

Consumer Satisfaction Based on Application of Business Ethics (Study on Coolpad Smartphone Consumers in Arosbaya District on Bangkalan City)

Rizky Wahyudha Rosiawan^{1*}, Elvina Assadam², Mega Barokatul Fajri³

¹ Management Department, Faculty of Economics and Business, Universitas Muhammadiyah Lamongan, Lamongan, 62218, Indonesia

² Management Department, Faculty of Economics and Business, Universitas Muhammadiyah Lamongan, Lamongan, 62218, Indonesia

³ Management Department, Faculty of Economics and Business, Universitas Muhammadiyah Lamongan, Lamongan, 62218, Indonesia

Abstract

This study was conducted on coolpad smartphone consumers in Arosbaya District with the number of samples in this study were 75 respondents. To test the relationship between the application of business ethics which includes honesty, fairness, and trust in coolpad smartphone consumer satisfaction in Arosbaya District using Regression Analysis with Windows version 16 of the Statistical Package for the Social Science (SPSS). This study shows that Business Ethics Principles influence coolpad smartphone consumer satisfaction in arosbaya district. Based on the t-test, partially business ethics consisting of honesty, fairness, and trust affect coolpad smartphone consumer satisfaction in arosbaya district and honesty has a greater effect on coolpad smartphone consumer satisfaction in arosbaya district than honesty and trust.

Keywords: Business Ethics, Honesty, Justice, Trust, Customer Satisfaction

Article Info

Affiliation:

¹Management Department,
Faculty of Economics and
Business, Universitas
Muhammadiyah Lamongan,
Lamongan, 62218, Indonesia

*Correspondence:

¹rwahyuda96@gmail.com

Article History:

Received : 2020 - 11 - 01

Reviewed: 2020 - 11 - 08

Revised : 2020 - 11 - 17

Accepted : 2020 - 12 - 15

1. Introduction

Today the mobile industry is growing rapidly and more and more sophisticated gadgets are popping up. Name vendors have enlivened this industry so that smartphone competition has become very competitive. This started when Google created Android so that many vendors saw this opportunity and diversified its products to smartphones.

Based on data from the US Census Bureau quoted from JerukNipis.com, as of January

2014, Indonesia had about 251 million people. This number is less than the number of mobile phone users, which amounted to 281 million. In other words, every Indonesian citizen can have more than one smartphone to access social media or for other purposes. According to research conducted by Frost and Sullivan quoted from detik.com, Indonesians replace smartphones every eight months. Many people replace their old smartphones with newer, more sophisticated, and more stylish smartphones.

Every smartphone manufacturer must be able to find the right strategies to achieve a competitive advantage, with the hope of defending the market and winning the competition. The ethical behavior of the seller will affect satisfaction and trust which will lead to customer loyalty. This is supported by the opinion of Pratiwi (2012), stating that ethical behavior is teaching to distinguish between right and wrong to provide provision to every company leader when considering making strategic decisions related to complex moral issues.

As the opinion of Fauzan and Nuryana (2014), the increasing intensity of competition and the number of competitors requires companies to always pay attention to the needs and desires of consumers. Companies are required to meet consumer expectations by providing services that are more satisfying than those of competitors. The satisfaction obtained by consumers cannot be separated from the application of Business Ethics in running their business.

To satisfy its customers, a seller in the smartphone sector must prioritize the principles of business ethics which include honesty, fairness, and truth. This is supported by the opinion of Fauzan and Nuryana (2014), the factors that determine customer satisfaction are customer perceptions regarding the application of business ethics which focuses on three dimensions of business ethics, namely: honesty, fairness, and truth.

Because of the honesty of a seller in explaining the benefits, specifications, advantages, and disadvantages is very important in selling a smartphone product. Fairness in serving all forms of complaints with the same treatment and also determining the guarantee of damage is an expectation of a consumer after the purchase process, as well as the truth in the contract/transaction and the effort to get a profit that is not detrimental to either party. These three things can affect customer satisfaction. This source is the experience of researchers because the researcher is a Coolpad smartphone seller. So the purpose of this study is to determine the effect of the application of business ethics on customer satisfaction. The research sample was the people of Arosbaya District, Bangkalan city who made purchases of Coolpad smartphones. Sources of research come from buyers who will reveal whether they are satisfied or not to the seller so that researchers want to know how much influence the application of business ethics has done by researchers to determine customer satisfaction.

