



## INFLUENCE OF LOCATION AND PRODUCT DIVERSITY ON CONSUMER SATISFACTION

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**Abstract:** The location of the Amahami market is located near the highway, to the right of the road before entering the residential community of the city of Bima. . Amahami market is the most extensive and superior traditional market in Bima city compared to other markets, so that all kinds of basic needs of the community are available. In addition to having advantages and uniqueness, the Amahami market also has disadvantages that are not liked and can reduce public interest in buying. The purpose of this study was to determine the effect of location and product diversity either partially or simultaneously on consumer satisfaction in the Amahami Bima market. The population of this research is all consumers who have bought in the Amahami market whose number is unknown and the researcher uses a sample of 100 people. data analysis techniques using multiple regression, t-test, and f test. The results prove that there is a significant influence between the location variable and product diversity on consumer satisfaction at the Amahami market, Bima City, and from the t-test results, that the location variable has a greater influence on consumer satisfaction than the product diversity variable.

**Keywords:** Consumer Satisfaction; Location; Product Diversity

### INTRODUCTION

In the current era of globalization, the development of the business world to meet various consumer preferences for goods and services has given rise to various forms of retail business in big cities in Indonesia. Retail business is an important link in the marketing channel because it plays a role in besides being a marketer as well as a customer for producers and distributors. The market still plays an important role in the community. Traditional markets have their uniqueness because sellers and buyers meet directly, bargain, prices are not fixed depending on the expertise of consumers to make offers, this gives consumers their pleasure in making transactions. Even though modern markets are currently growing rapidly in every city in Indonesia, this traditional market still plays an important role in meeting the basic needs of the community (Saputra, 2015).

To attract consumers, the market must be able to see the right location and situation to build a business or business. According to Utami (2014) "Location is the main factor in the selection of consumer stores". Determining the right location for a business is very important, because if the market location is easily accessible and sought after by consumers, then consumers will not have to struggle in finding that location. Apart from choosing the right location, the market must also be able to deliver products that suit the needs of the community or buyers. Product diversity is the most decisive factor and tends to influence the interest of buyers or consumers. According to Utami (2014) that consumers will give a good impression of a market if the market can provide the goods that consumers need and want.

Bima City is a separate area for the growth of retail businesses that offer a wide selection of goods at low prices, Bima City is one of the most developed economic cities on Sumbawa Island. the role of traditional markets and other retail shops, because in addition to the concept of one-stop shopping, the strategic location of the



supermarket in the middle of the city and better service with various facilities that provide shopping convenience for consumers.

With the development of modern business in Bima City, on the one hand, it certainly brings benefits to consumers by providing more choices of places for them to shop. But on the other hand, it will pose a threat to the traditional market traders themselves, because they have to face increasingly fierce competition for the number of existing consumers. As a consequence of facing increasingly fierce competition, retailers must always understand consumer behavior as a whole to maintain survival and be able to formulate appropriate marketing strategies. The marketing literature states that many factors can influence consumer purchasing decisions. One of these factors is location and product diversity.

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The location of the Amahami market is located near the highway, to the right of the road before entering the residential community of the city of Bima. Amahami market is the most extensive and superior traditional market in Bima city compared to other markets so that all kinds of basic needs of the community are available. In addition to having advantages and uniqueness, the Amahami market also has disadvantages that are not liked and can reduce public interest in buying. For example, the parking location is not regular, the sales yard is still not kept clean, and items that are no longer feasible are still being resold.

Based on the description of the problem above, the purpose of this study was to determine the effect of location and product diversity either partially or simultaneously on consumer satisfaction in the Amahami Bima market. Maintaining satisfaction is very important in all of this because by only maintaining and increasing consumer satisfaction, businesses can survive and thrive. Likewise, the phenomenon of consumer satisfaction in traditional markets and parties related to conditions of traditional traders must work together to increase consumer satisfaction who shop in



traditional markets. so that consumers continue to buy and fulfill their product needs from traditional traders. Some consumers who come and intend to shop sometimes discourage their intentions because they see the condition of the products being sold or sometimes it can be because they are not comfortable with being cramped and the lack of cleanliness of the market location which requires them to find it difficult to bring a vehicle personally to the market (Saputra, 2015).

