

The Impact of Customer Satisfaction on Customer Behavior in Purchase Intention in Local Brand Product (Urban Traffic Distro)

M. Fikri, Trisha Gilang Saraswati, Mahendra Fakhri

School of Communication and Business Telkom University

mhdfikri@student.telkomuniversity.ac.id, trishasaraswati@telkomuniversity.ac.id,

mahendrafakhri@telkomuniversity.ac.id

Abstract

This study aims to determine the impact of customer satisfaction on customer behavior in purchase intention in the local brand products (Urban Traffic Distro). The rapid expansion of the Indonesian fashion industry, particularly the local goods supplied by a number of distribution stores (Distribution Stores), of which Urban Traffic Distro is one, is a significant factor. Small and Medium-Sized Enterprises' potential to contribute to improving the community's welfare must be continuously bolstered and strengthened by attempting to reduce the hurdles they confront. Depending on the quality of the product, the commodities offered in distribution are intended to satisfy the needs of both adolescents and adults. This study's sample consists of Urban Traffic Distro clients who have made purchases there. One hundred respondents comprised the sample, which was evaluated using path analysis and the third version of the SmartPLS application. All variables had a favorable and statistically significant impact on purchasing decisions at Urban Traffic Distro.

Keywords: Purchase Intention, Purchase Decision, Customer Satisfaction, Consumer Behavior, Marketing

1. Introduction

The creative economy is a new way of thinking about business that puts knowledge, innovation, and Human Resources (HR) at the center of production. Products in the creative economy are different, stand out, and have qualities. The goods made by the creative economy may also be a new version of existing products. The expansion of Indonesia's creative economy is significantly driven by the fashion industry, which accounts for 18.01 percent of the country's gross domestic product, or Rp. 116 trillion. The fashion subsector represents 18.15 percent of the economic GDP, second only to the culinary subsector (41.69%). This shows that the fashion industry significantly impacts how people perceive the Indonesian economy. The fashion industry has transitioned from a biological to a sociocultural function, becoming a sign of socioeconomic strata, lifestyle, self-image, and taste. The fast growth of the fashion industry in Indonesia, especially for local goods sold by several distribution stores (Distribution Stores), one of which is Urban Traffic Distro. Small and Medium-Sized Enterprises (SMEs) potential to contribute to improving the community's welfare must be continuously bolstered and strengthened by attempting to reduce the hurdles they confront (Pradana et al., 2021). Depending on the product's quality, the goods sold through distribution are made to meet the needs of both young people and adults. Customers like things that are unique and popular. Customers' buying decisions are affected not only by how complete the product is but also by its location and price (Elisa et al., 2022).

Furthermore, SMEs must be able to adjust marketing content to client specific preferences or community interests. As a result, Small and Medium Enterprises must select the appropriate marketing material to foster strong relationships, resulting in consumer behavior and long-term performance for the organization. Consumer behavior studies how individuals, groups, and organizations choose, purchase, use, and interact with goods, services, ideas, and experiences to meet their needs and desires (Yeo et al., 2017). Meanwhile, customer experience research has been conducted in various industries, including weblogs, travel agencies, and social media marketing (Kumar et al., 2021; Yeo et al., 2017). As a result, this study presents a framework that incorporates client experience to address the limitations of earlier research. This study aims to analyze the effect of customer experience on customer engagement, as represented by the relationship quality construct, as well as purchase intention. Moreover, efforts are made to provide Small and Medium Enterprises with insight and direction in order for them to achieve their marketing objectives and provide sustainable performance for their Small and Medium Enterprises.

2. Literature Review

Customer Experience

According to recent literature, customer experience is a multidimensional phrase representing a consumer's cognitive, emotional, behavioral, sensory, and social responses to a company's product or service during the customer's purchasing journey (Elisa et al., 2022). When recognizing and responding to changes to improve a company's competitive position, one of the most significant areas a manager should explore is customer experience (Kumar et al., 2021). Customer experience was developed to assist marketers in defining various types of encounters. Schmitt's (2010) early research found that while doing a comprehensive marketing communication study, there are five sorts of customer experience to examine. The five categories are personal events that happen in response to some stimulus and as a result of the meeting, seeing, or experiencing certain conditions.

Relationship Quality

Relationship quality affects customer loyalty, buying plans, and the desire to do business on social networks. The term of relationship quality refers to a thorough evaluation of how much two people want to work together, how much they tell each other, and how much they talk to each other afterward. People have said that relationship quality is a composite or multidimensional thing with three different but related parts: trust, satisfaction, and commitment (Crosby et al., 1990; Palmatier et al., 2006).

