

## **CUSTOMER LOYALTY: The Effect Customer Satisfaction, Experiential Marketing and Product Quality**

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**Submitted:** 05<sup>th</sup> March 2022 | **Edited:** 26<sup>th</sup> May 2022 | **Issued:** 01<sup>st</sup> June 2022

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**Cited on:** Gunawan, I. (2022). CUSTOMER LOYALTY: The Effect Customer Satisfaction, Experiential Marketing and Product Quality. *KINERJA: Jurnal Manajemen Organisasi dan Industri*, 1(1), 35-42.

### **ABSTRACT**

Tight competition requires companies to be able to do more, so that customer loyalty is maintained. However, the efforts made are not easy, companies need to mobilize all available resources, especially those directly related to consumer behavior. In customer theory, providing satisfaction is one of the main keys to the birth of loyalty behavior. Based on this phenomenon, this research seeks to obtain information through scientific testing with a measurable method, in the form of a quantitative approach. The research correspondents are Uniqlo consumers, totaling 100 people. How to collect data in this study by distributing questionnaires purposively. The results of the study suggest that the best path analysis model in increasing customer loyalty is to focus on increasing customer satisfaction. This becomes rational, because the customer in making a purchase decision is strongly influenced by his psychological state, and with a feeling of satisfaction, loyal behavior will be formed.

**Keywords:** Customer, Shopping, Satisfaction, Experience, Product Quality, Retail

### **INTRODUCTION**

Clothing has been a basic human need since ancient times. At first, clothing was a tool used to support human activities in survival, from protecting the body from the hot sun to warming the body from the cold. But along with the development of human civilization, clothing has also become a symbol of social status for those who wear it. And this continues to this day in modern society. Because of the position of clothing as a basic need, the clothing business will never die and will continue to provide great opportunities for the perpetrators.

One of the clothing business models that continues to grow is fast fashion retail. In the last 3 years, global fast fashion retail grew by 21%. One of the biggest factors for the growth of this industry is the fashion boom in Asia – Pacific which is supported by fast economic growth. Fast fashion retail itself is retailer that produces and sells fashion with catwalk and mass-produces them so as to create unique and quality products at

affordable prices. Fast fashion can also develop because it provides a different consumption experience from other fashion products (Pratiwi, & Saino, 2022).

One of the biggest fast fashion retailers in Indonesia is Uniqlo. Uniqlo first set foot in Indonesia on June 22, 2013 by opening its store at Lotte Shopping Avenue, Jakarta. The first Uniqlo Indonesia outlet became the largest Uniqlo outlet in Southeast Asia. This happened because the president director of Uniqlo considered that Indonesia, with its population composition and economic development, was a very potential market for Uniqlo. Within 5 years Uniqlo now has 21 outlets consisting of 13 outlets in Jabodetabek and 8 outlets outside Jabodetabek and is a tight competitor to top fast fashion retailers such as Zara, which has been in business since 2005, and H&M. which entered in October 2013.

Even though Indonesia has a large market potential, Uniqlo or fast fashion retailer will not be able to survive and grow without the loyalty of their customers. Because customer loyalty is a reliable benchmark for estimating the growth of a business (Nafiah, & Trihudiyatmanto, 2021). Loyalty is a deeply held commitment to buy or re-support a preferred product or service in the future even though the influence of the situation and marketing efforts has the potential to cause customers to switch (Karuniatama, et, al., 2020).

Customer loyalty does not happen by itself, customer loyalty is a behavior that is formed from the attitude of a loyal person in general must feel satisfied first, customer satisfaction will form customer loyalty (Dilla, & Ngatno, 2020). Satisfaction is the level of one's feelings after comparing performance or perceived results with expectations. Satisfaction is closely related to loyalty, a consumer is likely to be loyal if his satisfaction is at a high level (Hutabarat, & Prabawani, 2020). The probability of a person being loyal is 65% when he is satisfied, and at 95% when he is very satisfied. (Mismiwati, 2019) in his research found that satisfaction is one of the factors that can affect loyalty, if a customer is satisfied, it is possible that the customer can become a loyal customer.