2. Literature Review

2.1. Understanding Customer Satisfaction

Consumer satisfaction is the extent to which the benefits of a product are perceived by following us what customers expect (Amir, 2005). Kotler (2009) states that consumer

satisfaction is the level of a person's feelings after comparing the performance of the product he feels with his expectations. Consumer satisfaction or dissatisfaction is a response to evaluating the discrepancy or disconfirmation that is felt between previous expectations and the actual performance of the product that is felt after use (Tse and Wilson in Nasution, 2004)

According to Oliver in Peter and Olson, (2006) states that customer satisfaction is a summary of the psychological conditions that are produced when the emotions surrounding expectations do not match and are multiplied by feelings that are formed about the consumption experience. Westbrook & Reilly in Tjiptono, (2005) argues that consumer satisfaction is an emotional response to experiences related to the product or service purchased.

2.1.1. Consumer Satisfaction Components

As stated above, there are many definitions of consumer satisfaction. According to Giese & Cote, even though there are many definitions of consumer satisfaction, in general, it still refers to three main components, namely:

a. Response: Type and intensity

Consumer satisfaction is an emotional and cognitive response. The intensity of the response ranges from very satisfied and likes the product to an apathetic attitude towards certain products.

b. Focus

Focus on object performance adjusted to several standards. This standard value is directly related to product, consumption, shopping decisions, sellers, and stores.

c. Response time

Responses occur at certain times, among others: after consumption, after product or service selection, based on accumulative experience. The duration of satisfaction refers to how long the satisfaction response lasts.

2.1.2. The Characteristics of a Satisfied Consumer

Kotler, (2009) states that the characteristics of satisfied consumers are as follows:

a. Product loyalty

Satisfied consumers tend to be loyal where they will buy again from the same manufacturer

b. The existence of the positive word of mouth communication

c. Positive word of mouth communication, namely recommendations to other potential consumers and saying good things about the product and company

d. c. The company is a major consideration when buying other brands

When consumers want to buy other products, companies that have satisfied them will be the main consideration.

2.1.3. Consumer Satisfaction Element

Wilkie stated that there are 5 elements in customer satisfaction, namely:

- 1) Expectations, Consumers' expectations for a good or service have been formed before the consumer buys the goods or services. At the time of the purchase process,

consumers expect that the goods or services they receive are by following under their hopes, desires, and beliefs. Goods or services by following per under consumer expectations will cause consumers to feel satisfied.

- 2) Performance, The experience of consumers with the actual performance of the goods or services when used without being influenced by their expectations. When the actual performance of the goods or services is successful, consumers will be satisfied.
- 3) Comparison, This is done by comparing the expected performance of the goods or services before buying with the perceptions of the actual performance of the goods or services. Consumers will feel satisfied when their pre-purchase expectations match or exceed their perception of the product's actual performance
- 4) Confirmation / disconfirmation, Consumers' expectations are influenced by their experiences with the use of brands of goods or services that are different from others. Confirmation occurs when expectations match the actual performance of the product. On the contrary, disconfirmation occurs when expectations are higher or lower than the actual performance of the product. Consumers will feel satisfied when the confirmation/disconfirmation occurs.

2.1.4. Kinds or Types of Customer Satisfaction

These are the types of customer satisfaction:

- a. Functional Satisfaction, is the satisfaction obtained from the function or use of a product. For example: because eating makes our stomach full.
- b. Psychological satisfaction, is the satisfaction obtained from intangible attributes. For example: feeling proud of getting service
- c. very special part of a luxurious restaurant.

