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Private Label Effect on Customer Satisfaction of Consumer Private Label Sugar Products

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Abstract:- **This study aims to determine the effect of private label on consumer satisfaction. The method used in this research is a quantitative method that analyzes the influence of variable X to variable Y by using simple linear regression. Data collection techniques used are observation and questionnaire.**

The research results show a simple linear regression analysis that is $\hat{y} = A + b\ x + \varepsilon = 28{,}592 + 0374$, which means that any change (decrease and increase) as big as one unit on a variable private label then will be followed by changes in the average of 0 .374 on epuasan k konsumen. In this case the hypothesis there is an influence between the variable X (private label) on the variable Y (customer satisfaction) at PT. Karsa Utama Department Store Gorontalo which is 8% and the rest is influenced by other factors that are outside of this research such as consumer knowledge of private labels, Brands, Images, and so on.

Keywords:- Private Label and Consumer Satisfaction.

I. INTRODUCTION

The network of retailers (retailers) continues to grow in Indonesia because the format is seen in accordance with the character of consumers in Indonesia. One of the advantages of the retail business is that it has a broad market reach, not only opening stores in big cities, but also extending to the outskirts of the city. It is this added value that makes many foods, beverage and other companies vying to display their products in the retail (retail) company network, the aim is none other so that their product image is lifted and their products sell faster.

One marketing strategy that has been implemented by some retailers is to create and market private label products. Private labels are products that are developed and marketed by retailers and are only available and sold at the retailer's own stores, Levy and Weitz (2007).

Achieving the highest level of customer satisfaction is the goal of every company. When customers or consumers are satisfied with the product they consume, it is likely that they will come back again and make a purchase and they will also recommend to their friends and family about the satisfaction they get after consuming the product from the company. Satisfaction will also be influenced by specific product or service features and perceived quality. Satisfaction will also be influenced by the responses of the consumers themselves.

Related to this Karsa Utama Departement Store all located in Jln.S.Parman No.77 Kel.BiawaoKec. Kota Selatan is one of the largest retail (retail) businesses in Gorontalo. In the face of market competition, Karsa Utama all apply some of the strategies one of which is private label. This is done so Karsa Utama all can survive in a mid competition and control of the market in Gorontalo. The main intention is to choose one product, namely sugar as its private label product. Viewed in terms of its utilization, sugar is one of the needs that must be met so that the quality of the sugar must be maintained or increased in order to meet the needs and certainly to get satisfaction from the consumers themselves.

But Karsa Utama all have not been so focused on private labels, it can be seen from the lack of an item or product type private label offered by Karsa Utama all to its customers, as well as knowledge of Private label consumer products Karsa Utamaall still minimal because it is caused by the promotion of private label products Karsa Utama all do not do, and this led to a lack of knowledge of consumer products private label sugar Karsa Utama all.

II. THEORETICAL REVIEW

Private label is a brand created and owned by retailers of goods and services, Kotler and Armstrong (2004 (in Benny, 2006), this is in line with what Lincoln & Thomassen (2008) assumed that Private label is a brand that is owned and sold and distributed by retailers/retailers.

Private label is basically a brand strategy that was developed and managed by the distributor to expand its business and a business strategy in which the products are purchased by retailers (retailers) from the hands of producers or who produce products and are given a personal brand by the retailer and only sold in retailers (retailers) concerned. Rahmat, A. (2017).

➤ *Factors Affecting Private Labels*
Private Label Classification:
According to Dick, Richard, and Koskinen (2000 (in RetnoSusanti, 2012) private label can be classified as follows

- Store brands are products with store name brands, for example, Tesko store brands owned by retailers "Tesco".
- Store sub-brands are products with store name brands plus other names, for example, Tesco Finest Range.
- Generic brands are products with independent brands (not including store names), for example, Value Plus products from Matahari supermarkets.
- Individual product brands namely products owned by retailers but considered as individual brands, brand names may be seen in the back, but not too flashy.

- Exclusive product by definition is not a private label product but have several characteristics in common, this product is not purely a retail product but works with suppliers.

Consumer satisfaction is the result of the purchase and uses obtained from the comparison made by the buyer for the reward and purchase costs with the anticipated consequences. Operational satisfaction is similar to attitude, where the assessment is based on various attributes, Churchill &Surprenant (1982 (in Tjiptono and Chandra, 2004).

In an effort to meet customer satisfaction, a company, especially retailers, must be able to create comfort for consumers, coupled with providing quality products, but the price can be reached by consumers, thus forming a consumer perception that their needs have been met. Rahmat, A. (2016).

According to Kottler (1997 (in Lupiyoadi 2001) customer satisfaction is influenced by:
- Product quality, that is, consumers/customers will feel satisfied if their results show that the products they consume are of high quality.
- Quality of service, namely consumers will feel satisfied if they get good service or in accordance with what they expect.
- Emotions, that is, customers will feel proud and get the confidence that others will be amazed by him when using products with certain brands that tend to have a higher level of satisfaction.
- Price, which is a product that has the same quality but setting a relatively cheap price will give higher value to consumers.
- Costs, that is, customers will not need to incur additional costs or do not need to waste time to get a product or service tends to be satisfied with the product or service.