Uniqlo does a lot to get customer satisfaction, experiential marketing is one of them. Experiential marketing is a marketing strategy that focuses on giving consumers a pleasant experience associated with a particular brand so that it gets its own value in the minds of consumers, which will make consumers remember a brand not because the

brand is the one they see most often in advertisements, but because the brand provides a pleasant experience. In other words, the purpose of experiential marketing is to make customers satisfied (Sudrajat, et, al., 2020). Through experiential marketing, Uniqlo always tries to make its customers associate Uniqlo with positive experiences.

In addition to experiential marketing, Uniqlo also always campaigns for the quality of its products through the tagline "Life Wear". LifeWear features the highest-quality materials, modern elegant lines and superior comfort. Designing simple, basic clothing is actually harder than offering straight "fashion"—it requires high levels of expertise, experience and unique inspiration.

According to (Mismiwati, 2019) quality reflects all dimensions of product offerings that generate benefits for customers. According to (Nafiah, & Trihudiyatmanto, 2021) quality is one of the main keys to get satisfaction and loyalty from consumers. Uniqlo always shows the quality of its products through campaigns about what each product has. Since 1994 Uniqlo has continued to innovate in technology to improve the quality of its products.

## **THEORETICAL BASIS**

### **Consumer Behavior**

In simple terms, the marketing concept states that an organization must satisfy the needs and wants of consumers in order to be profitable. To apply the marketing concept, organizations must understand their consumers and stay close to them to provide products and services that consumers will buy and use (Baisyir, & Quintania, 2021). *The American Marketing Association* in (Utomo, 2021) defines consumer behavior as a dynamic interaction between affection and cognition, behavior, and the environment in which humans exchange aspects of their lives. In other words, consumer behavior involves the thoughts, feelings, and behaviors they do during the consumption process.

### **Experiential Marketing**

*Experiential marketing* is an approach to providing information that is more than just information about a product or service. *Experiential Marketing* is a marketing approach that involves the emotions and feelings of consumers by creating unforgettable positive experiences so that consumers consume and are *fanatical* about certain products (Muljani, 2021).

*Experiential marketing* is a marketing concept that aims to form loyal customers by touching their emotions and giving a positive feeling to the company's products. In short *experiential marketing* is a customer's real experience of certain products and brands that involve feelings and emotions that have an impact on marketing, especially purchasing decisions (Nurjanah, & Juanim, 2020).

### **Product Quality**

In (Munggaran, & Danial, 2020) it is stated that quality is the overall characteristics and characteristics of a product or service whose ability to satisfy needs, both expressed and implied. The term requirement is defined as the specifications contained in the contract as well as the criteria that must be defined first. While the notion of product quality according to (Nafiah, & Trihudiyatmanto, 2021) is a dynamic condition associated with products, services, people, processes and the environment that meet or exceed expectations.

### **Customer Satisfaction**

According to (Wulanjani, & Derriawan, 2018) customer satisfaction is the level of one's feelings after comparing the perceived (performance or results) with their expectations. Consumers can experience one of three levels of satisfaction. First, if the product's performance is below expectations, consumers will feel disappointed. Second, if the product's performance matches expectations, the customer will be satisfied. Third, if performance exceeds expectations, consumers will feel very satisfied.

(Efendi, 2020) says that customer satisfaction is a post-purchase evaluation where the chosen alternative at least gives the same result or exceeds consumer expectations, while dissatisfaction will arise if the results obtained are not in accordance with or below consumer expectations. From these two opinions it can be concluded that consumer satisfaction is the result of the evaluation of consumers after using an item or service, and the variables used for this evaluation are the expectations of the consumers themselves.

### **Customer Loyalty**

The concept of customer loyalty is more associated with behavior (*behavior*) than with attitudes. If someone is a loyal customer, he or she exhibits buying behavior which is defined as a non-random purchase expressed from time to time by several decision-

making units (Astriana, 2019). Loyalty According to (Muljani, 2021) is the behavior of repurchasing solely regarding the purchase of the same brand repeatedly (could be because there is only one *brand* , the cheapest brand, etc.).

## **METHOD**

Research this study focuses on matters relating to the title of the study, namely the effect of *experiential marketing* and product quality on customer satisfaction and their impact on customer loyalty to Uniqlo consumers in South Jakarta. According to (Pratiwi, & Saino, 2022) population is a generalization area consisting of objects or subjects that become certain quantities and characteristics determined by researchers to be studied and then conclusions are drawn. According to (Pratiwi, & Saino, 2022) the sample is part or the population being studied. The sample is part of the number and characteristics possessed by the population.

