

# The Influence Of Quality Product To Value Of Customer And Customer Satisfaction Recycle Product In Makassar

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**Abstract** This study aims To, 1) To know and analyze the effect of Quality Product on the Value of Customer Product Recycle in Makassar, 2) To know and analyze the effect of Quality Product on Customer Satisfaction of Waste Recycle Products in Makassar, 3) To know and analyze the influence of Customer Value on customer satisfaction of Waste Recycle Products in Makassar, 4) To know and analyze the effect of Product Quality to customer satisfaction through Customer Value of Waste Recycle Product in Makassar.

This study examines the relationship between variables so that it includes explanatory research. The location of the research is on the recycling UKM in Makassar City, with the population of 1,700 and the sample number of 103 respondents. The survey was conducted from January to February 2018. Variable measurements were performed using the Likert Scale with levels 1-5. Data were analyzed by using Structural Equation Modeling PLS.

The results of this study indicate that there are three (3) direct influence paths are: 1) The Quality Product influence significantly to Customer Value, 2) The Quality Product significantly influence Customer Satisfaction, 3) The Customer Value significantly influence Customer Satisfaction. The indirect effect there are 1 (one) lane of influence indirectly, that is: Indirectly Quality Product significant to Customer Satisfaction.

**Keywords :** Quality Product, Customer Value, and Customer Satisfaction

## I. INTRODUCTION

Waste management is actually in accordance with government regulations on waste as stipulated in Article 4 of Law No.18 of 2008, namely "Waste processing aims to improve public health and environmental quality and make waste as a resource". In helping the role of the government, a teacher took the initiative to make waste as the main ingredient in making crafts. The first garbage that looks very dirty is transformed into valuable items

Various kinds of waste processing innovations continue to be developed, ranging from converting organic waste into compost, to the formation of waste banks that can be an alternative to collecting money bags. In Makassar, the concept of a waste bank seems to be shining in the community in the last 4 years and is being worked on seriously by the Makassar city government in order to solve the two problems of the nation, namely: cleanliness and Furthermore, research conducted by [5] (2015) "Use of Newspaper Waste for the Development of Fiber Material" The impact of various environmental phenomena and issues that exist today should make the community change their mindset and behavior in paying attention to the environment. One of these phenomena is the accumulation of waste that cannot be decomposed by nature such as waste waste which is made from synthetic materials such as plastics and fabrics. One effort to overcome these environmental problems is by reuse or recycle the waste into new products that can be reused one of them is the use of newspaper waste as the main material.

## II. LITERATURE REVIEW

### *Marketing Concept*

According to [5] "Marketing as the process of creating value for customers and building strong customer relationships in order to capture value from customers in return", means that marketing is a process by which companies create value for customers and build strong customer relationships to capture customer value in return. cite the American Marketing Association

which provides the following definition, "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and managing customer relationships in a way that benefits the organization and its shareholders" According to [6] "Marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return, meaning that marketing is a process by which companies create value for customers and build strong customer relationships to capture the value of the customer in return.

One of the main values expected by customers from producers is the highest quality of products and services. Quality is the overall characteristics Not found in references and nature of a product or service that affects its ability to satisfy expressed or implied needs. To determine product quality, according to [6] product quality can be included in 9 dimensions, namely:

- a. The product form can be clearly distinguished from the others based on the shape, size, or physical structure of the product.
- b. Product characteristics (features) of secondary or complementary characteristics that are useful for adding basic functions related to product choices and development.
- c. Performance (Performance) is related to the functional aspects of an item and is the main characteristic considered by the customer in buying the item.
- d. Accuracy / Conformance Relates to the level of conformity with the specifications previously determined based on customer desires. Compliance reflects the degree of accuracy between product design characteristics and predetermined quality standards.
- e. Durability (Durability) Relates to how long a product can be used.
- f. Reliability (Reliability) Relates to the probability or possibility of an item successfully carrying out its function every time it is used in a certain period of time and under certain conditions.
- g. Ease of repair (Repairability) Relates to the ease of repair of the product if it is damaged. Ideally the product will be easily fixed by the user if it is damaged.
- h. Style (Style) Product appearance and consumer impression of the product.
- i. Design The overall features of the product that will affect the appearance.

