

# Measuring and increasing the added value of the Marketed products

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## Abstract:

In this study, the central purpose lies in the analysis of product innovation, its position, and some of beneficial effects that it might poses on the suppliers. Particularly, the study seeks to unearth its degree or ability to satisfy the needs of users, as well as those of the retailers. The study is quantitative and a multiple linear regression analysis technique is also employed. Some of the parameters to be investigated include product purchase satisfaction and advantage position and product innovation. Whereas the last two parameters are independent variables, the first parameter is the dependent variable. With a simple random sampling approach utilized, the study focuses on 96 participants in the context of Bandung, with the participants drawn from customers. The level of significance is set at 0.05 and the hypothesis testing of F, T, and Z achieved by using the Classical Assumption Test. From the findings, the innovative product achieves product purchase satisfaction and position advantage. Also, the relationship or impact of position advantage and innovation product on the purchase satisfaction was either simultaneous or partial.

## I. INTRODUCTION

The current modern era of competition in selling various kinds of products requires a way or strategy that is right both in terms of making changes to the product until the product has an advantage that ultimately consumers are satisfied with the product purchased. The terminology of the meaning of business or business in the product shopper as a system means as a unit consisting of subsystems, such as economic resources, activities, and environments that work together to achieve certain goals. Growth and development of society and the current era of progress, business or business in product shoppers need to be managed effectively and efficiently in achieving its goals [7]. The long-term goal of sales and marketing is to increase the marketing effectiveness and efficiency of marketed products so that they will increase the added value

of the products marketed [5]. Product shopping refers to the process of service or goods selling to customers who use them for non-business or personal reasons. Also, product shops entail business institutions that rely on the product shopping to sell most of their items [11].

Regarding innovation, it refers to a process through which new products or items are developed [11]. A theme that requires attention is the extent to which the newly developed products might have a positive impact on the environment, as well as how the consumers' preferred product purchases could assure environmental friendliness [7].

Regarding the concept of positioning strategy, it entails a marketing mix in which a commodity is developed for a target consumer. Some of the actions that aid in realizing this ideology include promotional efforts, pricing, distribution, support

services, and physical product availability [6]. Notably, position advantage comes with a merit whereby it ensures that product consumers feel better and associate with the company's items [12]. Indeed, the positioning of a product is communicated via the aforementioned marketing efforts or strategies [6]. To establish a value position, a value statement needs to be established and communicated to the target community [9], especially by analyzing and seeking to appeal to the preferences of customers [11]. When these strategies are integrated, the organization's desired position in the marketplace is likely to be realized. Notably, positions are dynamic because they seek to respond to the changing industry and stakeholder needs and preferences, as well as the evolution of the company, competitive activity, technology, and market structure [14]. It is also notable that there is a close linkage between customer satisfaction and a firm's marketing mix, an interplay that determines the consumers' confidence in the enterprise [16].

Regarding the concept of satisfaction, it reflects the degree to which an individual or firm might be disappointed or feel the pleasure with which a product comes relative to what they might have expected [13, 14]. Indeed, this concept is emotional and comes as a reaction after a product or service purchase among customers. Indeed, customers could express pleasure, irritation, excitement, neutrality, or dissatisfaction [2]. In the current literature, satisfaction has also been affirmed to entail emotional subjective evaluation. Particularly, emotion emerges as a factor of disconfirmation in relation to the interplay between the input and the output. Indeed, the outcome could be felt either in terms of negative or positive feelings, eventually affecting fulfillment [11]. Should there be customer satisfaction, there could be repeat product purchases [11]. With the initial stage of making a purchase decision having been achieved, the real purchase

behavior is expected to follow this purchase intention [1, 14]. If the purchase intention is perceived to be great, the customer is likely to exhibit greater desire to purchase the intended item [4, 13, 19].

It is also notable that the visibility of a product endorser could influence the preference of consumers for the given products and services; hence, the purchase intention. In some investigations [8], it has been documented that of the product features of a given brand satisfy the needs and preferences of customers, the resultant mental organization that customers form eventually is that which involves perceiving the company is important, eventually forming a close relationship with the brand. The overall outcome is that the purchase intention increases dramatically. In the study by Victor et al. [17], it was documented that customer satisfaction reflects a comprehensive analysis that a customer tends to have over a given product and company, especially after purchasing and using it. The eventuality is that the learning and experience poses a significant impact on the nature of future repeat purchases, as well as product satisfaction [3]. Following a product or service purchase, steps that customers take further relative to the buyer decisions are influenced by their dissatisfaction or satisfaction.