Primary sources are data sources that directly provide data to collectors (Utomo, 2021). While primary data is data obtained directly from research subjects by using measurement tools or data retrieval tools directly. In obtaining primary data, the data collection method used by the researchers in this study was a questionnaire. Secondary data is a source of data obtained by reading, studying and understanding through other media sourced from literature, books, and documents (Utomo, 2021). The secondary data used in this research is by doing library research.

## **RESULT**

### **Correlation Coefficient**

From the results of correlation test, it can be seen that four relationships are categorized as having a fairly strong correlation relationship and the other two relationships are categorized as strongly related. The significance value of all relationships, which is 0.000, is less than the set tolerance value of 0.05, which means that all correlations are significant..

### **Determination Coefficient**

The path analysis model is obtained with a correlation coefficient (R) of 0.758. The coefficient of determination (*R Square*) is 0.575 (57.5%). The *R square* of 57.5% shows that the effect of *experiential marketing* and product quality on customer

satisfaction combined is 57.5%, while the remaining 0.425 or 42.5% (100% - 57.5%) is the possibility that there are aspects -other aspects that have an influence on customer satisfaction variables. The probability of customer satisfaction variable can be explained by 57.5% with *experiential marketing* and product quality variables.

### **Simultaneous Significance Test**

With hypothesis testing criteria as follows: If  $F\text{-count} > F\text{-table}$ , then  $H_0$  is rejected and  $H_a$  received. If  $F\text{-count} < F\text{-table}$ , then  $H_0$  is accepted and  $H_a$  is rejected. Through these steps and the ANOVA results in table 4.3, the F-count results are 65.51 with a probability of 0.000. F-table with a significance level of 0.05, *degree of freedom* (df) for  $df_1 = 2$ ,  $df_2 = 97$  then  $F\text{-table} = 3.09$ . The result is  $F\text{-count} (65.51) > F\text{-table} (3.09)$  and with this result,  $H_0$  is rejected and  $H_a$  is accepted. This means that the variables of *experiential marketing* and product quality simultaneously have a significant effect on customer satisfaction.

### **Individual significance test**

According to individual significance test, the t-count value is 2,072 with a probability of 0.041. t-table with a significance level of 0.05 and a *degree of freedom* (df) for  $df=n-2$  or  $100-2=98$  then the t-table is 1.98447. The result is  $t\text{-count} (2.072) > t\text{-table} (1.98447)$ . So it can be concluded,  $H_0$  is rejected and  $H_a$  is accepted. This means that there is a significant influence between *experiential marketing* on customer satisfaction.

According to SPSS output, the t-count value is 9.38 with a probability of 0.00. t-table with a significance level of 0.05 and a *degree of freedom* (df) for  $df=n-2$  or  $100-2=98$  then the t-table is 1.98447. The result is  $t\text{-count} (9.38) > t\text{-table} (1.98447)$ . So it can be concluded,  $H_0$  is rejected and  $H_a$  is accepted. This means that there is a significant effect between product quality variables on customer satisfaction.

## **CONCLUSION**

Based on the data that has been collected and the tests that have been carried out using the *path analysis*, the following conclusions can be drawn:

1. The effect *experiential marketing* on customer satisfaction *Experiential marketing* has a significant effect on Uniqlo customer satisfaction in South Jakarta.
2. Effect of product quality on customer satisfaction Product quality significantly

affects Uniqlo customer satisfaction in South Jakarta.

3. The effect *experiential marketing* and product quality simultaneously on customer satisfaction. In the F test, the calculated F value from *experiential marketing* and product quality simultaneously has a significant effect on Uniqlo customer satisfaction in South Jakarta.
4. The effect *experiential marketing* on customer loyalty *Experiential marketing* has a significant effect on Uniqlo customer loyalty in South Jakarta.
5. The effect of product quality on customer loyalty Product quality significantly affects Uniqlo customer loyalty in South Jakarta.
6. The effect of customer satisfaction on customer loyalty Customer satisfaction has a significant effect on Uniqlo customer loyalty in South Jakarta.

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