

THE IMPACT OF PRODUCT QUALITY WITH CONSUMER SATISFACTION IN EXPERIENTIAL MARKETING STRATEGIES

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Abstract: Business growth and development is an important concern for entrepreneurs. A goods or service business needs a strategy to keep customers satisfied. This study aims to determine the effect of product quality on customer satisfaction in experiential marketing strategies at Coffee House Lamongan Ltd. This type of research is quantitative research. The samples taken in this study were 60 respondents. This study uses the Structural Equation Model (SEM) analysis method, SPSS. Based on the calculation of the validity test, reliability test, regression weights, squared Multiple Correlation, it is known that product quality affects customer satisfaction, experiential marketing dimensions consisting of sense, feel, think, act, relate moderate the impact of product quality on customer satisfaction, and experiential marketing affects customer satisfaction.

Keywords: *Experiential Marketing*, Product Quality and Customer Satisfaction

1. Introduction

The development of the business world today is increasing rapidly, increasing fiercely competition becomes a challenge or threat for business people. growth dan easel business developments have important concern for entrepreneurs or business as a promising market opportunity. Business competition is very tight to reflect the lifestyle of a modern and flourishing his human mobility conduct their activities outside the home, so that customers nowadays prefer home meal is ready to eat. One marketing concept that can be used to influence consumer emotions is through experiential marketing, which is a marketing concept that not only provides information and opportunities for customers to gain experience of the benefits obtained but also evokes emotions and feelings that affect marketing, especially sales (Andreani ,2007; Biswas. et al, 2010; Bastos,2020) .With the strategy experiential marketing come into one's vision not it a private event experienced by certain customers due to the stimulation provided by the company when consuming goods or services, Schmitt (1999 : 60).

Satisfaction of customers that are flavorings 's happy or disappointed someone arising from comparing the performance of perceived product or result based on their expectations According to Kotler and Keller (2012: 354) In order to satisfy the needs of customers must be do right with mutual benefits which both sides either factory and customers must feel satisfied and no one is disadvantaged. Gratification of n customers cannot be separated from the

Experiential Marketing provided and quality of the products the company it self (Sriayudha,2013; Mittal & Sundie, 2017; Holbrook & Hirschman, 1982).

Research Objectives

1. To examine the impact of product quality affect customer satisfaction
2. To examine the impact of experiential Marketing moderation influence product quality to customer satisfaction
3. To examine the impact product quality affect Experiential Marketing
4. To examine the impact of Experiential Marketing influence customer satisfaction

2. Literature Review

Experiential Marketing

One of the marketing concepts that can be used to influence consumer emotions is through experiential marketing, which is a marketing concept that not only provides information and opportunities for customers to experience the benefits but also evokes emotions and feelings that have an impact on marketing, especially sales. Andreani (2007:2).

Smilansky (2009:5), Schmitt (2010) Experiential marketing is a satisfying process while observing every need and aspiration consumers, who will eventually unite the two things in personal communication that will bring value to consumers, through an integrated method. According to Rini (2009) and Taghian, (2010) Experiential Marketing is useful for a company that wants to enhance a brand that is in the downward stage, differentiate their products from competing products, create an image and identity for a company, increase innovation and persuade customers to try to buy products. The most important thing is to create loyal customers. Darmawansyah (2013: 5) Competition of a company must have a competitive advantage to be able to continue to survive on the products they offer to customers, both in the field of goods or services requires a strategy to attract and make customers satisfied with the products offered. There are four key characteristics of marketing experience : focus on the customer experience, test the consumption situation, customers are emotional creatures and absurd, as well as the method is electric Focus On Customer Experience / Focus on Customer Experience Strategy Experiential Marketing.