The company's marketing activities must be able to provide satisfaction to its consumers so that consumers have a more positive view of the company, where this is the key to the company's success. As the economy develops, the satisfaction of customer needs is very important. Therefore, every trader must be able to develop products To be able to satisfy consumers. Without achieving the satisfaction felt by consumers, marketing activities can be said to have not been successful (Setiawan et al., 2016).

Traditional markets as a meeting place for buyers and sellers to conduct transactions directly with a simple system. To achieve consumer satisfaction, traditional markets must pay attention to the factors that affect consumer satisfaction. consumer satisfaction in traditional markets, some of these influential factors include location and product diversity (Ahmad Saputra, 2015).

A location is a place or area where traders sell their wares (Ghanimata, 2012). Location is something that can affect consumer satisfaction because a good location will make it easier for consumers to analyze the need for products. A good location provides fast access, can attract a large number of consumers, and is strong enough to change consumer shopping and purchasing patterns (Firmansyah, 2016). Location according to Aprih Santoso, Sri Yuni Widowati in Gugun (2015) can be defined as a place to carry out daily activities or business. The indicators of the location variable are as follows: (1) Affordability: the maximum distance that can be reached from one area to another. Affordability does not only depend on distance but also supporting facilities and infrastructure; (2) Smoothness: Smoothness is a condition that can cause the implementation to be carried out properly and optimally; (3) Proximity to his home.

According to Philip Kotler in Pratiwi et al. (2016), product diversity is the availability of all types of products offered to be owned, used, or consumed by consumers produced by a producer. According to Bahri (2011) and Benson in Ade (2014), the indicators of product diversity are: (1) Various product sizes; (2) Diverse product types; (3) Diverse product ingredients; (4) Diverse product design; (5) Diverse product quality.

Consumer satisfaction as a purchase depends on the actual product performance so that it is in line with buyer expectations (Armstrong & Kotler, 2012). Meanwhile, according to Amir (2005) in Haromain (2016) is the extent to which the benefits of a product are perceived (perceived) as expected, customers are not satisfied if the results are not in line with expectations. Lupiyoadi (2013) in determining the level of satisfaction, a customer often sees the value of a product and the service performance received from a product (service) purchase process. Meanwhile, Solomon (2011) in Priansa (2017) states that consumer satisfaction is a consumer's overall feeling about the product or service that has been purchased by the consumer.

Hawkins and Lonney quoted in Tjiptono (2014) the indicators forming consumer satisfaction consist of: (1) Conformity of Expectations: It is the level of conformity between service performance expected by consumers and those felt by consumers; (2) Interest in revisiting: It is the willingness of consumers to revisit or reuse related services; (3) Willingness to Recommend: It is the willingness of consumers to recommend services that have been felt to friends or family.



Research by Kurniawan, (2018) Partially store atmosphere, location influence purchasing decisions. Nainggolan (2016) Partially and Simultaneously service quality, product diversity, location affects customer satisfaction Fure, (2013) Partially and Simultaneously location, Product diversity, service quality, affects buying interest Sari (2017) Partially and Simultaneously product diversity, service quality affects consumer satisfaction. Relationship Location, Product Diversity, and Customer Satisfaction To achieve satisfaction, the company must know what factors affect satisfaction for the consumers themselves. Variables that affect consumer satisfaction according to Tjiptono and Chandra (2011) are (1) Product; (2) Price; (3) Promotion; (4) Location; (5) Employee Service; (6) Atmosphere.

