0.930) and indicates strong consistency. All factors were statistically significant and valid by showing a correction item-total correlation greater than 0,361.

4   Result and Discussion

By conducting the research model, this research was designed to investigate customer satisfaction by considering Price, E-service Quality, and product quality. The results show that Customer Satisfaction reacts positively both partially and simultaneously toward Price, e-Service Quality, and Product Quality. The results show that Price suitability with product quality is the only indicators of price that resulted in slightly disagree and the other three indicators of price suitability towards service, price suitability towards benefits, and price competitiveness are strongly agreed which resulted agree (Mean of 4.13) on average for the price.

 While E-Service Quality all indicators resulted in Strongly agree except than Website map are agree and on average for E-service quality shows strongly agree (Mean of 4.43). for Product Quality shows variables of results while for suitability for taste, originality and comfiness are agree, and product design are strongly agree and slightly disagree for durability and on average for product quality resulted agree (mean of 3,94). For customer satisfaction for emotional factor and convenience, both strongly agree, while expectations and not in search for other e-commerce are agree on average for customer satisfaction are "strongly agree" (mean of 4.21).

To analyze how much the influence of each independent variables Price(X_1), E-Service quality (X_2), and Product quality (X_3) towards dependent variables which is Customer Satisfaction (Y)with a multi linear method as below:

$$Y = 1,345 + 0,243X_1 + 0,219X_2 + 0,139X_3 \qquad (1)$$

Based on the equation above we found that the constant rate is ($\beta 0$) = 1,345 which shows that all independent variables simultaneously have a rate of 1,345 towards customer satisfaction with the assumption that all variables remain the same. All variables also independently have a positive impact on customer satisfaction and vice versa with price having the most impact with a rate of 0,243.

Hypotheses testing with a simultaneous test by using the help of SPSS and with $\alpha = 5\%$. With results are as below:

Table 1. Simultaneous Test Results F Test.

ANOVA*					
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1 Regression	178.220	3	59.407	37.044	.000b
Residual	113.860	71	1.604		
Total	292.080	74			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Product Quality, E-Service Quality, Price   (1)

Based on the table above it shows that Fcount is 37,044 with a significancy level of 0,000. While, Ftable at trust level of 95% (α. = 0,05) are 2,73. therefore, Fcount (37,044) > Ftable (2,73) and level of significance of 0,000 < 0,05 shows that Price, E-Service Quality, and Product Quality simultaneously have a positive and significant impact on Kick Avenue customer satisfaction in Medan. To test the significance partially the independent variables were analyzed separately with the level of errors of (α)= 5% and degree of freedom (df) = 71, therefore, the ttable that is being used is 0,05 (71) = 1,666. As results below:

Table 2. Partially test result t test

Model	B	Std. Error	Beta	t	Sig
(Constant)	1.345	1.495		.900	.371
Price	.243	.094	.251	2.578	.012
E-Service Quality	.219	.044	.462	4.933	.000
Product Quality	.139	.063	.209	2.204	.031

a. Dependent Variable: Customer Satisfaction   (2)

Based on table above the result show that Price have a coefficient of 0,243 > 0 with tcount (2,578) > ttable (1,666) and significance of (0,012) < 0,05. Therefore price partially has a positive and significant impact on customer satisfaction and vice versa. While e-service quality have a coefficient of 0,219 > 0 with tcount (4,933) > ttable (1,666) and significance of (0,000) < 0,05. Therefore E-Service Quality also partially has a positive and significant impact on customer satisfaction and vice versa. Lastly Product quality have a coefficient of 0,139 > 0 with tcount (2,204) > ttable (1,666) and significance of (0,031) < 0,05. Therefore product quality also has a positive and significant impact on customer satisfaction and vice versa.

Although price is a very common variable however the significance of price are still very impactful towards customer satisfaction through many studies as price are a parameter of how much the customer sacrifice to benefit from products or services, and whether price corresponds with customer expectations. Based on the studies being conducted on average respondent answers agree with the given statements of price, which shows that Kick Avenue can provide a sensible price for their customer. Kick Avenue offers a price that's suitable for the service quality, Kick Avenue offers a price that's suitable for the benefits that customers expect, and the price that Kick Avenue offers is cheaper than other similar marketplaces. Therefore Price affects the customer satisfaction of Kick Avenue. This study proved that price is partially affected positively towards customer satisfaction, which means improving price factors also improves customer satisfaction and vice versa. Therefore aligned with previous research Mediti, 2020 [17], Darmawan, 2019 [18].

Designing service quality in today's era is becoming essential to remain competitive. E-Service quality is becoming a hot topic in service marketing academics to deliver high-quality service efficiently, based on the studies that are being conducted studies show that on average respondent answers strongly agree with given statements of E-Service Quality, shows that Kick Avenue website/application are functioning well, easy to use, visually attractive, and provide proper information. The avaibility of website/application of Kick Avenue, customer feel easier and more attracted to Kick Avenue website/application. Therefore aligned with previous research Mediti,2020 [17], Permana & Djatmiko, 2018 [19], Tobagus, 2018[20].

To maintain market share growth company must improve product quality and add new features [5]. Product quality is a characteristic of a product wether tangible or intangible that can fulfilled customer needs [21]. Quality affects product or service performance and is closely related to value and customer satisfaction [21]. Based on the studies that are being conducted respondent on average strongly agree with the statements that are given, which shows that the quality of the product that Kick Avenue provides is felt appropriate according to the customers. Kick Avenue products are guaranteed original, comfortable, durable, and well-suited to the customer's taste, therefore many customers are satisfied with the product quality that Kick Avenue provide.