## II. Method

This study was quantitative whereby numerical data was collected and analyzed [20-25]. The analysis procedure involved multiple regression. The variables on the focus included product purchase, position advantage, and innovation product advantage. The subjects from whom insights were gained entailed product consumers. Also, data was collected from 96 individuals, with a simple random sampling technique adopted. The research context was Bandung. Similarly, factors of F, T, and Z were

tested in relation to the hypothesis by using Classical Assumption Test.

#### a. Multiple Linear Regression Analysis

The Path Diagram of Innovation Product and Position Advantage on the Product Purchase Satisfaction shows that the result of multiple linear regression analysis as follows obtained value a is equal to 231,82, value of X1 equal to 0,048, and X2 equal to 0,732.

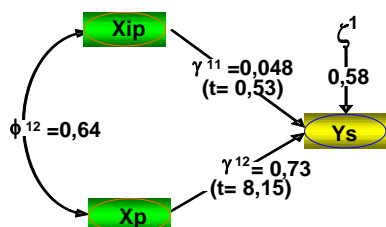


Fig.1.Path Diagram Innovation Product and Position Advantage on Product Purchase Satisfaction

Thus can be formed multiple linear regression equation as follows:  $\hat{Y} = 231,82 + 0,048X_1 + 0,732X_2$

The X1 and X2 values in the above equations can be interpreted as follows:

$c = 231,82$  means that if the Innovation Product and Position Advantage is 0 percent, then Product Purchase Satisfaction will be worth 231,82 percent.

$X_1 = 0,048$  means that if the Innovation Product increases by one percent while the Position Advantage is constant then Product Purchase Satisfaction will increase by 0.048 percent.

$X_2 = 0,732$  means that if the Position Advantage increases by one percent while the Innovation Product is constant then the Product Purchase Satisfaction will increase by 0.732 percent.

#### b. Best Linier Unbiased Estimation Test

Furthermore, the analysis of the BLUE Test shows as follows:

##### a. Correlation serial test:

Based on Criteria  $X^2$  statistics  $< X^2$  table where  $2.179 < 5.99$ , the model is free from serial correlation problems.

##### b. Normality test

Based on criteria Jarque-Bera  $< X^2$  table where  $0.231 < 5.99$  the residual is normally distributed.

##### c. Linearity Test

Based on criteria F f-statistic  $< f$ -table  $(0.05; 2; 100) = 3.26$  so that  $1.24 < 3.26$  the linear model is acceptable

##### d. Heteroscedasticity

Based on criteria Obs\*R-squared = 5.53  $<$  table chi-square  $(5\%, df) = 5.99$  the model passed the heteroscedasticity test

##### e. Multicollinearity

Based on criteria If  $R\text{-squared } 1 > R\text{-squared } 2$  then  $R\text{-squared } 3 = 0.416 > 0.231$ ; 0.231 the model did not find any multicollinearity

### III. Results and Discussion

#### a. Determination Coefficient Analysis

The coefficient of determination (KD) is the square of the correlation coefficient (R) or also known as R-Square. The coefficient of determination serves to find out how much the influence of Innovation Product and Position advantage against Product Purchase Satisfaction.

From the output of statistic test, it is known that the coefficient of determination or R square is 0,4156 or 41,56%. This shows that the Innovation Product and Position advantage simultaneously give influence to Product Purchase Satisfaction variable equal to 41,56%, so Innovation Product and Position advantage gives a great influence to

increase Product Purchase Satisfaction, because Innovation Products well managed and position advantage the perceived customer position is expected to improve Product Purchase Satisfaction. While the rest of 58.44% is the influence of other variables that are not examined outside the Innovation Product and Position Advantage.

#### b. Relationship Innovation Product and Position Advantage

To test whether variable of innovation product and Position advantage have positive or negative relation, then do statistic test.

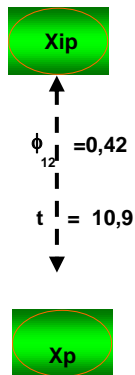


Fig.2. Relationship diagram of Innovation product and Positions Advantage

Criteria:

$$H_0. \gamma_{21} = 0,$$

That is, there is no positive relationship between Innovation product and Position Advantage on product shops in Bandung.

$$H_1. \gamma_{21} \neq 0,$$

That is, there is a positive relationship between the Innovation product and Position Advantage on product shops in Bandung.

