

Analysis of The Influence of Customer Satisfaction, Experiential Marketing and Product Quality on Loyalty of Uniqlo Customers

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Abstract:

This study intends to examine how product quality and experiential marketing affect customer loyalty and consumer happiness. A quantitative analysis method was employed in the analysis. the Likert scales. The path analysis approach is the one the author used to process the data. Purposive sampling was used in this investigation, and the sample size was 100 respondents. The information gathered is primary information, the outcome of respondents' responses to the questionnaires that were delivered. The findings indicated that the experiential marketing variable had a significant impact on customer satisfaction, that product quality variables significantly influenced customer satisfaction variables, that experiential marketing variables and product quality also had a significant impact on customer satisfaction variables, and that customer loyalty variables were significantly influenced by both of these variables.

Keywords: experiential marketing, product quality, customer satisfaction, customer loyalty.

Introduction

Since the beginning of time, humans have needed clothing to survive. At originally, clothing served as a tool to aid in human survival, from shielding the body from the sun's rays to keeping it warm in the winter. But as human civilization has progressed, clothing has also evolved to represent social standing for those who wear it. And in today's contemporary world, this is still valid. Since everyone needs clothing, the apparel industry will always exist and offer fantastic chances for performers. Fast-fashion retail is one of the clothes business strategies that is still expanding. Global fast fashion retail sales have increased by 21% during the past three years. The rapid economic

growth in Asia and the Pacific, which is fueling the fashion boom there, is one of the main drivers driving this industry's expansion. Fast fashion retail is a store that creates and sells catwalk-standard clothing in big quantities to provide distinctive, high-quality goods at reasonable rates. Fast fashion is also able to grow since it offers a distinct kind of fashion product consuming experience (Faezy, 2016).

The initial concept of fast fashion retail itself was created in 1960. At that time, young people in America started a trend to buy clothes at affordable prices from retailers. But actually, the concept of fast fashion retail itself was first carried out by H&M in 1947 in Sweden. The inspiration came when its founder, Erling Persson, visited a low-cost clothing retail store that was established in America after World War II. After seeing the astonishing volume of production and sales, Erling decided to do the same by adding his own touch. His products were not only mass-produced but also had designs that were up-to-date following the developments in world fashion. After H&M's success, brands with the same concept began to emerge that are now worldwide, one of which was Uniqlo in 1994, which is now the top fast fashion retailer in the world, including in Indonesia. In 2007–2017, the growth of modern retail in Indonesia reached an average rate of 17.57% per year. In Indonesia, fast fashion retailers began to grow rapidly in 2005. Zara became the first foreign fast-fashion retailer in Indonesia. After that, various fast fashion retailer brands such as H&M, Uniqlo, and Pull & Bear entered. These brands are still able to grow and survive to this day despite the unstable retail growth in 2012–2017 (Ghozali & Sari, 2015).

Uniqlo is one of Indonesia's largest fast-fashion retailers. On June 22, 2013, this fast-fashion retailer opened its first location in Indonesia in Jakarta's Lotte Shopping Avenue. The first location of the fast fashion retailer from Indonesia has grown to be the region's biggest fast fashion business. This occurred as a result of Indonesia's president and director of fast fashion stores thinking highly of the country's market potential given its demographic makeup and level of economic growth. In just five years, the fast fashion retailer has grown to 21 locations 13 in Jabodetabek and 8 outside the city and has established itself as a formidable rival to prominent fast fashion brands like Zara, which entered the market in 2005, and H&M, which entered in October 2013. Indonesia is a promising place for business from an economic standpoint. The growth of the middle class in Indonesia during the past several years is shown in a rise in per capita income between 2014 and 2018. Additionally, Indonesia had the highest value of the consumer confidential index in Southeast Asia in 2018 with a score of 126 points (Yuliansyah & Handoko, 2019). Although there is a sizable market for fast fashion in Indonesia, without the support of its clients, these businesses cannot thrive and expand. Since customer loyalty is a reliable yardstick for predicting a company's future growth, it is a strongly held commitment to buy or repurchase a preferred product or service in the future, despite external circumstances and marketing initiatives having the power to persuade customers to switch.

Literature Review

Customer loyalty is a behavior that develops from the mentality of a loyal individual; it does not happen by itself. In general, he must first feel content because loyal customers are those who are content (Stanton, 2006). The degree of one's feelings following a comparison of their perceived performance or achievements to their expectations is referred to as satisfaction. Customer loyalty and satisfaction are closely associated; if a customer is very satisfied, he or she is more likely to stay loyal (Irawan, 2003). When someone is content, their likelihood of remaining loyal increases to 95% from 65% when they are extremely satisfied (Griffin, 2005). Client contentment is one factor that may have an impact on loyalty; if a client is happy, they are more likely to remain a loyal one. One of the various strategies used by fast fashion retailers to assure customer satisfaction is experiential marketing. Experiential marketing is a style of advertising that focuses on giving customers a satisfying brand experience so that the brand takes on its own significance in their minds (Yulisetiarini, 2016). Customers will remember a brand because it provides a great experience rather than just because they see it most frequently in commercials (Yuliansyah, 2016). To gratify customers, in other words, is the goal of experiential marketing (Purbaningsih et al., 2021). Fast fashion companies constantly work to get their customers to associate them with good experiences by using an experiential marketing strategy. Quality encompasses all aspects of the product offering that benefit customers. One of the most important factors in winning over customers' contentment and loyalty is quality (Halim et al, 2014). Fast fashion companies consistently showcase the quality of their goods with advertisements that highlight the features of each item. Fast fashion shops have been advancing technologies to raise the caliber of their goods ever since 1994.