2.1.5. Strategy for Customer Satisfaction

Talking about strategy means being in a condition of competition with competitors. Each of them tried to attract more customers for the sake of business continuity. In the era of free competition, nothing is safe without competition. Taking a quote/article from a website about customer satisfaction and this is also related to the concept of Fandy Tjiptono in service marketing, stating that:

1. There are two basic strategies in dealing with consumer/customer behavior, namely:
 - a. Attack strategy, Being aggressive in enticing customers, aggressive in the sense of having a well-prepared attacking preparation, and strong enough to attack. How to implement this strategy:
 1. Conducting promotions or advertisements that explain that your company has better service facilities than before. There are many ways to promote business, for example by means of advertisements in the mass media or banners, leaflets, or billboards placed in strategic locations.
 2. Providing gifts (can be in the form of free services or small souvenirs) to old customers who can bring in several new customers (the number of new customers is determined based on the cost of the gifts given).

b. Defensive or defensive strategy

The strategy to maintain the existing one is carried out to improve the service facilities that are owned. As:

1. Provide several facilities that can provide customer comfort.
2. Give small souvenirs to customers after using your service several times.
3. Sending greeting cards on the big days of security for loyal customers who have been customers for quite a long time
2. Fostering long-term relationships with customers. This is done to make the transactions between you and the customer sustainable. For example, by giving discounts on certain days.
3. Provide a guarantee for the service or product you sell.
4. Creating a personal relationship between the employee/company owner and the customer (customer relationship). The benefits of this personal relationship, among others, are that if a customer has a complaint about a product or service, they will report it to the employee/owner. They can also provide information on what they know about competitors. Emphasize each employee to remember the name of the customer who came and knows the history. The history of each customer is very important, and you can use computer programming.
5. Able to anticipate changes or additions to customer expectations by increasing employees' internal capabilities for service, and so on. The consumer's assessment of the overall production capacity to satisfy their needs.

2.1.6. Factors that Affect Customer Satisfaction

Five main factors that need to be considered about customer satisfaction include:

1) Product quality

Consumers will be satisfied if their evaluation results show that the products they use are of good quality. The product is said to be of high quality for someone if the product can fulfill their needs. There are two quality products, namely external and internal. One of the product quality from external factors is the brand image.

- 2) Service Quality: Consumers will feel satisfied if they get good service or what is in line with expectations.
- 3) Emotional: The consumer is satisfied when people praise him for using an expensive brand.
- 4) Price: Products that are of the same quality but charge a relatively low price will provide a higher value.
- 5) Cost: Consumers who do not need to incur additional costs or do not need to waste time getting a product or service tend to be satisfied with that product or service.

2.2. Principles of Business Ethics

The principles in business ethics are:

- a. Principles of Honesty, Honesty in all things will bring happiness in this world and the hereafter. An honest person will have many siblings and be trusted by others. Honesty brings calm and dishonesty will raise doubt.

- b. Principles of Justice, The principle of justice includes balance and responsibility. Balance in this world and the hereafter. By being fair a businessman will stay away from illegal things, stay away from things, and things that are sub hat. The principle of justice that gives birth to balance, balance in life, does not accumulate goods so as not to result in scarcity of goods and ultimately cause prices to rise.
- c. Principles of Truth, Keeping trust is a noble moral. The purpose of a trust is to return any rights to the owner, not to take anything beyond his rights, and not to reduce the rights of others, whether in the form of price or wages. Trusts become more important when a person forms a trade union, makes a share of revenue (mudharabah), or wakalah (entrust goods to carry out a project that has been agreed upon).

3. Method, Data and Analysis

3.1. Population and Sample

In order for the data taken to be valid, in this study it is limited, the population in this study are consumers who have purchased a coolpad smartphone in the district. Arosbaya. The characteristics of the respondents who are sampled are consumers who already have a coolpad smartphone. Because the population is unknown (Infinite), therefore, the sample of this study was carried out purposively by considering the quota for the number of buyers each month. It is known that the number of samples in this study was 75 respondents.