Achieving the highest level of customer satisfaction is the main goal of marketing. When consumers feel satisfied, it is likely they will come back again to make a repeat purchase and they will recommend or tell people around them to shop at the company and by itself, the company and consumers will have a close relationship, in other words, consumers will become loyal to the company.

Therefore every company must prioritize customer satisfaction as the main goal of the company because, in turn, consumer satisfaction will create profits for the company. What if the consumer does not feel satisfied with what is given by a company either in terms of product or service when the consumer is shopping, then it is likely that the consumer will feel disappointed because the cost incurred is not in accordance with what he expects from the company in this case about the value or value given by the company to these consumers.

III. RESEARCH METHODS

As for the objects in this study are consumers who use private label product products at the Department Store Main

Karsa. This study uses procedures that allow researchers to test the research hypothesis to reach valid conclusions regarding the relationship or mutual influence between independent variables (dependent) and dependent variables (bound).In this study, the author uses descriptive research methods in the form of correlation studies so that the authors provide an overview of the Private Label Effect on Consumer Satisfaction.

This research is included in field research. Therefore, the data collection techniques used in this study are as follows:

➤ *Observation*
In obtaining accurate data, researchers conducted observations directly to the research site, in order to obtain valid data.

➤ Questionnaire (List of Questions)
In this test, it was carried out using a Likert scale, namely to submit a list of written questions to the respondent. This questionnaire uses a closed system, where the form of questions accompanied by alternative answers and respondents only choose one of the alternative answers.

IV. RESEARCH RESULTS AND DISCUSSION

A. General Findings
From the results of the research shows that the influence of private label on consumer satisfaction is positive. So that customer satisfaction can be done well if the private label is well done.

B. Special Findings
From the results of questionnaires that have been distributed and weighted/assessment, the iketahui respondents regarding customer satisfaction on sugar products private labelin PT.Karsa Utama Gorontalo through the respondent's answers that have been searched for on average, and assessed using intervals. The interval from the average assessment criteria used is as follows:

$$\text{Interval class length} = \frac{\text{Range}}{\text{Many Class Intervals}}$$

$$= \frac{5-1}{5} = 0.8$$

Then the consumer response regarding consumer satisfaction for private label sugar products at PT. Karsa Utama Gorontalo can be grouped as follows.

1.00 - 1.79 = Very Bad
1.80 - 2.59 = Not good

2.60 - 3.39 = Normal
3,40 - 4,19 = Good
4,20 - 5,00 = Very Good

The following will provide an analysis of respondents' responses regarding consumer satisfaction for private label sugar products at PT. Karsa Utama Gorontalo.

Indicator	5	4	3	2	1	Weighted Value	Average	Ket
Product quality	15	29	12	6	4	246	3.67	Good
Service quality	12	28	16	6	5	238	3.55	Good
Emotion	14	27	16	6	3	244	3.65	Good
Price	14	35	12	4	2	256	3.82	Good
Cost	11	32	17	4	4	242	3.61	Good
Total						1226	18.30	Good
Average						245	3.66	Good

Analysis of respondents' responses regarding customer satisfaction on private label sugar products at PT. Karsa Utama Gorontalo.

Data source: questionnaire processed

As shown in table 4.36 consumer satisfaction for private label sugar products at PT. Karsa Utama Gorontalo can be said to be good, this can be seen from the average value of the respondents' overall answers to the questions posed with a number of 3.66.Price indicators with the highest average value with an average of 3.82, for product quality indicators, have an average of 3.67.While the emotional indicator has an average value of 3.65 and the cost indicator has an average of 3.61 and the lowest average value is an indicator of service quality with an average value of 3.55.

V. DISCUSSION

This shows that basically private label if implemented properly and properly can contribute well to increasing customer satisfaction. Considering that this company is engaged in retailers, sales services and a large number of product choices are mandatory to survive or survive in competition. Meanwhile, not all consumers will understand this function so that private labels should also be adjusted to the needs of consumers later.

Private labels can explain the variables of customer satisfaction by only 8% while the remaining 92% are influenced by other variables not included in this study, for example, such as consumer knowledge of private labels, brands, images, and so on. This will create new problems that still need to be examined further about these factors.

In optimizing consumer satisfaction at PT. Karsa Utama Gorontalo must be supported by the implementation of a good and appropriate marketing strategy so as to ensure the survival of the company and play an important role in business development. In addition, things that need to be considered in consumer satisfaction are providing alternatives for consumers to get the price of goods that are more competitive and substitute for other labelled products at prices that are relatively cheaper but with guaranteed quality.

In addition, retailers should be able to build good communication and attention to consumers. In the sense that consumers can convey their problems or desires in shopping. All of that is to avoid or reduce the occurrence of dissatisfaction (dissatisfaction) consumers in shopping.

VI. CONCLUSION

This study aims to determine the influence of Private Label on Consumer Satisfaction of PT. Karsa Utama Gorontalo where it can be concluded that Private Label influences Consumer Satisfaction at PT. Karsa Utama Gorontalo and based on the results of the analysis obtained by the private label by 8%.Where this shows that consumer satisfaction is influenced by private labels by 8% while the remaining 92% is influenced by other variables not included in this study, for example, such as consumer knowledge of private labels, brands, images, and so on.

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