Customer Behavior

Relational marketing is based on the idea that building and keeping good customer relationships will help the business in ways like customer loyalty, word of mouth (WOM), and sales performance (Armstrong et al., 2014). It's more important to make sure people keep using the product. Therefore, relationship quality plays a significant role in retaining existing clients, while gaining new ones requires more time and effort (He et al., 2019). A service provider's success also depends on how ready the customer is to give feedback after using the service. Relationship quality drives customers to act in certain ways like buying, staying loyal, or getting involved with the organization (Dawood & Shamout, 2016). Relationship quality also drives the willingness to buy and the possibility for a client to purchase a specific product, with a larger likelihood of doing so. Customers will seek relevant knowledge when purchasing something depending on their viewpoints and the environment. Customers often examine, check, compare, and finally purchase after gathering a particular quantity of information (Troise et al., 2020).

Research Hypotheses

Hypothesis 1 (H1). Customer experience has a positive effect toward relationship quality.

Hypothesis 2 (H2). Relationship quality has a positive effect toward purchase intention.

Hypothesis 3 (H3). Customer experience has a positive effect toward purchase intention.

Hypothesis 4 (H4). Relationship quality has mediated effect against customer experience and purchase intention.

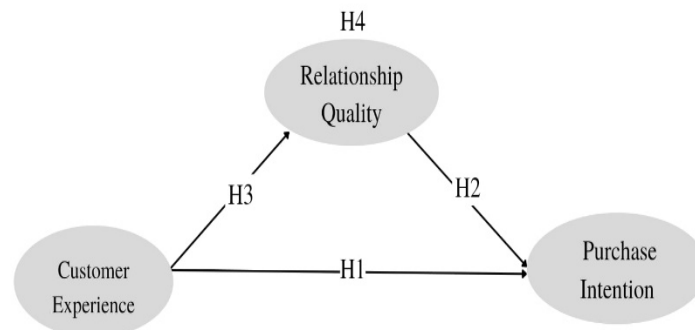


Figure 1 Research Framework

3. Methodology

The research method utilized a quantitative approach with descriptive analysis and causal research. Path analysis and SmartPLS explain the link between the variables studied by gathering numerical data from the research sample and analyzing it using various statistical approaches. Google form is used to gather information from online questionnaires. This online questionnaire is shared through social media (Instagram), usually through the Snapgram feature on the Instagram application, because the people who fill it out are mostly from Generation Z.

4. Result and Discussion

Table 1 shows the list of the questionnaire distributed to the respondent as shown:

Table 1. List of questionnaire

CODE	Questionnaire statement
CB1	I feel confident that the products sold at Urban Traffic represent my dressing style
CB2	I feel confident that the products sold on Urban Traffic have attractive designs
CB3	I feel that the products sold on Urban Traffic highlight my social class
CB4	I shop at Urban Traffic because I get referrals from my friends or family
CB5	I recommend friends or family to shop at Urban Traffic
CB6	I feel that the products at Urban Traffic conform to social standards in my environment
CB7	I feel the products in Urban Traffic are appropriate for my age
CB8	The products that Urban Traffic sells suit my activities
CB9	I feel that the products in Urban Traffic represent my personality
CB10	I have high motivation to buy products at Urban Traffic
CB11	I feel confident that the products in Urban Traffic can fulfill my needs in terms of fashion
CB12	I feel that buying products at Urban Traffic makes me more confident
CE1	I feel that the products at Urban Traffic are comfortable to use
CE2	I feel the product at Urban Traffic has the good fitting
CE3	I feel that the quality of the products sold at Urban Traffic is good
CE4	I find the service at Urban Traffic fun
CE5	I find the shopkeeper at Urban Traffic informative
CE6	I think the reputation of Urban Traffic is quite good
CE7	I have been actively involved in the online interactions at Urban Traffic
CE8	I play a role in providing feedback in various ways, both online and offline
CE9	I once gave an idea when Urban Traffic wanted to make a product
CE10	I feel that shopping at Urban Traffic feels safe and comfortable
CE11	I feel that the products in Urban Traffic give me confidence
CE12	I feel that the products on Urban Traffic are quite complete
CE13	I feel that the products in Urban Traffic fit the community I follow
CE14	I feel that Urban Traffic's products are suitable for various events
CE15	I feel that Urban Traffic's products fit my lifestyle
BD1	I feel confident that the product I buy is what I want
BD2	I always try the product first when shopping at Urban Traffic
BD3	I will recommend to friends or family to shop at Urban Traffic
BD4	I feel that the products at Urban Traffic are durable and long lasting

CB = Customer Behavior; CE = Customer Experience; BD = Buying Decision

In this test, the outer loading value for each indicator must be between 0.6 and 0.7, which means that the indicator is valid. This test is called the standardized loading factor, which is the correlation between each indicator based on the value of the outer loading of each indicator in the questionnaire.