Figure .1. Characteristics Experiential Marketing

Source : Schmitt (1999)

Schmitt (1999 : 63) there are several main factors in Experiential Marketing measurement, namely: (1) Sense is a creation effort related to the five senses through sight, sound, touch, taste, and smell used to differentiate companies and their products on the market, motivating consumers to want to buy these products and convey value to consumers. (2) Feel arises as a

result of contacts and interactions that develop over time, which can be done through the feelings and emotions that are generated can be displayed through ideas and pleasures and a reputation for customer pleasure services. Every company must have a clear understanding of how to create feelings through consumption experience that can move the imagination of consumers who are expected to make a decision to buy. (3) Thinking is a way that companies do to bring commodities into experience by making adjustments continuously. (4) Act is a marketing technique to create consumer experiences related to the physical body, behavior patterns, and long-term lifestyle and experiences that occur from interactions with others. If the act is able to influence the behavior and lifestyle of customers it will have a positive impact on loyalty Karen A thinks of the products in the purchase fits with their lifestyle. (5) Relate is a way of creating and forming a customer community by means of communication. The purpose of relate is to connect these consumers with the culture and social environment that is reflected by the brand of a product.

Key Points of Experiential Marketing The three main keys that are focused on experiential marketing are as follows: (1.) Customer Experience Customer experience involves the five senses, hearts and minds that can place the purchase of a product or service between the larger contexts in life. (2.) Consumption Pattern Analysis of consumption patterns can lead to relationships to create greater synergy. Products and services are no longer evaluated separately but can be evaluated as part of an overall pattern of use in accordance with the lives of consumers. Most importantly, the after-purchase experience is measured by satisfaction and loyalty. (3). Rational and emotional decisions. Experience in life is often used to fulfill fantasies, feelings and pleasures. Many decisions are impulsive and irrational. Experiential marketing makes customers feel happy with the purchase decisions that have been made (Teguh , 2012).

Characteristics of Experiential Marketing According to Schmitt (1999 : 64), Experiential marketing is different from traditional marketing that focuses on the features and used in four main ways: (1) the focus with the first experience where the experience occurs as a result of the meeting, undergoing or past situation certain. Experience provides sensory, emotional, cognitive, behavioral and relational values that replace functional values (2) Test a consumption situation where the customer not only evaluates a product as a stand-alone product and also not only analyzes the appearance and function, but also customers prefer a product that suits the situation and experience when consuming the product. (3) Recognizing the rational and emotional aspects as triggers of consumption ie the customer is only a rational decision maker, the customer wants to be entertained, stimulated, emotionally influenced and challenged creatively. (4) Electrical methods and devices that are more customizable for each situation than using the same standard.

Product Quality

According to Kotler and Armstrong (2004: 354) "product quality is the ability of a product to carry out its functions and performance that can meet the needs and desires of customers". Product quality is an important thing that must be owned by a product, so producers are required to produce quality products in order to attract consumer attention and win the market.

Quality Dimension

Tjiptono (2008: 25), there are eight dimensions of quality products developed and in the quality of products there are eight dimensions measure quality product : (1) performance that is associated with the basic character of a product includes attributes measured brands, and performance aspects of the product (2) Aesthetics can be seen through products that can be smelled, felt, and seen by customers. (3) Product reliability is very important given the enormous maintenance and replacement costs if the product is not reliable. (4) Service capabilities include purchasing or repairing services for damaged products, and the convenience of communication with employees. (5) The diversity of products in the form of additional products from this product can add more value to a product. (6) Compliance with specifications in the service industry can be measured from the level of accuracy and completion time and delays that he cannot anticipate . (7) Product durability can be interpreted as the usefulness obtained by a person before experiencing quality degradation or before the product is replaced . (8) Quality perceptions where customers do not always have complete information on product and service attributes . But consumers usually have information about the product through the brand.

Product Classification

Kotler and Keller (2015 : 5) Product classification is based on durability or manifestation, and usability (consumer or industry). resilience and manifestation marketers classify products into three groups according to resilience and manifestation, namely:

1. Items that are not durable are tangible goods are usually consumed in one or a few times of use.
2. Durable goods are goods-thing intangible that can usually be used for a long time.
3. Services are intangible, inseparable, varied and perishable products.

Product Level

Planning market offerings, marketers must look at five product levels. Each level adds greater customer value, and all five are part of the customer value hierarchy. (1) core benefits, services or benefits that customers actually buy. (2) marketers must change the core benefits into basic products. (3) marketers prepare products that are expected (expected product). (4) marketers prepare additional products (augmented products). That exceeds customer expectations. (5) potential products (potential products), which includes all the additional possibilities and transformations that a product or offer may experience in the future (Kotler and Keller (2015: 4).