*H1: Leadership strategy on the performance of SMEs*

### *Customer Satisfaction*

According to [7] Knowledge communities is an attempt to encourage each other between the members of the company's internal order to increase knowledge. according to [10] there are 5 (five) :

- a. Product quality.  
 There are 6 (six) elements of product quality namely, performance, durability, features, reability, aesthetics, and product appearance. Quality can be interpreted as everything that determines customer satisfaction and the company's efforts to make changes towards continuous improvement. Consumers are satisfied after buying or using a product or service and it turns out that the quality of the product is good.
- b. Price  
 Price is a value exchanged by consumers with the benefit of owning or using a product or service. Price is one of the determinants of consumers in making a buying decision. Consumers will be willing to pay some money for products or services that have good quality and consumers will feel satisfied if the product or service they buy is in accordance with the amount of money spent.
- c. Service Quality

Service quality has a concept that is often known as SerQual which has 5 (five) dimensions namely physical evidence, reliability, responsiveness, assurance, and empathy. To provide good quality of service and in accordance

with what is expected by consumers, the formation of attitudes and behaviors of the employees is needed because the human factor holds a 70% contribution therefore it is not surprising that service quality is difficult to imitate.

d. Emotional factor

Emotional factors have a role in consumer satisfaction. Consumers will feel satisfied using the product they buy looks from a sense of pride, confidence, a symbol of success when they use products with well-known brands.

e. Convenience

Basically customer satisfaction will be created if there is ease, comfort, and efficiency in getting the product or service that will be received.

**III. RESEARCH METHOD**

The analytical method used is SEM-PLS with linear regression statistical tools. The number of samples in this study amounted to 103 respondents. By using accidental sampling method, that is, whoever the consumer is when the researcher conducts the research, the consumer is used as the sample / respondent in this dissertation research. By giving questionnaires to respondents to be filled out and accompanied. *Quality Product (X1). Value Of Customer (Y1). Customer Satisfaction Business orientation (Y2).* The conceptual framework as follows:

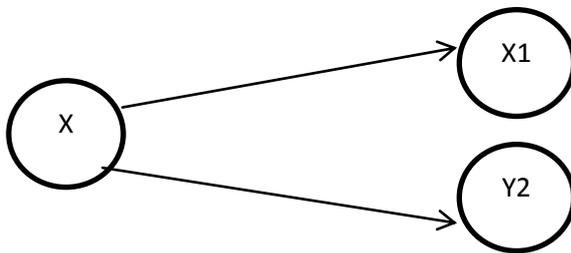


Figure 1. Conceptual Research

**IV. RESULTS AND DISCUSSION**

Here is presented a due diligence test model as a prerequisite.

Characteristics of Research Variables a. Product quality variable (X<sub>1</sub>) The results of the recapitulation of answers from respondents' perceptions of product quality are presented in full in Table 1 as follows:

a. Respondents' Perceptions of Product Quality (X)

Table 1. Respondents' Perceptions of Product Quality (X)

No	Indikator	Persepsi responden					JML
		SS	S	CS	TS	STS	
1.	Form X <sub>1</sub>	41	40	22	0	0	103
2.	Features X <sub>2</sub>	37	42	21	2	1	103
3.	Performance X <sub>3</sub>	39	36	28	0	0	103
4.	Conformance X <sub>4</sub>	24	49	25	4	1	103
5.	Durability X <sub>5</sub>	15	43	39	6	0	103
6.	Reliability X <sub>6</sub>	31	42	28	1	1	103
7.	Repairability X <sub>7</sub> , Style	7	62	31	3	0	103
8.	X <sub>8</sub>	35	48	18	1	1	103
9.	Design X <sub>9</sub>	34	36	30	3	0	103

Based on table, it is clear that the respondents were more assessing the quality of the product Indicator form (x.1), with the number of respondents who answered strongly agree 41 respondents or 39.77%, answered agreed 40 respondents or 19.4%, answered quite agree 22 respondents or 21.34%, answered disagree as much as 0 respondents, and those who answered strongly disagree did not exist with a total of 103 respondents.