Table 2. Loading factor result

Code	CB	CE	BD
CB1	0.837		
CB2	0.649		
CB3	0.949		
CB4	0.906		
CB5	0.928		
CB6	0.878		
CB7	0.912		
CB8	0.873		
CB9	0.728		
CB10	0.728		
CB11	0.749		
CB12	0.757		
CE1		0.824	
CE2		0.766	
CE3		0.675	
CE4		0.829	
CE5		0.751	
CE6		0.714	
CE7		0.767	
CE8		0.847	
CE11		0.803	
CE12		0.844	
CE13		0.926	
CE14		0.847	
CE15		0.814	
BD1			0.829
BD2			0.813
BD3			0.841
BD4			0.779

Based on the results of the loading factor in Table 2, two indicators were deleted because the results of the outer loading were below 0.6, namely variables; CE9 (I once gave an idea when Urban Traffic wanted to make a product) and CE10 (I felt that shopping at Urban Traffic felt safe and comfortable). Then, the Average Variance Extracted (AVE) test was carried out to test the model that describes the magnitude of the diversity of indicators supported by the construct. The AVE value > 0.5 on each indicator is declared to have good convergent validity.

Table 3. Average Variance Extracted (AVE)

VARIABLE	AVE
CB	0,830
CE	0,660
BD	0,644

The AVE value shown in Table 3 states that all model test variables have an AVE value above 0.5 so that it is declared good and meets the requirements of the AVE test. Furthermore, the composite validity test was carried out to measure the accuracy of the measurement instrument in the study. This test produces composite reliability and Cronbach Alpha values. If the composite reliability value is equal to or > 0.70, it is declared good for research. Cronbach alpha value > 0.60 means it has a reliable and valid variable.

Table 4. Validity test

Variabel	Composite Reability	Cronbach's Alpha
CB	0,861	0,676
CE	0,936	0,898
BD	0,853	0,743

Table 4 shows that a conclusion can be drawn if all the constructs meet the reliable requirements. This can be seen from the composite reliability value, and Cronbach's alpha's obtained from the SmartPLS estimate. The resulting value is > 0.60 as recommended criteria. The results of the resulting Composite Reliability > 0.70 means the indicator's reliability is declared good. Discriminant Validity Test, a calculation based on the cross loading value of indicators and constructs. The indicator in this test is said to be good if the correlation between the construct and the indicator is greater than the correlation with the construct or other latent variables.

Tabel 5. Cross Loading

	CB	CE	BD
CB1	0,868	0,631	0,439
CB2	0,870	0,487	0,495
CB3	0,890	0,470	0,353
CB4	0,924	0,428	0,675
CB5	0,919	0,637	0,673
CB6	0,853	0,477	0,650
CB7	0,758	0,445	0,514
CB8	0,823	0,496	0,422
CB9	0,760	0,450	0,337
CB10	0,797	0,453	0,416
CB11	0,788	0,374	0,497
CB12	0,702	0,409	0,440
CE1	0,580	0,760	0,203
CE2	0,529	0,810	0,208
CE3	0,405	0,766	0,233
CE4	0,371	0,789	0,339
CE5	0,437	0,720	0,361
CE6	0,532	0,722	0,395
CE7	0,467	0,864	0,353
CE8	0,429	0,839	0,380
CE11	0,520	0,846	0,517
CE12	0,367	0,838	0,411
CE13	0,422	0,811	0,600
CE14	0,551	0,795	0,509
CE15	0,422	0,833	0,533
BD1	0,433	0,377	0,808
BD2	0,411	0,415	0,871
BD3	0,381	0,406	0,881
BD4	0,513	0,419	0,780

The test results in Table 5 show that the cross loading indicator value is greater than the correlation of other construct values. Table 5 shows the cross loading value of each indicator on the higher constructs of the other blocks. It can be concluded if all latent variables or constructs have discriminant validity values that are better than other indicator blocks.

Table 6. R Square Value

Variable	R-Square
Y (BD)	0,684

Table 6 shows the R-square value of the user satisfaction variable, which is 0.684. The results show that 68.4% of variables such as Customer Behavior, Customer Experience have a contribution to Buying Decision.