Customer satisfaction

Customer satisfaction is an emotional response to experiences related to the product or service purchased, retail outlets, or even behavior patterns, and the market as a whole dissatisfied customers will share their bad experiences with others Kotler and Keller (2012: 348) . If everyone passes on this information to someone else, bad news can develop exponentially. Customer satisfaction can be measured using several indicators, namely:

1. Repurchasing products: satisfied customers will buy more products from the same manufacturer to avoid a bad experience.
2. Recommend things that are good for the company with others.
3. The company becomes the main consideration when buying other products.

Gaspersz (2011: 131) and Tam (2004) is simply a condition where the needs, desires, and expectations of consumers can be met through the products consumed.

Method of Measuring Customer Satisfaction

Kotler and Keller, (2012: 170): customer satisfaction is measured in the following ways:

1. Complaints and suggestions system, every customer-oriented service organization is obliged to provide the widest possible opportunity for its customers to submit their suggestions, criticisms, opinions and complaints.
2. Ghost or mystery shopping, with employs some shoppers ghost or shadow consumer to act as a potential customer and competitor services company. By submitting and reporting various important findings based on his experience of the strengths and weaknesses of the company's services compared to competitors.
3. Lost customers, the Company should connect customers who have stopped buying or who have switched suppliers, so they can understand why this is happening and so they can adopt advertising policies or further improvements. Not only exit interviews are necessary, but monitoring customer loss rates is also important, where an increase in customer loss rates indicates the company's failure to satisfy its customers.
4. Customer satisfaction survey, most research on customer satisfaction uses survey methods, whether via post, telephone, e-mail, or direct interviews. Through surveys, companies will get direct responses and feedback from customers and also give positive signals that the company is paying attention to them.

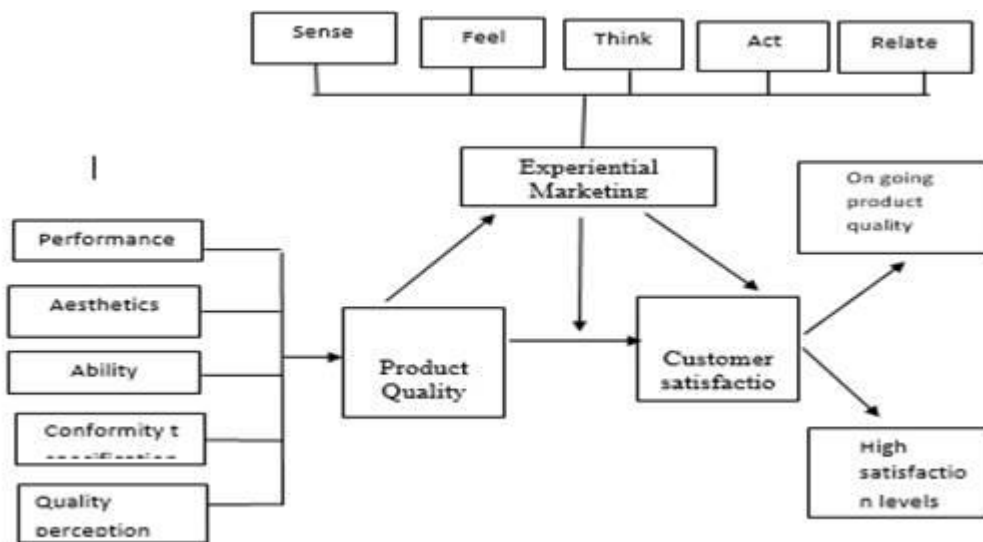


Figure. 2. Model of the product quality and consumer satisfaction
Sumber Data : diolah Penulis 2020

HYPOTHESIS

This study developed the following hypothesis:

- H1 : The product quality impact on consumer satisfaction
- H2 : Experiential Marketing moderates the effect of Product quality on Consumer satisfaction
- H3: Product quality influences experiential Marketing
- H4; Marketing experiential effect on customer satisfaction

3. Method

Arikunto (2010 : 234) Objective This study is collecting the information through the existing symptoms, namely to Circumstances according to what their symptoms .Research that nature

provides an illustration of the object under study through the data sample or population as such, (Sugiyono 2013: 29). This type of research is a quantitative approach. This study, to be tested is the impact of product quality to customer satisfaction in the strategy experiential Marketing by using analysis of test data validity, reliability test and analysis of structural Equation Modeling Amos (SEM). The number of samples taken by researchers is 60 respondents Coffee House Ltd.