This result aligned with previous research Darmawan,2019 [19], Setyo,2017 [22], sari, 2016 [23], that stated product quality affects positively and significantly towards customer satisfaction.

5 Conclusion

This study validated that construct of Price, E-Service Quality, and Product Quality are affecting Customer Satisfaction for Kick Avenue. Both partially and simultaneously to measure customer satisfaction. While price has the most influence on customer satisfaction than other variables, the e-service quality of Kick Avenue are having a significant influence on customer satisfaction and should always be improved to maintain satisfaction. And for product quality Kick Avenue is able to satisfy and fulfill customer expectations. As accesing, the variables that are measured marketers should be able to maintain and adapt to customer needs and expectations

References

[1] Kim, A. J, & Ko, E. : Do Social Media Marketing Activities Enhance Customer Equity? An Empirical Study of Luxury Fashion Brands. Journal of Business Research. Vol.65. pp.1480 – 1486, US (2012)

[2] Grossman, Gene, M, & Shapiro, C.: Foreign Counter-feiting of Status Goods, The Quarterly Journal of Economics. Vol 103. pp. 79 – 100, US (1988)

[3] Kotler, P, Keller, K.L.: Marketing Management. Vol2, 12th edition. Erlangga. Jakarta (2009)

[4] Dolatabadi, H. R., & Gharibpoor, M.: How can E-Service Influence on Customers Intentions toward Online Book Repurchasing (SEM Method and TPB Model). Pp. 135 - 146 International Journal of Academic Research in Business and Social Sciences., Iran (2012)

[5] Kotler, P, & Keller, K. L..: Marketing Management, pp. 163. . Pearson educaion limited (2016),

[6] Venkatesh, V., Chan, F., & Thong, J..: Designing e-government services: key service attributes and citizens' preference structures. Journal of Operations Management. Vol 30. pp. 116-133. US (2012)

[7] Blattberg, R., Getz, G & Thomas, J, S.: Customer Equity: Building and Managing Relationships as Valuable Assets. Boston: Harvard Business School Press, US (2001)

[8] Tjiptono, F.: Strategi Pemasaran. Vol. 4, L, Andi Offset Yogyakarta (2015)

[9] Kotler, P., & Armstrong, : Principals of Marketing. 13th edition. Erlangga, Jakarta (2012)

[10] Zavareh, F .B., Ariff, M. S., Jusoh, A., Zakuan,N., Bahari, A, Z., & Ashourian, M. : E- Service Quality Dimensions and Their Effects on E- Customer Satisfaction In Internet Banking Services. Procedia Social and Behavioral sciences. Vol 40 pp. 441- 445 . (2012)

[11] Tjiptono, F., & Gregorius, C. : Service, Quality & Satisfaction. 4th edition, Andi Offset, Yogyakarta (2016)

[12] Yang, Z., & Fang, X: Online service quality dimensions and their relationship with satisfaction. International Journal of Service Industry Management. Vol.15. pp 302 – 326, US (2004)

[13] Parasuraman, A, P., Zeithaml, V, A., & Malhotra, A: A Conceptual Framework for Understanding E-Service Quality: Implications for Future Research and Managerial Practice. Journal of Service Research, Vol. 7. pp. 1- 21, US (2005)

[14] Ranjbarian, B., Fathi, S., & Rezaei, Z. : Factors Influencing on Customers E- Satisfaction: A case Study from Iran. Vol. 3. Journal of contemporary research business, Iran (2012)

[15] Supramono. & Haryanto, J, O,. : Desain Proposal Penelitian Studi Pemasaran. Andi, Yogyakarta (2014)

[16] Anderson, R,. & Srinivasan, S. : E-Satisfaction and E- Loyalty: A Contingency Framework. Psychology and Marketing. Vol. 2 20th edition., pp. 123-138., (2003)

[17] Mediti, O. C..: Analisis Pengaruh Harga dan Kualitas Layanan Elektronik terhadap Kepuasan Konsumen pada Pengguna Aplikasi Shopee. Jurnal Ilmu Manajemen. Vol. 8(4), pp. 1290-1300, Surabaya (2020)

[18] Darmawan, D: Kualitas Produk, Kesadaran Merek dan Harga serta Pengaruhnya terhadap Kepuasan Pelanggan. Jurnal Administrasi Bisnis. Vol. 8(2), pp. 75-88. Mojokerto (2013)

[19] Permana, H., & Djatmiko, T. : Analisis Pengaruh Kualitas Pelayanan Elektronik (E-Service Quality) Terhadap Kepuasan Pelanggan Shopee di Bandung. Vol. 20(2), pp. 64-78. Bandung (2018)

[20] Tobagus, A. : Pengaruh E - Service Quality terhadap E- Satisfaction Pada Pengguna di Situs Tokopedia Vol. 6(1),. Agora, Surabaya (2018)

[21] Kotler, P., & Armstrong, G.:Principals of Marketing. 17th edition, Pearson Education, UK (2018)

[22] Setyo, P. E.: Pengaruh Kualitas Produk dan Harga Terhadap Kepuasan Konsumen "Best Autoworks". Jurnal Performa Vol. 1(6), Surabaya (2017)

[23] Sari, R. K., Diah Y., & Sudaryanto.: Pengaruh Harga dan Kualitas Pelayanan Serta Kualitas Produk Terhadap Minat Pembelian Ulang dan Kepuasan Pelanggan Online Shopping Pada Mahasiswa Universitas Abdurachman Saleh Situbondo. BISMA: Jurnal Bisnis dan Manajemen Vol. 10(2), pp. 115-126. Jember (2016)