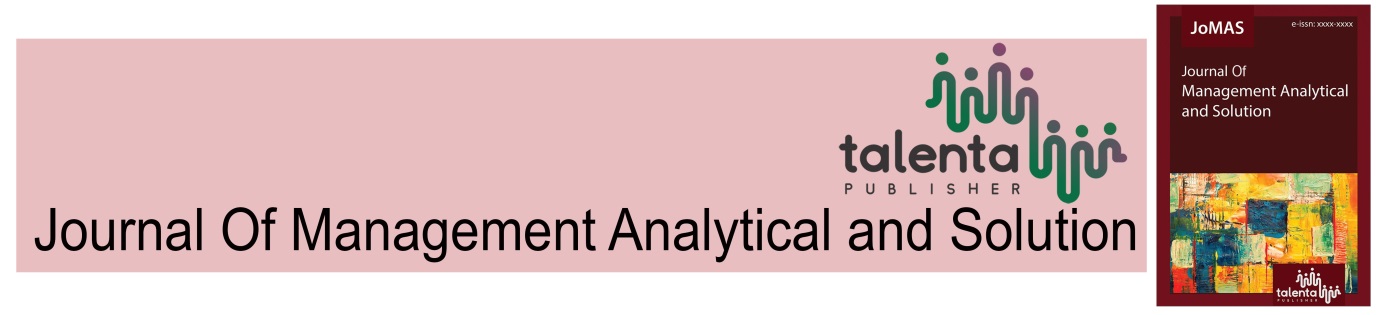
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**The Effect Of Product Design And Product Quality On Consumer Satisfaction In Micro, Small And Medium Enterprises (Msmes) In Denpasar, Bali**

Khairunnisak\*1, Gusviany Ayu Murti2

1Faculty of Economics and Business, Medan Area University 2Faculty of Business and Economics, Universitas Islam Indonesia

1khairunnisak748@gmail.com , 2gusvianyayu@gmail.com

**ABSTRACT**

The purpose of this study is to analyze the effect of product design and product quality on consumer satisfaction at MSMEs in Denpasar, Bali. This study uses a descriptive type of research with a quantitative approach. The sampling technique was random sampling using a questionnaire. Respondents in this study amounted to 100 respondents who are MSME consumers in Denpasar, Bali. The analytical method used is SPSS 21 with multiple linear regression analysis. The results of this study indicate (1) Product Design variable has a significant positive effect on Consumer Satisfaction; (2) Product Quality variable has a significant positive effect on Consumer Satisfaction; (3) variables of Product Design and Product Quality have a significant positive influence together on Consumer Satisfaction

**Keywords:** product design; product quality; consumer satisfaction.

**INTRODUCTION**

The development of an increasingly advanced era and competition in the business world is also getting tougher. As a result, consumers are more selective in making choices, especially in choosing products. This is evident from the many variations of food offered by SMEs in Denpasar, Bali. Denpasar, Bali or can be called the island of the Gods Bali is one of the most popular tourist destinations in the national and international arena. This island has a variety of cultures and spices that can be used to spice up the typical cuisine of the island of the Gods, Bali. With this uniqueness, tourists when returning to their area or country of origin will buy souvenirs as souvenirs for their families at home.

It lies in the design of the production. Where design is a unique dimension and offers an emotional aspect in influencing consumer satisfaction. In determining the chosen design must also be connected with the goal of obtaining long-term profits. For consumers, a product that is designed or has a good design is a product that looks attractive, is easy to open, install, use and repair. The more it has a good design, the more people are interested in buying the product, so the company must pay attention to the design according to the needs of the community.

MSMEs must try to focus on the quality of their products and compare them with products offered by competitors. Product quality is a dynamic condition associated with products, people/labor, processes and tasks as well as the environment that meets or exceeds consumer expectations. If the quality of the product produced is good, consumers will tend to make repeat purchases, whereas if the quality of the product is not as desired, consumers will divert further purchases to other similar products (Muthe, 2021).

Along with the development of the times and increasing market demand, the creative industry is the answer. MSMEs in Denpasar, Bali are increasingly emerging and each have their own uniqueness. Competitors in business make entrepreneurs required to be able to understand and understand what is happening in the market and know what consumers need (Salman, 2015; Pripty & Alimehmeti, 2017).