Based on table 2 above shows that the respondent's perception of the variable consumer satisfaction, is influenced by the indicator re-purchase (Y<sub>2.1</sub>), with the number of respondents who choose very agree 44 respondents or 42.68%, the second indicator word of mouth (Y<sub>2.2</sub>), answer agree 51 or 50.44%, then the brand image indicator (Y<sub>2.3</sub>), agree agree 53 respondents or 51.41%, then purchase satisfaction (Y<sub>2.4</sub>) with the number of respondents who choose strongly agree 41 respondents or 39, 77%. The analytical method used is SEM-PLS with linear regression a. Outer Model Evaluation 1) Average Variance Extracted (AVE) If the AVE value generated is equal to or above 0.50, then the AVE value indicates a good convergent. Conversely, if the AVE value is below 0.50, it will show that the indicator has a higher average error rate. AVE values for each variable are as follows: X<sub>1</sub> Product Quality Variables (Form 0.728, Features 0.607, Performance 0.680, Conformance

0.649, Durability 0.535, Reliability 0.566, Repairability 0.655, Style 0.685 and Design 0.638) Variable Customer Value Y<sub>1</sub> (Emotional value 0.872, Social value 0.766, Quality / performance value 0.249 and Price / value of money 0.687), and Variable Customer Satisfaction Y<sub>2</sub> (Re-purchase 0.897, Word-of-Mouth 0.763, Brand mage 0.637, Purchasing decision 0.799).

C. Customer satisfaction variable (Y<sub>2</sub>)

The results of the recapitulation of answers from respondents' perceptions of customer satisfaction are presented in full in table 2 below:

Table 2. Respondents' Perceptions of Consumer Satisfaction (Y<sub>2</sub>)  
Source: Primary Data, processed 2018

No	Indicator	Respondent's perception					
		SS	S	CS	TS	ST S	JML
1	Re-purchase Y <sub>2.1</sub>	44	36	22	1	0	103
2	Word of Mouth Y <sub>2.2</sub>	29	51	22	1	0	103
3	Brand image Y <sub>2.3</sub>	20	53	27	3	0	103
4	Purchase Decision Y <sub>1.4</sub>	41	39	18	5	0	103

Based on table 2 above shows that the respondent's perception of the variable consumer satisfaction, is influenced by the indicator re-purchase (Y<sub>2.1</sub>), with the number of respondents who choose very agree 44 respondents or 42.68%, the second indicator word of mouth (Y<sub>2.2</sub>), answer agree 51 or 50.44%, then the brand image indicator (Y<sub>2.3</sub>), agree agree 53 respondents or 51.41%, then purchase satisfaction (Y<sub>2.4</sub>) with the number of respondents who choose strongly is 41 respondent or 39,77%.

Total Effects (Direct Effects) Table 3. Output Bootstrapping Total Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Product Quality -> Consumer Satisfaction	0.554	0.558	0.107	5.179	0.000
Product Quality -> Customer Value	0.701	0.705	0.065	10.729	0.000
Customer Value -> Consumer Satisfaction.	0.435	0.417	0.122	3.564	0.000

Source: Primary Data, processed 2018

Quality Product has a significant effect on Consumer Satisfaction, this can be seen from the P- Value value which is smaller than 5% (0.05) which is 0.000 <0.05 or T statistics value is greater than 1.96 which is 5.179 > 1, 96. b) Product Quality has a significant effect on Customer Value, this can be seen from the P-Value value which is smaller than 5% (0.05) which is 0.000 <0.05 or the T statistics value is more than 1.96 which is 10.729 > 1, 96. c) Customer Value has a significant effect on Consumer Satisfaction, this can be seen from the P-Value value which is smaller than 5% (0.05), which is 0.000 <0.05 or the T statistics value is less than 1.96, which is 3.564 > 1, 96.

Table 4. Output Bootstrapping Total Indirect Effects

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Product Quality -> Consumer Satisfaction	0.305	0.295	0.095	3.197	0.001
Product Quality -> Customer Value					
Customer Value -> Consumer Satisfaction.					

Source: Primary Data, processed 2018

Based on Table 4, the following results are obtained. Indirectly, Product Quality has a significant effect on Consumer Satisfaction, this can be seen from the P-Value value which is smaller than 5% (0.05) which is

0.001 <0.05 or the value of T statistics is greater than 1.96 which is 3.197 > 1.96.