3.2. Data Analysis

To find out the truth of the hypothesis, quantitative methods are used using multiple linear regression based on several variables, where variable Y is influenced by variable X. With the following formula:

$$Y = a + b_0 + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information:

Y: dependent variable

X1, X2, X3: Independent variables

a: constant (Y value when X = 0)

b0, b1, b2, b3: regression coefficient, which shows the rate of increase or decrease

e: bully error

3.3. Hypothesis Testing (T-test)

To test the influence of the independent variables on the dependent variable, the t-test (partial) is carried out as follows:

The t-test is a tool to test how far the influence of an explanatory or independent variable is individually in explaining the variation of the dependent variable (Ghozali, 2001: 45). This test aims to test the effect of the independent variables (honesty, fairness, and trust) on the dependent variable (customer satisfaction) partially.

4. Result and Discussion

4.1. Result

4.1.1. Multiple Linear Regression Analysis

The analysis in this study uses an independent variable (X) which consists of Honesty (X1), Justice (X2), Trust (X3). The dependent variable (Y) is the coolpad smartphone consumer satisfaction in Arosbaya District. To find out how much influence the variable (X) has on the variable (Y), we must use multiple linear regression analysis techniques. Based on the calculation results of the multiple linear regression model.

Table 1. The result of calculating Multiple Linear Regression

a. Dependent Variable: Y

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	-.098	1.132
X1	.275	.052
X2	.173	.086
X3	.233	.088

Source: Processed Data

Based on the regression coefficient analysis above, it can be concluded that:

1. The value of the dependent variable (Y) Customer Satisfaction can be seen from its constant value of -0.098, it means that the independent variables are Honesty (X1), Justice (X2), Trust (X3), do not affect the variable (Y) Customer Satisfaction.
2. The effect of the Honesty variable on Customer Satisfaction when viewed from the regression coefficient of 0.275, it means that each increase in the Honesty variable (X1) by one unit will be offset by an increase in the Consumer Satisfaction variable (Y) of 0.275 with a note that the variables X2 and X3 are fixed.
3. The effect of the Justice variable on coolpad Smartphone consumer satisfaction when viewed from the regression coefficient of 0.173, it means that each increase in the Justice variable (X2) by one unit will be offset by an increase in the Consumer Satisfaction variable (Y) 0.173 with a note that the variabeX1, X3 is fixed.
4. The influence of the variable Trust on Coolpad Smartphone Consumer Satisfaction when seen from the regression coefficient of 0.233, it means that each increase in the Trust variable (X3) of one unit will be offset by an increase in the variable Consumer satisfaction (Y) of 0.233 with a note that the variables X1 and X2 permanent

4.1.2. The T-test (partial)

The t-test was conducted to determine the partial influence of each independent variable on the dependent variable.

Table 2. T-test result (partial)

a. Dependent Variable: Customer Satisfaction

	Model	T	Sig.
1	(Constant)	-0.087	0.931
	Kejujuran	5.273	0.000
	Keadilan	2.002	0.049
	Kepercayaan	2.653	0.010

Source: Processed Data

Based on the table above, it can be explained for each of the independent variables as follows:

1. Honesty (X1)

The coefficient value of the honesty variable above shows that the t-count value is 5.273 with a significance level of $0.000 < 0.05$. These results indicate that the variable honesty has a positive and significant effect on the dependent variable, namely coolpad smartphone consumer satisfaction in Arosbaya District.

2. Justice (X2)

The value of the coefficient of the Justice variable above shows that the t-count is 2.002 with a significance level of $0.049 < 0.05$. These results indicate that the justice variable has a positive and significant effect on the dependent variable, namely coolpad smartphone consumer satisfaction in the district. Arosbaya.

3. Trust (X3)

The value of the coefficient of the trust variable above shows that the t-count value is 2.563 with a significance level of $0.010 < 0.05$. These results indicate that the trust variable has a positive and significant effect on the dependent variable, namely coolpad smartphone consumer satisfaction in the district Arosbaya.

The variable that has the greatest influence is the variable Honesty (X1) which has a coefficient (B) of 0.275. The results of the tests that have been done can be concluded that the fourth hypothesis which states Honesty (X1) has a greater effect on Coolpad smartphone consumer satisfaction in Kec. Arosbaya (Y) can be accepted or proven.

