

## **ABSTRACT**

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### **THE EFFECT OF INNOVATION ON CUSTOMER SATISFACTION AT PT MESTIKA MAKMUR PERSADA JAYA, MEDAN**

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Globalization nowadays has forced the company to be innovative to win the competition. The company must be able to come out with new ideas that can fulfill the customers' needs to make its customers satisfied. When the customers are satisfied, they will show loyal behavior by repurchasing the company's products which will give a positive impact to the sales and profitability of the company.

Previous research has been done on this area of interest by Khan et al. (2014), Diaw & Asare (2018), and Sharma (2017). The hypothesis of this research shows that innovation has a positive impact on customer satisfaction.

This research aims to investigate innovation and customer satisfaction at PT Mestika Makmur Persada Jaya and to prove whether innovation has an effect on customer satisfaction there. This research uses quantitative research design and IBM SPSS Statistics v.25 application to analyze the data.

The hypothesis test in this research is 5.202, which is higher than  $Z_{table}$  (1.96). It shows that the alternate hypothesis, which is innovation has an effect on customer satisfaction at PT Mestika Makmur Persada Jaya, Medan, is accepted.

The recommendation for PT Mestika Makmur Persada Jaya is that they need to do more advertising and provide reparation to make the customers understand the benefits of having its products. Moreover, the company can also ask feedbacks from the customers to know more about what they need.

**Keywords: Innovation, Customer Satisfaction, International Business**

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