One of the MSME products in Denpasar, Bali is Local Taste. Local flavors of products that seem modern compared to other Balinese specialties that first dominated the souvenir market share, such as Balinese milk pie. Sometimes tourists buy products with a unique taste. One of the goals of creating these products is to increase local culinary wisdom. Not only from the taste, but from the product design. Product design can create market perceptions and opportunities, so that it can influence consumers to buy a product. For this reason, Local Taste SMEs must pay attention to product design in order to meet consumer expectations. In an effort to meet the needs and desires of consumers effectively and efficiently, companies need to carry out various strategies and careful planning in their production. The problem of quality in a product is one of the factors that requires special attention because the intended target consumers do not question the quality of the product. Rizaldi (2017), says that product quality is a relative measure of the perfection or goodness of a product or service, which consists of design quality. One of the design quality functions for product specifications. The design aspect is one of the attractions of a product. Good product design is product design that focuses on quality, because quality can be used to reduce prices and increase market share at the same time (Zulian Yamit, 2001: 117).

To improve product quality, product providers must know the satisfaction felt by consumers. This can help product providers improve products to meet consumer expectations and provide more optimal satisfaction. Consumer satisfaction is the main factor in determining the competitiveness of the industry in the culinary field. The results of research conducted by Arini Isfahila, Feti Fatimah, Wahyu Eko S (2018) found that price affects customer satisfaction. This means that product design is one of the important things in increasing customer satisfaction. If the company uses product design in accordance with consumer desires, it will affect customer satisfaction.

Due to the increasing number of consumers a few months after the product was introduced, it is necessary to pay attention to improving product quality in competing for consumers. One of the products that characterize the region is the Indonesian Local Flavor product, which is a food product made from cassava, which is then processed into chips with a different taste and brings a distinctive national taste, such as using Balinese seasoning of sambal matah and chicken betutu. . To win the competition, one must display the best products and be able to meet the ever-changing tastes of consumers.

**LITERATURE REVIEW**

**Product Design**

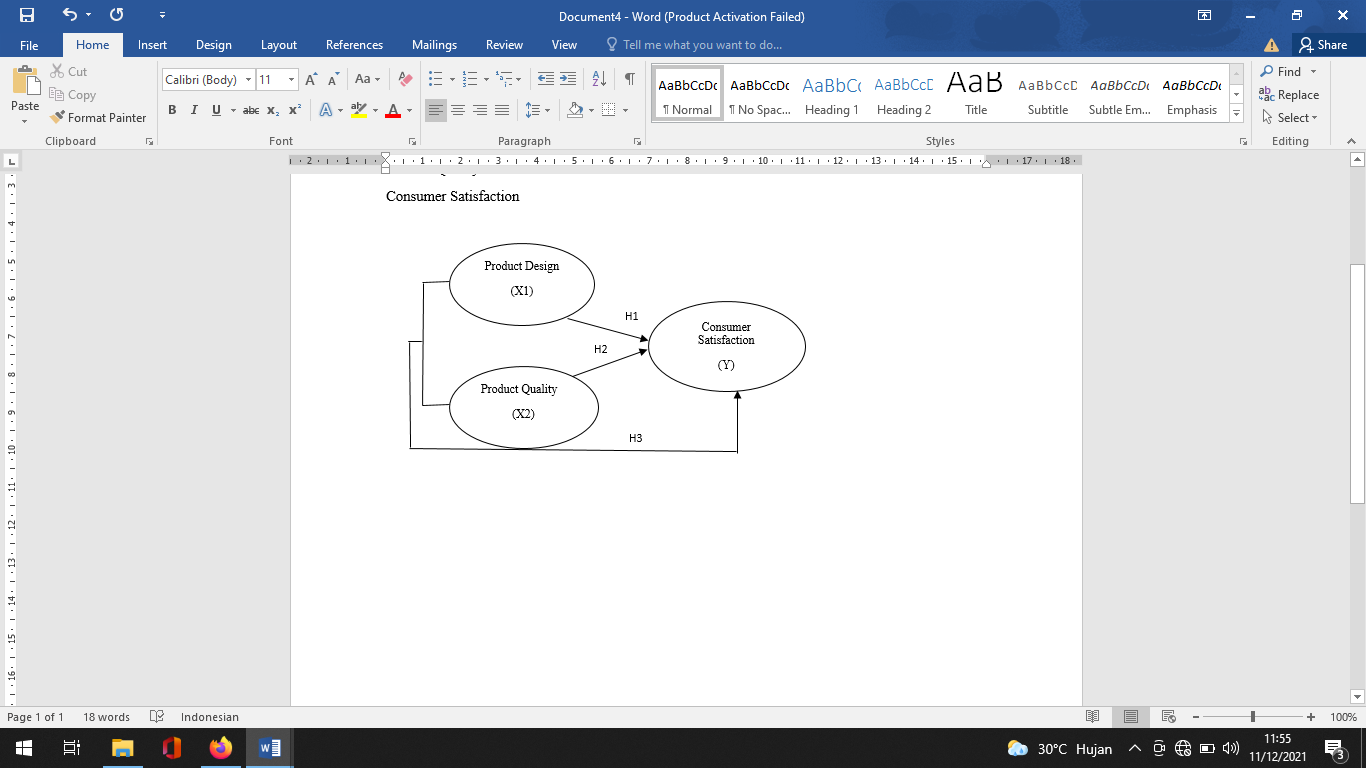
Tahid et al (2007) define design as the relationship between objects (goods) with a certain state or condition. With the aim of providing a satisfaction for users of certain goods, products. This means that if the product design is good in the eyes of consumers, it will have a positive impact on customer satisfaction and product design is a series of activities starting from the analysis of market perceptions and opportunities, then ending with the stages of production, sales, and product delivery. Attractive and unique product designs can influence consumer purchasing decisions. Product design is the design of goods or services to be made so that they can be accepted and satisfy target consumers, and are not easily imitated by competitors (Budi Harsanto, 2013:11). To produce a good product design, of course, requires a process with strong thought, discussion, research, and coordination among every part of the company. Another case according to Kotler and Keller (2016: 396).