Table 1  
Significance Test of Relationship between Innovation product and Positions Advantage

Correlation coefficient	Z-stat	Z-table	Conclusion
0,64	10.9	1,96	There is a significant relationship

In table 1. can be seen as the path coefficient of the relationship between product innovation and position advantage of 0.64 in a positive direction. The positive path coefficient means that better product innovation tends to increase the position of advantage. Furthermore, it can be seen that the Z-stat value is greater than Z-table, indicating that at a 95% confidence level can be concluded that there is a significant relationship between innovation products and position advantages. Based on these statistical results the hypothesis is empirically tested. The argument from the results of this study is relevant to the thought put forward at [11,18] that the placement strategy is related to the plan to place something in the minds of consumers who are the target market.

#### c. Influence Innovation Product and Position Advantage on Product Purchase Satisfaction (Test Statistic t)

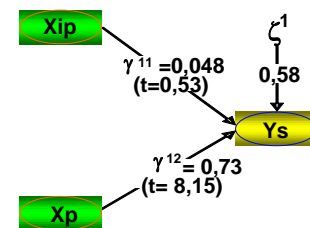


Fig. 3. Testing Innovation Product (X1) Against Product Purchase Satisfaction (Y)

$$H_0. \gamma_{11} = 0$$

The Innovation product partially has no significant effect on Product Purchase Satisfaction.

$$H_1. \gamma_{11} \neq 0$$

The Innovation product is partially significant to Product Purchase Satisfaction.

Table 2

Significance Test of influence between Innovation product and Product Purchase Satisfaction

Statistic	t-stat	t-table	Conclusion
( $\alpha$ ): 0,05 df = n-k-1 = 96- (3-1) = 94	0.53	1,96	There is a significant influence

Based on the processing using a statistic test, it can be seen that the t-Stat value for the Innovation product is 0.53. This value will be compared to the value of t table in the distribution of t-table. For the two-sided test, the value of t table is 1.66. It is known that t-Stat for X1 (0,53) < t-table and is in both t-table values (-1,66 and 1,66), hence  $H_0$  is accepted meaning Innovation product partially has a significant effect to Product Purchase Satisfaction. This means that if the Innovation product is improved, it does have a significant effect on increasing Product Purchase Satisfaction.

Testing Position Advantage (X2) Against Product Purchase Satisfaction (Y))

$$H_0. \gamma_{21} = 0$$

Position Advantage partially has no significant effect on Product Purchase Satisfaction.

$$H_1. \gamma_{21} \neq 0$$

Position advantage is partially significant to Product Purchase Satisfaction.

Table 3

Significance Test of influence between Position Advantage and Product Purchase Satisfaction

Statistic	t-stat	t-table	Conclusion
( $\alpha$ ): 0,05 df = n-k-1 = 96- (3-1) = 94	8.15	1,96	There is a significant influence

Based on the results of processing, it can be seen that the value of t-Stat for Position advantage is 8.15. This value will be compared to the value of t table in the distribution t-table. For a two-tailed test, the t table value is 8.15. It is known that t-Stat for X2 (8.15) > t-table and is outside the two t-table values (-1,66 and 1.66),  $H_0$  is rejected as Position advantage partially has a significant effect to Product Purchase Satisfaction. That is, if the Position advantage is improved, then Product Purchase Satisfaction will increase in product shops in Bandung.

*d. Influence Innovation product and Position Advantage on Product Purchase Satisfaction (F-test)*

To test whether the variable strategy of differentiation product and Position advantage simultaneously give a significant influence to Product Purchase Satisfaction, then tested the simultaneous hypothesis as follows:

$$H_0. \gamma_{121} = 0,$$

That is, there is no effect Innovation product and Position Advantage on product shops in Bandung.

$$H_1. \gamma_{121} \neq 0,$$

That is, there is influence of Innovation product and Position Advantage Position on product shops in Bandung.



Table 4  
Significance Test of influence between Innovation  
product and Position Advantage on Product  
Purchase Satisfaction

Statistic	F-stat	F-table	Conclusion
$\alpha = 0,05$ , $v = 2$ and $df = 94$	33.06	3,09	There is a significant influence

From the findings, the value of F-stat was 33.06. the value was compared with 3.09 as an F value. From the results, it was evident that the value of F-stat was greater than the F table value. Hence, the substantial hypothesis was accepted, with the null hypothesis rejected. The resulting inference is that the impact of the variables of position advantage and innovation product on product purchase satisfaction among customers is simultaneous and significant. Hence, improvement and proper management of the position advantage and innovation product could increase product purchasing satisfaction significantly.

#### IV. Conclusions

In summary, this study's analytical analysis has been achieved based on participants selected via simple random sampling. From the interplay between the selected variables, factors of position advantage and innovation product pose a simultaneous and significant impact on product purchase satisfaction. In other instances, however, the impact is not simultaneous. Rather, it is partial.

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