The hypothesis is a temporary answer to the research problem formulation, where the research problem formulation has been stated in the form of a question sentence. It is said to be temporary because the answers given are only based on relevant theories, not based on empirical facts obtained through data collection. So the hypothesis is also can be stated as a theoretical answer to the formulation of the research problem, not yet an empirical answer (Sugiyono, 2013). Some of the hypotheses in this study are as follows:

H1: There is an influence of location on consumer satisfaction in the market Amahami

H2: There is an effect of product diversity on consumer satisfaction in the market understand

H3: There is an effect of location and product diversity on consumer satisfaction in the market Amahami

## METHODS

The population is a generalization area consisting of objects/subjects that have the quality of certain characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2013). The population of this study is all consumers who have bought in the Amahami market whose number is unknown. Meanwhile, for determining the size of the sample, it refers to Roscoe in Sugiyono (2013) which explains that suitable sample size is between 30 to 500 people so that in this study researchers used a sample of 100 people. Meanwhile, the sampling technique used in this research is accidental sampling, where the determination of the sample is based on chance, namely consumers who coincidentally meet with researchers if they are deemed suitable to be used as samples. This research was conducted at amahami market, on Street Sultan Muhamad Salahudin, dara village, west rasanae sub-district, Bima city, West Nusa Tenggara.

The data in this study were collected by observation, questionnaires, and literature study. Primary data collected were tested for validity and reliability and analyzed by multiple regression test, t-test, and F-test.



## RESULTS AND DISCUSSION

**Table 1. Variable Validity Test Results**

| No | Variable          | Items | R <sub>Count</sub> | R <sub>table</sub> | Information |
|----|-------------------|-------|--------------------|--------------------|-------------|
| 1. | Location          | X1.1  | 0,625              | 0,164              | Valid       |
|    |                   | X1.2  | 0,784              |                    |             |
|    |                   | X1.3  | 0,645              |                    |             |
|    |                   | X1.4  | 0,475              |                    |             |
|    |                   | X1.5  | 0,696              |                    |             |
|    |                   | X1.6  | 0,704              |                    |             |
| 2. | Diversity Product | X2.1  | 0,640              | 0,164              | Valid       |
|    |                   | X2.2  | 0,620              |                    |             |
|    |                   | X2.3  | 0,658              |                    |             |
|    |                   | X2.4  | 0,588              |                    |             |
|    |                   | X2.5  | 0,497              |                    |             |
|    |                   | X2.6  | 0,719              |                    |             |
|    |                   | X2.7  | 0,548              |                    |             |
|    |                   | X2.8  | 0,506              |                    |             |
|    |                   | X2.9  | 0,583              |                    |             |
|    |                   | X2.10 | 0,606              |                    |             |
| 3. | Satisfaction      | Y.1   | 0,781              | 0,164              | Valid       |
|    |                   | Y.2   | 0,746              |                    |             |
|    |                   | Y.3   | 0,604              |                    |             |
|    |                   | Y.4   | 0,734              |                    |             |
|    |                   | Y.5   | 0,794              |                    |             |
|    |                   | Y.6   | 0,597              |                    |             |

Source: Processed primary data (2021)

Looking at the calculated R-value in the validity test table above, overall the statement items are above  $> 0.30$ , it can be concluded that all statement items are declared valid. Reliability is a tool to measure a questionnaire which is an indicator of a variable.

**Table 2. Reliability Test Results**

| Indicator Variable         | Cronbach's Alpha | Reliability standart | Information |
|----------------------------|------------------|----------------------|-------------|
| Location Variable          | 0,734            | 0,6                  | Reliable    |
| Diversity product Variable | 0,798            | 0,6                  | Reliable    |
| Satisfaction               | 0,802            | 0,6                  | Reliable    |

Source: Processed primary data (2021)

From the results of the reliability test, all values from Location, Product Diversity, and Consumer Satisfaction resulted in a Cronbach alpha value  $> 0.6$ . so it can be concluded that all instruments in this study are reliable.



**Table 3. Multiple Linear Regression Analysis Test Results**

| Model |                  | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|------------------|-----------------------------|------------|---------------------------|-------|------|
|       |                  | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)       | 5.823                       | 2.277      |                           | 2.557 | .012 |
|       | Location         | .371                        | .110       | .341                      | 3.369 | .001 |
|       | Diversiy Product | .217                        | .073       | .301                      | 2.977 | .004 |

Source: Processed primary data (2021)

Multiple linear regression equation:

$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 5.823 + 0.371 + 0.217$$

The basis for decision making in the multiple linear regression test is if the value of sig < 0.005 then H0 is rejected and Ha is accepted and if the value is sig > 0.005 then H0 is accepted and Ha is rejected. while the results of this study concluded that: (1) The value (sig) on the location variable is 0.001 < 0.005 then H0 is rejected and Ha is accepted so that the conclusion is that there is a significant influence between location and purchasing decisions; (2) The value (sig) on the product diversity variable is 0.004 < 0.005 then H0 is rejected and Ha is accepted so that the conclusion is that there is a significant influence between product diversity and purchasing decisions.