**Product Quality**

Goetsch Davis, 1994 quality is a dynamic condition associated with products, services, people, processes, and the environment that meet or exceed expectations (Yamit, 2011, p. 8). Companies that produce products place more emphasis on results because consumers are not directly involved in the process. Product quality according to Kotler and Armstrong (2008) is how the product has benefits that can please consumers both through physical and mental forms that refer to the completeness or characteristics that exist in an item. Assauri (2004) explains that product quality is something that is in an item or result that causes the item to be in accordance with its intended purpose. Product quality is an important factor that should be implemented by every company if it wants to work on its products to compete with its competitors. Due to the increasing level of education and the economy of the community, some people are getting wiser in choosing a product. Consumers want quality products according to the value paid, although there are some people who think that expensive products are quality ones.

**Consumer Satisfaction**

Satisfaction is a person's feelings of pleasure or disappointment arising from comparing the perceived performance of the product (or outcome) against their expectations (Kotler, 2005). Consumer satisfaction is a key factor for consumers in making repeat purchases. Providing satisfaction to customers can only be obtained if the company pays attention to what consumers want. Consumers have several characteristics, both knowledge, social class, experience, income and expectations (Yamit, 2011, p. 78).

Based on previous research and theory, the conceptual framework can be described as follows:

**METHODS**

This study uses a descriptive type of research with a quantitative approach. The sampling technique was random sampling using a questionnaire with 100 respondents who were MSME consumers in Denpasar, Bali. The analytical method used is SPSS 21 with multiple linear regression analysis and the research hypotheses are:

1. Identify the effect of product design on consumer satisfaction at MSMEs in Denpasar, Bali

2. Identify the effect of product quality on consumer satisfaction at MSMEs in Denpasar, Bali

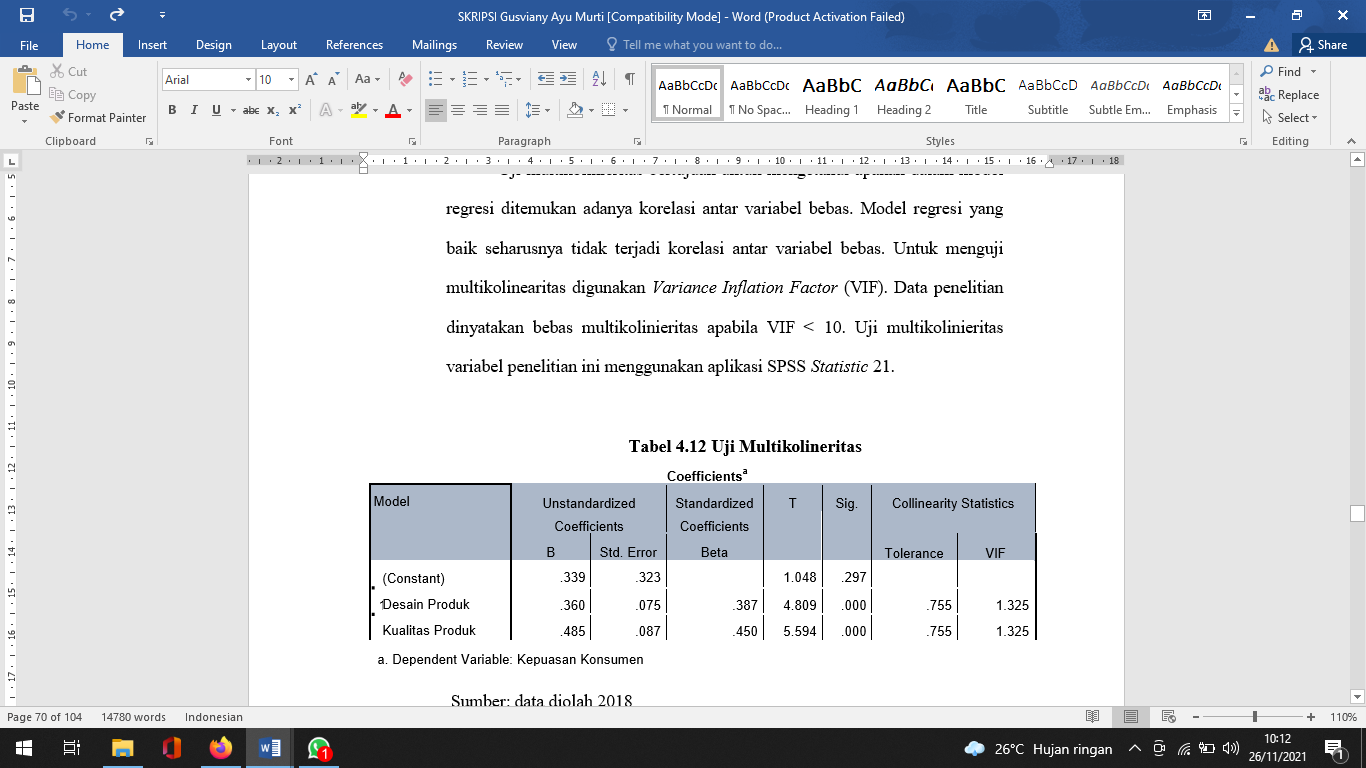
3. Identify the effect of product quality on consumer satisfaction at MSMEs in Denpasar, Bali

**RESULTS**

**a. Hypothesis testing**

**1. Multiple Linear Regression Analysis**

Multiple regression model is used to test the effect of two or more independent variables on one dependent variable. The multiple linear regression test in this study uses the SPSS Statistic 21 application.

Table 1. **Multiple Linear Regression Test Results**

Source: Data processed 2021

Based on table 1 above, the regression model obtained is as follows:

Y = 0.387 X1 + 0.450 X2

From the above regression equation can be explained as follows:

1. The product design variable coefficient (X1) is 0.387, which means that for every 1 unit increase in the product design variable, consumer satisfaction will increase by 0.387 units assuming other variables do not change or are constant.
2. The coefficient of product quality variable (X2) is 0.450, which means that for every 1 unit increase in the product quality variable, consumer satisfaction will increase by 0.450 units assuming other variables do not change or are constant.

**2. T . test**

Hypothesis testing in this study used the t statistical test. The t-test was carried out using the SPSS Statistic 21 application. Based on table 1 above, the hypothesis of this study can be explained as follows:

**1. The Effect of Product Design on Consumer Satisfaction**

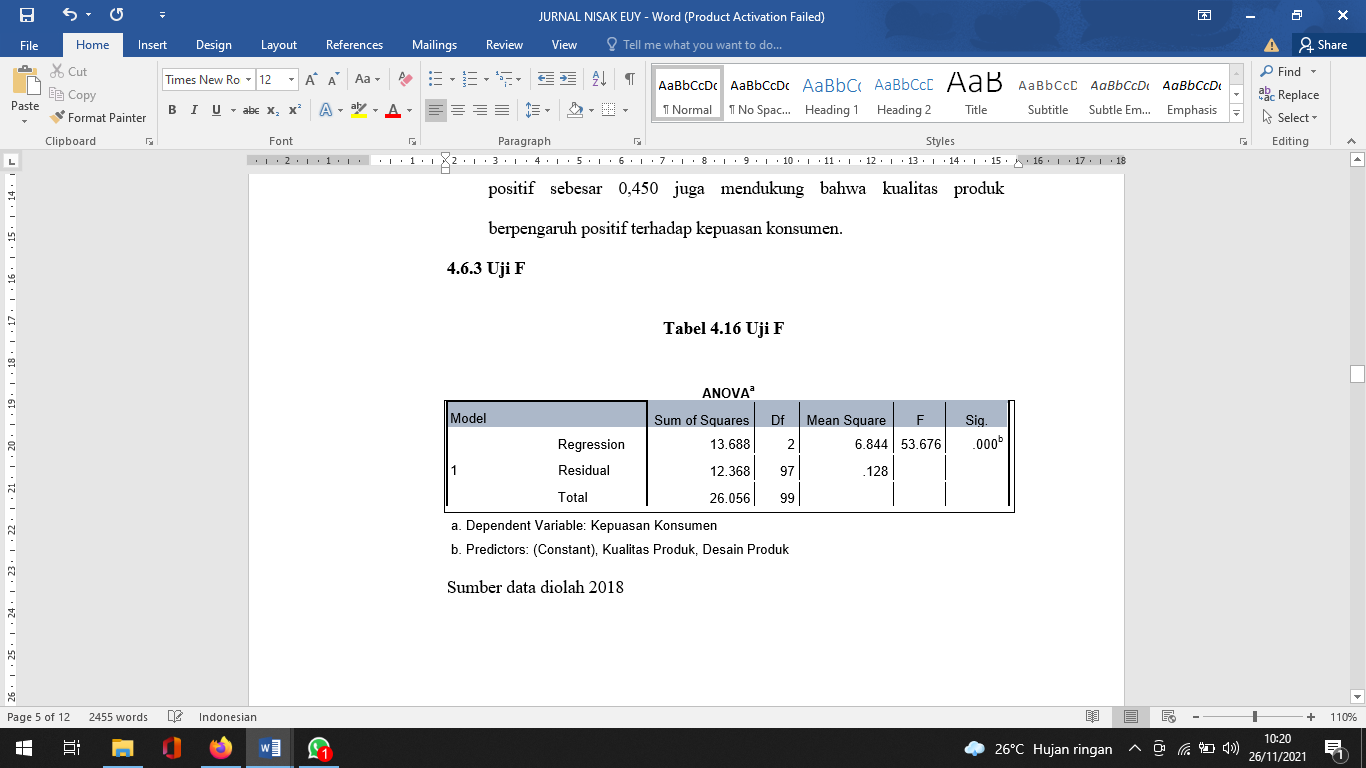
The result of testing the first hypothesis is that product design has an effect on consumer satisfaction. This is because the effect of product design on consumer satisfaction has a significant value of less than 0.05, which is 0.000. A positive coefficient value of 0.387 also supports that product design has a positive effect on consumer satisfaction.

**2. The Effect of Product Quality on Consumer Satisfaction**

The result of testing the second hypothesis is that product quality affects consumer satisfaction. This is because the effect of product quality on consumer satisfaction has a significant value of less than 0.05, which is 0.000. A positive coefficient value of 0.450 also supports that product quality has a positive effect on consumer satisfaction.

**3. F test**

Table 2. **F . Test**



Source: Data processed 2021

The result of testing the third hypothesis is that product design and product quality together have an effect on consumer satisfaction. This is because the influence of product design and product quality on consumer satisfaction has a significant value of less than 0.05, which is 0.000. Thus, it can be concluded that there is an effect of product design and product quality simultaneously on consumer satisfaction.

**4. Recapitulation of Hypothesis Test Results**

Data processing using SPSS 21 software with multiple linear regression analysis. Respondents in this study were 100 respondents who were MSME consumers in Denpasar, Bali with a percentage of 51 men and 49 women. The criteria for respondents were taken based on age with an age range of 17-40 years. The results of the hypothesis test are as follows:

Table 3. **Hypothesis Test Results**

|  |  |
| --- | --- |
| **Hypothesis** | **Description** |
| H1 Product design has a positive influence on customer satisfaction | Significant |
| H2 Product quality has a positive influence on consumer satisfaction. | Significant |
| H3 Product design and product quality together have a positive influence on customer satisfaction. | Significant |

**DISCUSSION**

**1. Product design has a positive influence on customer satisfaction**

Based on the results of data analysis with the help of SPSS, the value of t count > t table is obtained. So it can be concluded that the Product Design variable has a significant positive effect on Consumer Satisfaction on Local Taste products in Denpasar, Bali. The high value of Product Design provided by Denpasar Local Taste products gives satisfaction to consumers. This shows that Rasa Local has models, colors that make its consumers interested, variations in materials and up to date or following trends that consumers are interested in. Local flavored product design models have different characteristics from other products. The shape of the design on the packaging of local flavored products is specially designed with striking colors, so that it has a positive impact on consumer satisfaction. The strategy that must be carried out by Local Taste so that consumers are satisfied with the design is to maintain product designs that have the best quality and maintain product consistency and specifications according to market desires.