4.1.3. Coefficient of Determination

The coefficient of determination is used to measure how much the ability of the independent variables consisting of Honesty, fairness, and trust in explaining the dependent variable, namely customer satisfaction. The results of the multiple coefficients of

determination can be seen in table 4:14 below:

Table 3. Koefisien Determinai (R^2) Model Summary^b

R	R Square	Std.Error of the Estimate
0.70	0.490	0.849
0 ^a		

Source: Processed Data

Based on the table above, it can be seen that the value of R Square (R^2) is 0.490 or 49.0%. These results indicate that all independent variables consisting of honesty, trust, and fairness explain the dependent variable, namely coolpad smartphone consumer satisfaction in the district. Arosbaya amounted to 49.0% while the remaining 51% was explained by other variables not examined in this study.

4.2. Discussion

The partial test proves that the independent variables (X) include: Honesty (X1), Justice (X2), Trust (X3) on the dependent variable, namely Coolpad smartphone Consumer Satisfaction in Kec. Arosbaya are as follows:

H1:Honesty (X2), has a significant effect on Coolpad smartphone Consumer Satisfaction in Kec. Arosbaya. These results indicate that the variable honesty has a significant effect on the dependent variable, namely Coolpad smartphone Consumer Satisfaction in the district. Arosbaya then H1 which states product quality has a significant effect on Consumer Satisfaction Coolpad smartphones in the district. Arosbaya can be accepted and this can be supported by research conducted by Fauzan and Nuryana (2014) Dimensions of honesty in business ethics have a positive and insignificant effect on customer satisfaction at Bebek H. Slamet stalls.

H2: Justice (X2) has a significant effect on Coolpad smartphone Consumer Satisfaction in Kec. Arosbaya, these results indicate that the variable justice has a significant effect on the dependent variable, namely Coolpad smartphone consumer satisfaction in the district. Arosbaya. So H2 which states if Justice has a significant effect on Consumer Satisfaction Coolpad smartphones in the district. Arosbaya can be accepted, and this also agrees with the research conducted by Dewi and Jatra (2012: 12), Fauzan and Nuryana (2014) The dimensions of justice in business ethics have a negative and insignificant effect on customer satisfaction at Bebek H. Slamet stalls.

H3: Trust (X3) has a significant effect on Coolpad smartphone Consumer Satisfaction in Kec. Arosbaya, this shows that the trust variable has a significant effect on Coolpad smartphone consumer satisfaction in the district. Arosbaya. So H3 which states if Trust has a significant effect on Coolpad smartphone Consumer Satisfaction in the district. Arosbaya is acceptable. And this study agrees with the research of Fauzan and Ida (2014), the dimensions of trust in business ethics have a positive and significant effect on customer satisfaction at the Bebek H. Slamet shop.

H4: Honesty (X1) has a greater influence on the dependent variable, namely Coolpad smartphone Consumer Satisfaction in the district. Arosbaya, because it has a larger regression coefficient than Justice and Truth, and it proves that honesty has the greatest influence on Coolpad smartphone Consumer Satisfaction in the district Arosbaya.

5. Managerial Implication

The benefit of this research is that the company can further improve the application of business ethics. Mainly in terms of honesty, because in this study consumers feel satisfaction when the seller is honest because consumers expect to get the benefits that are offered during the purchase process. But don't just focus on business ethics, because in the process of fulfilling customer satisfaction, many factors can influence.

6. Conclusion And Suggestion

6.1 Conclusion

The following conclusions can be presented by the author:

1. The principles of business ethics which consist of honesty, fairness, and trust partially have a significant effect on coolpad smartphone consumer satisfaction in the Arosbaya district.
2. In this study, Honesty variables have a greater influence compared to Justice and Trust, because consumers are very satisfied because of the application of the honesty principle of a seller because consumers get benefits in accordance with what is conveyed by the seller when carrying out the coolpad smartphone purchasing process.

6.2 Suggestion

To support the success of a business and the survival of a business in each of its business activities, from the conclusions described above, as a consideration for further improvement the author will provide the following suggestions:

- a. Because in this study the variable that has the greatest influence is the variable of honesty, so suggestions to smartphone sellers, especially coolpad smartphones, must apply the principle of honesty, because the principle of honesty can greatly influence consumer satisfaction, with the principle of honesty it can also make consumers loyal to the products it sells if consumers get the same benefits that were conveyed by the seller during the buying process. But don't just look at it from business ethics, but from all sides, it must be improved, both in terms of product attributes, promotion, and distribution.
- b. Suggestions for the next writer or researcher are in research, especially in the field of electronics (Gadget), you should also include product attributes, promotions, and prices in researching a business engaged in electronics.