Until now, fast fashion retailers have developed many clothing innovations, such as Heattech, which is a technology for clothing in cold climates; Airlsm, which is a technology for clothing in hot climates, Dry-Ex, which is a technology for sportswear; and BlockTech, which is a technology for clothes that are wear-resistant against all weather (Widjaja et al., 2021). This technology allows for a wide range of color options, making every apparel ideal for both men and women to wear. All manufacturers must consider product quality because it significantly affects client satisfaction and loyalty (Hines & Bruce, 2001).

Methodology

The population referred to in this study is comprised of adolescents who have purchased fast fashion retailer products twice or more. In order to calculate the sample size, the researcher uses a non-probability sampling technique, which means that not every element or person in the population has an equal chance of being chosen as a sample. A sample of 100 people was gathered using the non-probability sampling technique known as purposeful sampling. The primary method used by the researchers in this study to collect data was a questionnaire. The closed questionnaire's questions were created using a Likert scale. Through library research, the secondary data used in this study was acquired. This study employs quantitative research techniques. Because the analysis uses statistics and the study data is presented as numbers, this method is known as quantitative. The two forms of statistics utilized for data analysis in research are descriptive statistics and inferential statistics. Before further analysis, the primary data acquired during data collection was stored in a Microsoft Excel file. Microsoft Excel was utilized not just to manage data but also to manage data on responder characteristics. The original data was first entered into Microsoft Excel, and then the data was analyzed and interpreted using SPSS. The path analysis method was applied by the authors in this study. Structural equations and path diagrams must be created before path analysis may be used in research. To ascertain how closely one variable is related to another, correlation coefficient analysis is utilized.

Case studies

The route analysis model's correlation coefficient (R) is 0.758. 0.575, or 57.5%, is the R square coefficient of determination. The combined effect of experiential marketing and product quality on customer satisfaction is shown by the R square value of 57.5%, with a potential additional influence of 0.425, or 42.5% (100%-57.5%), on customer satisfaction factors. Experiential marketing and product quality variables can account for 57.5% of the probability of the customer satisfaction variable. The correlation coefficient (R) for the path analysis model is 0.738. The R squared coefficient of determination is 0.545 (54.5%). The combined effect of experiential marketing, product quality, and customer satisfaction on customer loyalty is indicated by the R square value of 54.5%, while the remaining 0.455, or 45.5% (100%-54.5%) suggests that there may be other factors that affect customer loyalty variables. Experiential marketing, high-quality products, and pleased consumers may all contribute to 54.5% of the variance in the customer loyalty variable.

Using the subsequent standards for testing hypotheses: If f-count is more than f-table, H_0 is rejected but H_a is accepted. If the f-count f-table, H_0 is accepted and H_a is rejected. These activities produce an f-count result of 65.51 and a probability of 0.000 along with the ANOVA findings. H_0 is rejected while H_a is accepted because f-count (65.51) > f-table (3.09), which has a significance threshold of 0.05 and degrees of freedom (df) of 2 and 97. This shows that elements like product quality and experience marketing have a significant impact on customer satisfaction at the same time. The f-count result is 38.28, and 0.000 is the probability. A f-table with a significance level of 0.05 and an f-table with a value of 2.7 is produced by degrees of freedom (df) with $df_1 = 3$ and $df_2 = 96$. F-count (38.28) > F-Table (2.7) is the outcome. As a result, H_a is welcomed whereas H_0 is turned down. This implies that customer loyalty is significantly influenced by the factors of experiential marketing, product quality, and customer happiness at the same time.

The t-count number is 2.072, and the probability is 0.041. The t-table is 1.98447 and has a significance level of 0.05. As a result, T-count (2.072) is greater than t-table (1.98447). So, it can be claimed that whereas H_0 is rejected, H_a is welcomed. This suggests that customer satisfaction is significantly influenced by experiential

marketing variables. The technique of determining the fulfillment of consumer satisfaction and objectives is known as experiential marketing. Customers may feel satisfied since the consumption process is enjoyable. According to past research titled "Sense Marketing, Experiential Marketing, Customer Satisfaction, and Repurchase Intention," organizations must concentrate on the five components of experiential marketing in order to please customers. Experiential marketing has a favorable and large direct impact on customer satisfaction. The t-count value is 9.38, and the probability is 0.00. The t-table is 1.98447 and has a significance level of 0.05. The result is that t-count (9.38) > t-table (1.98447). So, it can be claimed that whereas H_0 is rejected, H_a is welcomed. This suggests that there is a strong correlation between variables impacting product quality and customer satisfaction. The ability of a product to satisfy client attention, demand, and use is referred to as product quality. Customer satisfaction may be impacted by quality. Customer satisfaction rises with increasing quality levels. This is consistent with earlier studies, which discovered a beneficial and significant relationship between product quality and consumer happiness. To increase the quality of their products, businesses must keep innovating.