4. Result and Discussion

Validity Test and Reliability Test

The validity test shows how real a test measures what should be measured, Jogiyanto (2005:120), If the significance point is less than 0.05 it means valid and if it is more than 0.05 it means invalid. How to test the validity of the questionnaire is done by calculating the correlation value between the data of each question and the total score seen from the corrected item-total correlation column table on the item-total statistics table.

Table 1. Validity Test

Variabel	r_{hitung}	r_{tabel}	Interpretasi
Quality Product			
1	0,717	0,2542	Valid
2	0,707	0,2542	Valid
3	0,632	0,2542	Valid
4	0,601	0,2542	Valid
5	0,608	0,2542	Valid
Experiential Marketing			
1	0,740	0,2542	Valid
2	0,617	0,2542	Valid
3	0,554	0,2542	Valid
4	0,612	0,2542	Valid
5	0,609	0,2542	Valid
Kepuasan Pelanggan			
1	0,922	0,2542	Valid
2	0,893	0,2542	Valid
3	0,885	0,2542	Valid

Source : Diolah Penulis 2020

The results of the data validity test in this study showed the correlation coefficients of all items had the Product Moment Pearson correlation coefficient (r_{xy}) > r table (0.2542). Thus, whole grains questions that exist in the instrument of research can be declared invalid or valid.

Reliability test shows the accuracy and accuracy of the measuring (Jogiyanto, 2005: 120). The measurement of reliability can be done with one short or just one measurement and then the results are compared with other questions or measuring the correlation between the answers to the questions.

The reliability test is carried out to measure the reliability with the alpha cronbach (α) statistical test, a variable is said to be reliable if it has a cronbach alpha > 0.60 (Ghozali, 2005: 42).

Table 2. Reliability Test

No	Variabel	Kofisien alpha	Standar reliabilitas	Keterangan
1	Quality product	0,869	0,6	Reliable
2	Customer Satisfaction	0,854	0,6	Reliable
3	Experiential Marketing	0,601	0,6	Reliable

Source: diolah penulis 2020

As for the results of the data reliability test, it is known that the Cronbach Alpha coefficient value for each variable is greater than 0.6, then all questions in the research variable are reliable, so that the research instrument in its measurement can be trusted.

Structural Equation modeling Amos (SEM) test results.

Inferential statistical analysis is used to test the research model, assumptions, model feasibility and hypothesis testing (Sugiyono, 2015: 148). The inferential analysis in this study uses a path diagram analysis approach for the SEM (Structural Equation Modeling) IBM AMOS. 20 The results obtained from data processing using ASEM are the measurement models and structural equations are as follows:

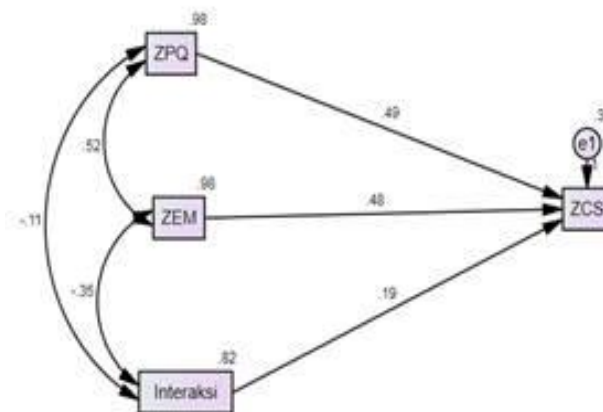


Figure 3. Structural model of the impact Product Quality With Consumer Satisfaction In Experiential Marketing Strategies
Sumber diolah penulis 2020