References

- A.A, Paramitha, W. Ketut, R.Gst, & A. Kt. G. Suasana. (2013). Pengaruh Kualitas Layanan Terhadap Kepuasan dan Loyalitas Pelanggan Garuda Indonesia di Denpasar. *Jurnal Manajemen, Strategi Bisnis, dan Kewirausahaan*, 7(1).
- Ari, Sudarman. (2005). *Teori Ekonomi Mikro II*, Edisi 3. Yogyakarta: BPFE.
- Arikunto, S. (2010). *Prosedur Penelitian (Suatu Pendekatan Praktik)*. Jakarta: Rineka Cipta.
- Fauzan & Nuryana, Ida. (2014). Pengaruh Penerapan Etika Bisnis Terhadap Kepuasan Pelanggan Warung Bebek H. Slamet di Kota Malang. *Jurnal Modernisasi*, 10(1).
- Ghozali, Imam. (2001). *Aplikasi Analisis Multivariate dengan Program SPSS*. Semarang: Badan Penerbit UNDIP.
- Indah, D. Kurniasih. (2012). Pengaruh Harga dan Kualitas Pelayanan Terhadap Loyalitas Pelanggan Melalui Variabel Kepuasan (Studi pada Bengkel AHASS 0002-ASTRA Motor Siliwangi Semarang). *Jurnal Administrasi Bisnis*, 1(8).
- Jeruk, Nipis. (2014). "Ponsel China dan India Bisa Menggeser Penjual Smartphone Samsung". <http://www.jeruknipis.com/read/2014/08/12/>, diakses tanggal 12 Oktober 2014.
- Jpnn. (2015). "Segmen Smartphone Kelas Menengah Dilahap, Samsung Tergeser", <http://www.jpnn.com/read/2015/09/13/326297/Segmen-Smartphone-Kelas-Menengah-Dilahap,-Samsung-Tergeser->, diakses tanggal 13 September 2015.
- Kepuasan Konsumen. <http://www.woodpress.com/>, diakses tanggal 05 Oktober 2011.
- Khairani, L. (2011). Faktor- Faktor yang Mempengaruhi Kepuasan Pasien Rawat Jalan RSUD Pasaman Bara.
- Kotler, P & Keller, K.L (2009). *Manajemen Pemasaran, Jilid 1*, Edisi 13. Jakarta: Penerbit Erlangga.
- Mujiharjo, Bagyo. (2006). Analisis Faktor-Faktor yang Mempengaruhi Kepuasan Pelanggan dan Pengaruhnya Terhadap Loyalitas Pelanggan (Studi pada Bank BRI Demak). *Jurnal Sains Pemasaran Indonesia*, 5(2), 193-210.
- Pratiwi, S. D. A. (2012). "Pengertian Etika Bisnis". <http://sitidiahayu.blogspot.com/2012/10/etikabisnis.html>, diakses 5 Januari 2013,
- Prayudi. (2012). "Analisis CSR sebagai Implementasi Praktek Etika Bisnis Perusahaan: Antara Kewajiban dan Kebutuhan". *Program Studi Ilmu Komunikasi, FISIP UPN Veteran Yogyakarta*
- Sugiyono. (2006). *Metode Penelitian bisnis*. Bandung: Alfabeta.
- Teori Ekonomi. <http://www.woodpress.com>, diakses tanggal 05 Oktober 2011.
- Tjiptono, Fandy & Gregorius Chandra. (2005). *Service, Quality & Satisfaction*. Yogyakarta: Penerbit Andi.
- Tjiptono, Fandy, Anastasia Diana. (2003). *Total Quality Management*. Yogyakarta: Penerbit Andi.
- Tjiptono, Fandy. (2006) *Pemasaran Jasa*. Malang: Bayumedia Publishing.