**Table 5. Combined Direct, Indirect an Total Effects**

Hipo tesis	Indep enden Varab le	Interv ening Varia ble	Indep enden Varia ble	The Effects			P- Va lue	Infor matio n
				Di rec t	Indi rect	To tal		
H1	Qualit y Produ ct (X)		Custo mer Value (Y <sub>1</sub> )	0,701		0,701	<b>0,000</b>	Positi f Signif ikan
H2	Qualit y Produ ct (X)		Custo mer Satisf action (Y <sub>2</sub> )	0,554		0,554	<b>0,000</b>	Positi f Signif ikan
H53	Custo mer Value (Y <sub>1</sub> )		Custo mer Satisf action (Y <sub>2</sub> )	0,435		0,435	<b>0,000</b>	Positi f Signif ikan
H4	Qualit y Produ ct (X)	Custo mer Value (Y <sub>1</sub> )	Custo mer Satisf action (Y <sub>2</sub> )	0,554	0,305	0,859	<b>0,001</b>	Positi f Signif ikan

Source: Primary Data, processed 2018

Based on Table 5 the following results are obtained:

- Product quality has a direct total effect on Customer Value of 0.701, Product Quality has a significant direct effect on Customer Value, this can be seen from the P-Value value which is smaller than 5% (0.05) which is 0.000 <0.05. This means that directly the Product Quality has a significant effect on Customer Value. Means the second hypothesis is proven that Product Quality has a positive and significant effect on Customer Value.
- Product quality has a direct total effect on Customer Satisfaction of 0.554, Product Quality has a significant direct effect on Consumer Satisfaction, this can be seen from the P-Value value which is smaller than 5% (0.05) which is 0.000 <0.05. This means that directly the product quality has a significant effect on consumer satisfaction. The fourth hypothesis can be proved that Product Quality has a positive and significant effect on Consumer Satisfaction.
- Customer Value has a direct total effect on Customer Satisfaction of 0.435, Customer Value has a significant direct effect on Consumer Satisfaction,
- this can be seen from the P-Value value which is smaller than 5% (0.05), which is 0.000 <0.05. Means the fifth hypothesis is proven that Customer Value has a positive and significant effect on customer satisfaction.
- Product Quality has an indirect total effect on Consumer Satisfaction through the Customer Value variable of 0.859, Product Quality has an indirect significant effect on Customer Satisfaction through Customer Value variables, this can be seen from the P-Value value which is smaller .

**Discussion**

**f. Effect of Product Quality (X) on Customer Value (Y1)**

g. Based on the results of the study that the Product Quality Variables have a significant effect on customer value, this can be seen from the P-Value value which is smaller than 0.05, namely 0.000 <0.05 or the statistical T value is more than 1.96 which is 0.701 > 1.96 . Based on interviews conducted with respondents, most consumers of recycled products make product quality the main reason before buying and using recycled products. Product Quality (X) is the ability of a product to carry out its functions, including reliability, ease of operation and repair, and other valuable attributes. The indicator of product quality and Customer Value (Y1) is the overall assessment of customers about the use of a product based on the perception of what funds are received. the difference in total customer value and total customer costs where the total customer value is a set of benefits expected by customers of a particular product or service and total customer costs are a set of costs expected by consumers.

**h. Effect of Product Quality (X) on Consumer Satisfaction (Y2)**

Based on the results of the study, that the product quality directly has a significant than 5% (0 05) which is 0.001 <0.05. This means that directly the Product Quality has a significant effect on Customer Satisfaction through Customer Value. Means that the seventh hypothesis is proven that Product Quality has a positive and. effect on customer satisfaction, this can be seen from the P-Value value which is smaller than 0.05, that is equal to 0.000 and the statistical T is smaller than 1.96 which is 0.554. Product Quality Variable (X1) is the ability of a product to carry out its functions including, reliability, reliability and ease of operation and repair, as well as other valuable attributes. There are 9 (nine) indicators on product quality, the first indicator is the form where the product can be clearly distinguished from the others based on the shape, size, or physical structure of the product. This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The second indicator is secondary or complementary characteristics (features) that are useful for adding basic functions related to product choices and development. This indicator has a strong influence on Consumer Satisfaction. This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The third indicator is Performance (Performance) related to the functional aspects of an item and is the main characteristic that is considered by the customer in buying the item. This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The fourth indicator is Conformance in relation to the level of suitability and specifications that were previously determined based on customer desires. Compliance reflects the degree of accuracy between product design characteristics and predetermined quality standards. This indicator is able to provide a strong influence so that Product Quality has. The fifth indicator on the Product Quality Variable is Durability (Durability) relating to how long a product can be used. This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The sixth indicator is reliability related to the probability or likelihood of an item successfully carrying out its function every time it is used within a certain time period and under certain conditions. This Indicator Indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The seventh indicator is the ease of repair (repairability) related to the ease of repair of the product if it is damaged. Ideally the product will be easily fixed by the user if it is damaged. This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction. The eighth indicator is Style (Style) is the appearance of the product and the consumer's impression of the product.

