***ABSTRACT***

Anton / 28150211 / 2019 / *The Effect of Product Differentiation and Price on Customer Satisfaction of Xiaomi in North Jakarta* / Ms. Lily Harjati, Ir., M.M.

*The high technological growth has led to increasingly dynamic market conditions, competition among producers of technology and communication, especially in the smartphone industry rapid increasing. This is due to increasing competition, where the phenomenon of competing for smartphone market share has occurred throughout the word, including in Indonesia. Therefore, researcher is interested in conducting research entitled The Effect of Product Differentiation and Price on Customer Satisfaction of Xiaomi in North Jakarta.*

*In this research, the author uses theories to better understand the concepts related to the discussion of this research. These theories include: Theory of Product Differentiation, Price and Customer Satisfaction. The variables in this study are divided into two types, the independent variables and dependent variable. The independent variable in this study is Product Differentiation and Price, while the dependent variable in this research is customer satisfaction.*

*Sampling in this study was 100 respondents conducted by distributing questionnaires in the of google form. The object of this research smartphone brand is Xiaomi. While the subject of this research is consumers who used Xiaomi. The sample procedure uses nonprobability sampling and uses the judgment sampling method, where sampling is in accordance with the criteria determined by the author which is a consideration factor, namely respondents who have used Xiaomi. The data analysis technique used is validity test, reliability test, descriptive analysis, classic assumption test, and multiple linear regression using SPSS 25.*

*The results of this study indicate that the product differentiation variable has a positive and significant effect on customer satisfaction while price has a positive and not significant effect on customer satisfaction.*

*The conclusion of this study is that the product differentiation is proven to have a positive and significant effect on customer satisfaction in accordance with previous research while price has a positive and not significant effect on customer satisfaction. The author recommends that Xiaomi be able to conduct research and development in order to improve product quality in the specification and durability of mobile phones, maintain the quality and performance of smartphone and more intensively socializing the public about knowledge from Xiaomi’s information.*

*Keywords: Product Differentiation, Price, Customer Satisfaction*