**Table 4. Simple Correlation Test Results**

| Model | R                 | Model Summary |                   |                                |
|-------|-------------------|---------------|-------------------|--------------------------------|
|       |                   | R Square      | Adjusted R Square | Std. The error of the Estimate |
| 1     | .567 <sup>a</sup> | .322          | .308              | 3.78860                        |

Source: Processed primary data (2021)

From the table data above, it can be seen that the value of the correlation coefficient (R) for the location variable and product diversity is 0.567. So it can be concluded that there is a moderate relationship between location and product diversity on consumer satisfaction, which is 56.7%. while the remaining 43.3% is influenced by other variables not examined in this study. The results of data processing obtained a correlation coefficient value of 0.181. These results explain that there is an influence between the dangers of smoking slogans listed on cigarette packs on people's buying interest. To be able to give an interpretation of the strength of the influence, the guidelines as shown in the following table can be used:

**Table 5. Influence Level Guidelines**

| Coefficient Interval | Influence Level |
|----------------------|-----------------|
| 0,00 – 0,199         | Very Low        |
| 0,20 – 0,399         | Low             |
| 0,40 – 0,599         | Medium          |
| 0,60 – 0,799         | Strong          |
| 0,80 – 1,000         | Very Strong     |

Source: (Sugiyono, 2013)

The results of the Adjusted R2 test in table 5 above can the coefficient of determination (R Square) obtained by 0.303 indicates that the variable location and product diversity on consumer satisfaction is 30.3% and the remaining 69.7% is influenced by variables that are not examined in the study.



**Table 6 T-Test Table**

| Model |            | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
|       |            | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant) | 5.823                       | 2.277      |                           | 2.557 | .012 |
|       | Location   | .371                        | .110       | .341                      | 3.369 | .001 |
|       | Diversity  | .217                        | .073       | .301                      | 2.977 | .004 |
|       | Product    |                             |            |                           |       |      |

Source: Processed primary data (2021)

Based on the SPSS output above, then:

The results of the t-test statistics for Location obtained a  $t_{count}$  value of 3.369 with a  $t_{table}$  value of 0.164 ( $3.369 > 0.164$ ) with a significance value of (0.05), then the hypothesis which states that location has a significant effect on consumer satisfaction at the Amahami market Bhima" accepted. This is in line with research conducted by Saputra (2015)

The statistical results of the t-test for Product Diversity obtained a  $t_{count}$  value of 2.977 with a  $t_{table}$  value of 0.164 ( $2.977 > 0.164$ ) with a significance value of (0.43 > 0.05), then the hypothesis which states that Product Diversity has no significant on consumer satisfaction at the Amahami Bima market" is accepted.

**Table 7. F-Test Table**

| Model |            | Sum of Squares | df | Mean Square | F      | Sig.              |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1     | Regression | 660.463        | 2  | 330.232     | 23.007 | .000 <sup>a</sup> |
|       | Residual   | 1392.287       | 97 | 14.353      |        |                   |
|       | Total      | 2052.750       | 99 |             |        |                   |

Source: Processed primary data (2021)

From the test results, the calculated F value is 23,007 with a  $F_{table}$  value of 0.164 ( $23.007 > 0.164$ ) with a significance of (0.05). it can be concluded that location ( $X_1$ ) and product diversity ( $X_2$ ) simultaneously have a significant effect on consumer satisfaction." be accepted.

## CONCLUSION

This study aims to prove the significant effect of location variables and product diversity on consumer satisfaction at the Amahami market in Bima city. conclusions that can be drawn from this research there is an influence on consumer satisfaction at the Amahami market in the city of Bima. There is an effect of product diversity on consumer satisfaction at the Amahami market in the city of Bima. There is a simultaneous influence between location and product diversity on consumer satisfaction at the Amahami market in the city of Bima.

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