This is in line with research conducted by Sumarwardani (2016) with results showing that product design has a significant positive effect on consumer satisfaction. The results of their research indicate that there is a strong and positive influence between product design variables and consumer satisfaction. This is supported by the theory of Tahid et al (2007) who defines design as the relationship between objects (goods) with a certain state or condition. The results of research also conducted by Arini Isfahila, Feti Fatimah, Wahyu Eko S (2018) found that price has an effect on customer satisfaction. This means that product design is one of the important things in increasing customer satisfaction. If the company uses product design in accordance with consumer desires, it will affect customer satisfaction.With the aim of providing a satisfaction for users of certain goods, products. This means that if the product design is good in the eyes of consumers, it will have a positive impact on consumer satisfaction.

**2. Product quality has a positive influence on consumer satisfaction**

Based on the results of data analysis with the help of SPSS, the value of t count > t table is obtained. So it can be concluded that the Product Quality variable has a significant positive effect on Consumer Satisfaction on Local Taste products in Denpasar, Bali. The high value of Product Quality given by Denpasar Local Taste products gives satisfaction to consumers. This shows that Local Taste has durability, guarantee, taste, and quality of raw materials that can have a positive impact on consumer satisfaction, where the quality of the product is able to demonstrate its function, as well as other product attributes. The strategy that can be carried out by Local Taste to maintain product quality in order to be able to compete with other products is to produce important products and satisfying services as well as a strong commitment and firmness to these products.

This is in line with research conducted by Malik et al. (2012) which says that product quality has a good positive effect on increasing consumer satisfaction. Then the results of research conducted by Asina Rismawati (2018) found that product quality has a positive and significant effect on consumer satisfaction. This means that product quality is one of the important things in increasing customer satisfaction. We can say that a seller has provided quality when the seller's product has met consumer expectations. This is supported by the theory of Kotler and Armstrong (2003) which states that in accordance with the product concept, consumers will like products that offer the best product quality, good performance, and good properties, and the organization must devote its energy to continuous product improvement. . A quality product is a product that is able to provide more than what consumers expect.

**3. Product design and product quality together have a positive influence on customer satisfaction.**

Based on the results of data analysis with the help of SPSS, the value of t count > t table is obtained. So it can be concluded that the variables of Product Design and Product Quality have a significant positive influence together on Consumer Satisfaction on Local Taste products in Denpasar, Bali. This shows that Taste of Local Denpasar pays attention to a high level of consumer satisfaction based on indicators of quality, product design, product quality, expectations, and the given price has a significant positive impact on consumers. Consumers feel happy or disappointed after comparing the results of the product with the expectations obtained from the product. The right strategy is to achieve customer satisfaction by distributing quality products at the best prices and in good time.

This is in line with research from Hariyanto (2012) that product design and product quality have a significant effect on consumer satisfaction. Product design and quality have a positive impact, which is proven simultaneously that product design and product quality affect consumer satisfaction. Astriani (2021) also found that product design and product quality have a significant effect on consumer satisfaction. This is supported by the theory of Sabir et al. (2005), satisfaction is the result obtained from the comparison of consumer expectations of the experience obtained from a product or service. So the level of customer satisfaction is a function of the difference between the expected performance and the one obtained. If the performance is above expectations, the consumer will be satisfied. On the other hand, if performance is below expectations, consumers will be dissatisfied.

**Limitations And Future Research**

The implication of this research is that manufacturers should improve and maintain product design because it is proven to have an effect on consumer satisfaction. In addition, it is necessary to further improve product quality such as product durability and taste without losing the local taste of the product. The limitation of this research is that the scope is only for SMEs in Denpasar, Bali and the variables used are not varied. So it is recommended for future research, can use a wider scope of respondents. Not only for MSMEs, but also for other businesses, such as businesses in manufacturing or services. Then the variables used can be varied according to the aspects to be studied, for example aspects of the buyer's desire to repurchase the product, product durability, etc.

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