Tabel 3. Regression Weights: (Group number 1 - Default model)

			Estimate	SE	CR	P.	Label
ZCS	<---	ZPQ	.493	.088	5,583	***	
ZCS	<---	ZEM	.483	.095	5,074	***	
ZCS	<---	Interaction	.193	.089	2.160	.31	

Source: diolah Penulis 2020

Table 4. covariance: (Group number 1 - Default model)

			Estimate	SE	CR	P.	Label
ZPQ	<-->	ZEM	.516	.145	3,570	***	
ZEM	<-->	Interaction	-.352	.126	-2,798	.005	
ZPQ	<-->	Interaction	-.110	.118	-.937	.349	

Source: diolah Penulis 2020

From the results of the analysis above, the results of the discussion of the hypothesis testing are as follows:

Table 5. Hypothesis Testing Results

No.	Hypothesis	C.R.	P
1.	Product Quality terhadap Customer Satisfaction	5,583	***/ <0,001
2.	Interaksi terhadap Customer Satisfaction	2,160	0,031
3.	Product Quality terhadap Experiential Marketing	3,570	***/ <0,001
4.	Experiential Marketing terhadap Customer Satisfaction	5,074	***/ <0,001

Source: diolah penulis 2020

From the results of the above calculations explain that hypothesis testing criteria are based on the value of the Critical Ratio (CR), where if the value of $CR > 1.96$ and $P < 0.05$, then the exogenous variables affect the endogenous variables. CR with a P value (***) of three stars means that the value is very low, which is less than 0.001 (<0.001). The following are the results of hypothesis testing:

a. Hypothesis 1

Hypothesis 1 states that Product Quality has a direct effect on Customer Satisfaction. Based on the C.R. amounting to 5,583 and P value (***/ <0.001) Value $C.R > 1.96$ and P value <0.05 , so it can be concluded that Quality has a direct effect on Customer Satisfaction. Then Hypothesis 1 is accepted.

b. Hypothesis 2

Hypothesis 2 states that Experiential Marketing moderates the influence of Product Quality on Customer Satisfaction. The value of C.R is 2.160. This value is greater than 1.96. While the value of $P = 0.031$ is less than 0.05. Based on the C.R and P values, it can be concluded that Experiential Marketing moderates the effect of Product Quality on Customer Satisfaction. So that Hypothesis 2 is accepted.

c. Hypothesis 3

Hypothesis 3 states that Product Quality has an effect on Experiential Marketing. The C.R value is 3.570 and the P value is (***/ <0.001). CR value is more than 1.96 and P value <0.05 , it can be concluded that Product Quality has an effect on Experiential Marketing. So that Hypothesis 3 is accepted.

d. Hypothesis 4

Hypothesis 4 states that Experiential Marketing has an effect on Customer Satisfaction. Based on the C.R. amounting to 5.074 and a P value (***/ <0.001) Value $C.R > 1.96$ and a P value <0.05 , so it can be concluded that Experiential Marketing has an effect on Customer Satisfaction. Then Hypothesis 4 is accepted.

5. Conclusions

Based on the calculation of Squared Multiple Correlations: (Group number 1 - Default model) that Product Quality affects Customer Satisfaction because the Significance value (P-value) of 0,000 is smaller than α (5%). And Based on the C.R. amounting to 5,583 and P value (***/ <0.001) Value $C.R > 1.96$ and P value <0.05

Experiential Marketing moderates the effect of Product Quality on Customer Satisfaction; this can be seen from the Significance value (P-value) of 0.031 less than α (5%). And The value of C.R is 2.160. This value is greater than 1.96. While the value of $P = 0.031$ is less than 0.05. Based on the C.R and P values,

Product Quality affects experiential Marketing; this can be seen from the Significance value (P-value) of 0,000 less than α (5%). And The C.R value is 3.570 and the P value is (***/ <0.001). CR value is more than 1.96 and P value <0.05.

Experiential Marketing influences Customer Satisfaction, this can be seen from the Significance value (P-value) of 0,000 less than α (5%). and Based on the C.R. amounting to 5.074 and a P value (***/ <0.001) Value C.R> 1.96 and a P value <0.05

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