This indicator is able to provide a strong influence so that Product Quality has a significant effect on Consumer Satisfaction, meanwhile the last indicator or the ninth indicator on Product Quality Variables is the Design where the overall product features will affect the appearance and function of the product to the consumer's desires. This indicator also has a strong influence on Consumer Satisfaction, so it can be concluded that the nine indicators contribute to the Effect of Product Quality on Consumer Satisfaction. Based on the processed research data results obtained Recycled Product Quality has a significant effect on Consumer Satisfaction. Consumer Satisfaction (Y2) is a feeling where customers get services that are expected or exceed the needs of customers / consumers of recycled products. Satisfaction here is a level of feeling where someone states the results of a comparison of the product performance (services) received and expected.

**h. Effect of Customer Value (Y1) on Consumer Satisfaction (Y2)**

Based on the results of the research variable customer value has a significant effect on consumer satisfaction, this can be seen from the results of direct influence of P-Value value which is smaller than 5%, namely 0,000, with a statistical value of T value of 1.96 that is 0.435. Customer Value (Y1) is the customer's overall assessment of the usefulness of a product based on the perception of what funds are received. the difference in total customer value and total customer costs where the total customer value is a set of benefits expected by the customer of a particular product or service and total customer costs are a set of costs expected by consumers that are issued, and Customer Satisfaction (Y2) is a feeling where customers get services that are expected or exceed the needs of customers / consumers of recycle products. Satisfaction here is a level of feeling where someone states the results of a comparison of the product performance (services) received and expected .

Satisfaction is the achievement of customer expectations of a product and loyalty is the impact of the customer's attachment to choosing to survive in one producer because of the assumption that the chosen product is able to provide satisfaction. so that the higher the level of customer

satisfaction of Recycled products will have an even higher impact on customer loyalty and proven in this study there is a significant influence of both variables.

**i. Effect of Product Quality (X) on Consumer Satisfaction (Y2)**

Through Customer Value From the results of the data processed about the variable indirect effect of product quality on customer satisfaction through customer value, the P-Value value is smaller than 5% (0.05) with a value of 0.001 and the statistical T value is 0.859 smaller than 1.96. Indirectly shows that product quality has a significant effect on customer satisfaction through Customer Value. Quality Product (X1) is the ability of a product to carry out its functions, including reliability, ease of operation and repair, and other valuable attributes. Product quality indicators and Consumer Satisfaction (Y2) are feelings where customers get services that are expected or exceed the needs of customers / consumers of recycled products. Satisfaction here is a level of feeling where someone states the results of a comparison of the product performance (services).

**V. CONCLUSION**

Based on the problems in the study, the research hypothesis and the results of data analysis and discussion, the conclusions can be drawn as follows:

1. Product quality has a significant direct effect on customer value. Theoretically and empirically it is found that recycled product customers consider the quality of recycled products that are used compared to other variables.
2. Quality Product has a significant direct effect on customer satisfaction. The increasing satisfaction of recycled product customers is strongly influenced by the quality of recycled products, therefore the recycling industry should be very concerned about the quality of recycled products before being marketed.
3. Customer value has a significant effect on customer satisfaction. Theoretically and empirically it is found that the higher the assessment of a product, the higher the customer satisfaction for the product.
4. Product quality to customer satisfaction through customer value, has a significant influence, it is explained that for recycled products, what customers really pay attention to is the quality of the product, while the variables from other recycled products are not too considerate of recycled product customers.

Leadership strategy has a significant effect as well as a dominant factor in building a better SME performance. Knowledge management into random principal goals and objectives of a business.

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