The probability is 0.00, and the t-count value is 4.854. The t-table is 1.98447 and has a significance level of 0.05. The result is t-count (4.858) > t-table (1.98447). So, it can be claimed that whereas H_0 is rejected, H_a is welcomed. This suggests that customer loyalty is significantly influenced by experiential marketing aspects. Experience marketing aims to accomplish its goals, one of which is to boost customer loyalty. Consumer loyalty is significantly impacted by experiential marketing. Consumers are encouraged to develop an attachment to a brand through experiential marketing strategies that produce unique, personal encounters. The probability is 0.04 and the t-count value is 2.084. The t-table is 1.98447 and has a significance level of 0.05. The result is that t-count (2.084) > t-table (1.98447). So, it can be claimed that whereas H_0 is rejected, H_a is welcomed. This suggests a significant relationship between customer loyalty and variables influencing product quality. The buyer will be pleased and purchase the goods again if it is of high quality. Customers may then develop a loyalty to the brand. This is consistent with earlier study, which discovered that consumer loyalty is positively and significantly impacted by product quality.

The probability is 0.005 and the t-count value is 2.863. The t-table is 1.98447 and has a significance level of 0.05. The result is that t-count (2.863) > t-table (1.98447). So, it can be claimed that whereas H_0 is rejected, H_a is welcomed. This suggests that factors affecting customer satisfaction and long-term client loyalty are highly correlated. Customer loyalty will be affected by customer satisfaction at a specific level; customers will become loyal when they experience that degree of satisfaction. According to earlier study, customer happiness has a favorable and considerable impact on a company's customer loyalty. By developing trust and having open lines of communication, satisfied consumers will strengthen long-term connections and increase loyalty. Experiential marketing and product quality had the largest combined effect on customer satisfaction with a factor of 0.575, or 57.5%. The element that has the greatest individual impact is the influence of product quality factors on customer satisfaction, which has a value of 0.466, or 46.6%. The highest indirect impact on customer loyalty is the 0.206, or 20.6%, effect of the product quality variable on customer satisfaction.

Conclusion

Experiential marketing's impact on client satisfaction Customer happiness is significantly impacted by experiential marketing. Customer happiness is influenced by product quality. Product quality has a huge impact on customer satisfaction. In the f-test, which examines how both aspects affect customer satisfaction, the f-count value of experiential marketing and product quality concurrently has a significant impact on consumer satisfaction. Effect of experiential marketing on customer loyalty. Experiential marketing has a big impact on customer loyalty. The quality of the thing's customers buy has a big impact on their loyalty. Customer loyalty is impacted by customer satisfaction Customer happiness has a big impact on customer loyalty. Effects of experiential marketing, product quality, and customer satisfaction on customer loyalty. Customer loyalty is greatly influenced by product quality, experience marketing, and customer loyalty all at once. Customer pleasure is the conduit via which experience marketing indirectly influences consumer loyalty. Through fostering consumer satisfaction, experiential marketing increases customer loyalty. Customer satisfaction's indirect impact on product quality's direct impact on customer loyalty. According to the study's findings, experiential marketing significantly affects client loyalty and satisfaction. However, it is less than perfect due to several things, such as customers feeling less proud of their experience with fast

fashion retail, which gets the lowest score, as well as campaigns that are less provocative, which get the second lowest score. It is hoped that fast fashion retail can brand its products even better so that customers feel proud of having fast fashion retail products, for example by carrying out a campaign where for every 10 clothes sold, one shirt will be given to the world's population who are short of clothes. It is also hoped that fast fashion retailers can try to promote their products in an unusual way and invite controversy, thus attracting the public to see their products.

According to the study's findings, product quality significantly affects consumer loyalty and satisfaction. The fact that "do fast fashion retail products work beyond expectations?" is one reason why it isn't flawless. In addition to the fact that there is still a dearth of data regarding customer complaints, those who receive the lowest score also receive the second-lowest score. Fast fashion retail is hoping that by adding extra features to every product it markets, it may surprise consumers and go above and beyond what they expected. Additionally, fast fashion retailers need to provide more information about their complaint procedures. According to the study's findings, client loyalty is significantly influenced by customer satisfaction. However, there are still a number of things that need to be improved, such as a product that as a whole does not exceed customer expectations, which gets the lowest score; besides that, the fitting room also does not exceed customer expectations, which gets the second lowest score. It is hoped that fast fashion retail will conduct research on what customer expectations are for products and facilities in order to exceed customer expectations. As for customer loyalty, the tendency of customers to not buy competitors' products and the tendency of customers to refuse other people's invitations to buy competitors' products have the second-lowest score. This is indeed quite difficult to fix because fast fashion retail is within the fashion industry. However, this can be reduced by increasing the assortment of fast fashion retail products so that they can meet all customer clothing needs without having to go to another store.

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