Hypothesis Test Result

The results of this hypothesis test can be explained in two ways, the first is the path coefficient (P-Value) and the T-Statistic value, where the criteria for this T value must be above 1.96. If above 1.96 the hypothesis is considered to have a significant effect, whereas if the T value is below 1.96 then the hypothesis is considered to have no significant effect. with (α) of 5% or 0.05. The path coefficient test is observed according to the threshold value of 0.1, where the path coefficient describes the impact of the strength of the interaction between constructs. In the coefficient test, if the threshold value is > 0.1 , it can be concluded that the path affects the model. Here are the results of the calculation. (Figure 2)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O/STDEV)	P Values
Customer Behavior > Customer Experience	0,106	0,105	0,078	1,354	0,176
Customer Experience > Buying Decision	0,232	0,224	0,071	3,267	0,001
Customer Behavior > Buying Decision	0,228	0,284	0,095	3,029	0,003

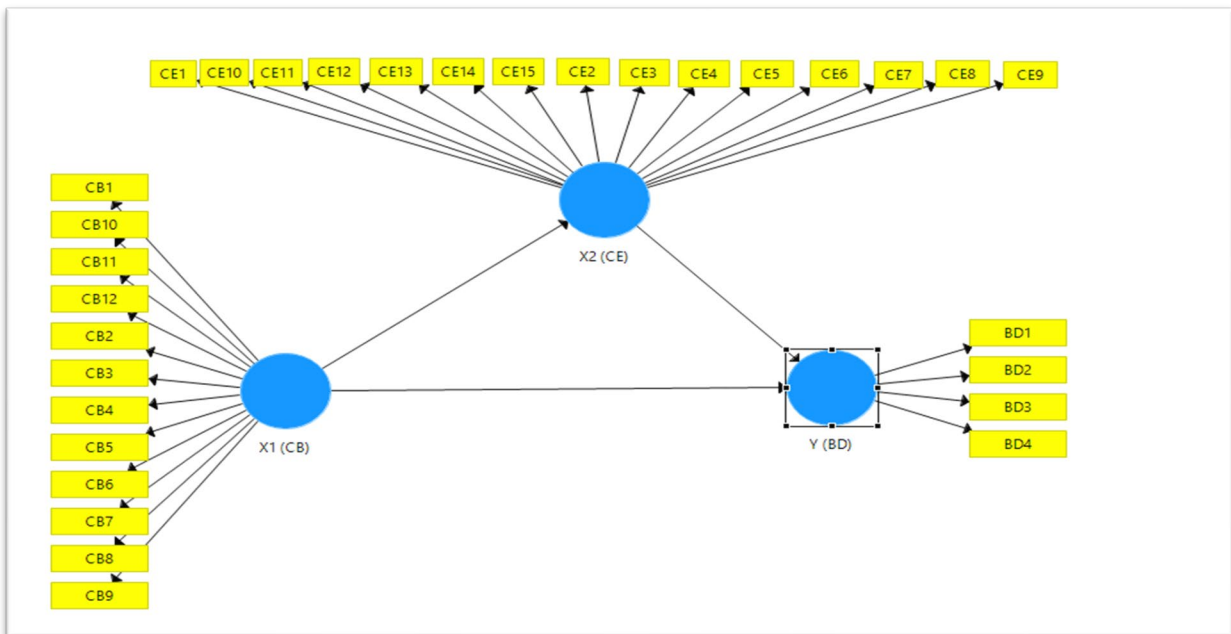


Figure 2. Path Model

5. Conclusion

Some of the conclusions that should help answer the questions raised in this study are as follows:

As a whole, respondents and customers think that factors like customer behavior and customer experience are quite good and important. This shows that the Customer Behavior Activity factor has a lot to do with the Buying Decision. Therefore, this is one of the factors that local brand products (Urban Traffic Distro) must consider in order to increase sales: they must pay attention to customer habits and create a positive shopping experience (Urban Traffic Distro). Overall, customer behavior factors affect the customer experience and the buying decision. Also, there is the Customer Experience factor, which, according to the respondents and customers, is very good and has a big effect. These results show that the Customer Experience factor is very important to the Buying Decision. So this is also one of the things that local brand products (Urban Traffic Distros) need to consider if they want to attract customers and make them more likely to shop at local brand products (Urban Traffic Distros). So, customer behavior and customer experience become important in deciding whether or not they buy local brand products (Urban Traffic Distro). Therefore, local brands like Urban Traffic Distro need to pay attention to and keep up their customers' shopping experience in stores to make customers more likely to buy.

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