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"Entrepreneurship on Global Economics Development in the Era of Society 5.0"

The Effect of Customer Co-creation on eWOM through Customer Satisfaction**Rizky Amalia Nasution^{1*}, Amrin Fauzi¹, Arlina Nurbaity Lubis¹**¹Master of Management Science Study Program Faculty of Economic and Business Universitas Sumatera Utara

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*Email: rizkyanst19@gmail.com**ABSTRACT**

This study aimed to analyze and determine the effect of customer co-creation on electronic word of mouth (eWOM) through customer satisfaction at Bank Syariah Indonesia in Medan City. The data analysis method used Structural Equation Modeling- Partial Least Squares (SEM-PLS). The results are customer co-creation had a positive and insignificant effect on eWOM, customer co-creation had a positive and significant effect on customer satisfaction, customer satisfaction had a positive and significant effect on eWOM, customer co-creation has a positive and significant effect on eWOM through customer satisfaction.

Keywords: Customer co-creation, customer satisfaction, electronic word of mouth (eWOM)

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INTRODUCTION

The rapid development of technology encourages the emergence of new changes in the world of marketing. Today people share experiences after consuming products/services online through social media. This is called eWOM. Traditional WOM has evolved into eWOM in the new digital era. The main differences between WOM and eWOM can be identified in the impact range of the review (number of people that can be influenced) and the speed of interaction. EWOM is a dynamic and ongoing process of exchanging actual and potential information about products, services, brands and companies that are available to many people and institutions via the internet (Ismagilova et al, 2017).

As a result of the impact of digital technology, traditional WOM has shifted to eWOM (Cantalops, 2018). According to Wang et al., (2014) compared to traditional WOM, online WOM is more influential because of its speed, convenience, and also one-to-many reach. The breadth of eWOM coverage and the ease of accessing reviews greatly affect a company's performance. Because of this, companies are increasingly trying to understand the factors that influence the use of eWOM and the impact resulting from its use. The banking industry is heavily influenced by eWOM. Monitoring and managing company eWOM communications properly can obtain valuable information such as consumer opinions, consumer likes or dislikes about products, services, and brands (Rathore et al., 2016). In terms of meeting customer satisfaction, companies need to know and understand customer needs (Ibojo and Asabi., 2015). This can be done with co-creation, because according to Cambra et al., (2017) when customers are satisfied with the value of co-creation, customers will have loyalty and spread positive eWOM to others.

H1: Customer co-creation has a positive and significant on eWOM

H2: Customer co-creation has a positive and significant on customer satisfaction

H3: Customer co-creation has a positive and significant on eWOM through customer satisfaction

H4: customer satisfaction has a positive and significant on eWOM

Belas et al., (2015) stated that the banking sector with intense competition makes customers more sensitive to bank activities. Therefore, it is very important in bank activities to ensure that customers are well cared for and satisfied if the bank wants to maintain its customers and corporate reputation.

METHOD

This research used a quantitative approach. According to Hair, et al (2014), quantitative research is measuring the significance of variable correlation in describing the causes and effects, research is associated with a causative relationship. The population in this research was BSI customers who used Twitter in Medan. The number of respondents was 110 respondents.

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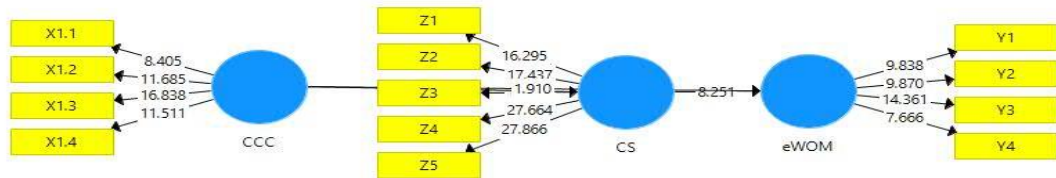


Figure 1. Research Model

Based on Figure 1, the following is an explanation of the structural equation where X1 is exogenous variables while Z and Y are endogenous variables.

$$Z = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_1$$

$$Y = \beta_4 X_1 + \beta_5 X_2 + \beta_6 Z + e_2$$

X1 = Co-creation; Z = Customer Satisfaction; Y = Electronic Word of Mouth;

β = Jalur Koefisiensi Regresi; e = Error Term

In the flow chart, the influence of exogenous variables on endogenous is symbolized by gamma (γ) and the influence of endogenous variables is symbolized by beta (β). The level of influence of factors outside the research model (error). According to Hair et al., (2017), the analytical techniques used in SEM-PLS are outer model analysis and inner model analysis.

RESULT AND DISCUSSION

Table 1. Characteristic of responden

Characteristics	Percentage
Gender	
Female	95
Male	15
Amount	110
Age	
19-25	101
26-30	7
31-35	2
Amount	110
Job	
Student	85
PNS	3
Pegawai swasta	15
wiraswasta	7
amount	110

Source: Author’s Compilation

Based on table 1 it can be seen that the characteristics of the respondents consist of gender, age and occupation.

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Table 2. Validity and Reliability

Item	Outer Loading	Composite Reliability	AVE
CCC1	0,701	0,850	0,587
CCC2	0,785		
CCC3	0,823		
CCC4	0,750		
Z1	0,780	0,906	0,660
Z2	0,769		
Z3	0,792		
Z4	0,850		
Z5	0,865		
Y1	0,768	0,842	0,571
Y2	0,775		
Y3	0,742		
Y4	0,737		

Source: Author’s Compilation

Based on table 2 shows that each variable item is valid and reliable. Validity can be seen from the outer loading value higher than 0.7 and reliable can be seen from the AVE value of more than 0.5.

Table 3. Hypothesis

Hypothesis	Loading Value	P-Value	category
H1: Customer co-creation has a positive and significant on eWOM	0,178	0,059	Rejected
H2: Customer co-creation has a positive and significant on customer satisfaction	0,552	0,000	Accepted
H3: customer satisfaction has a positive and significant on eWOM	0,640	0,000	Accepted
H4: Customer co-creation has a positive and significant on eWOM through customer satisfaction	0,353	0,000	Accepted

Source: Author’s Compilation

Based on the result of the hypothesis, it shows that co-creation has a positive and insignificant on eWOM, so hypothesis 1 is rejected. Customer co-creation has a positive and significant on customer satisfaction so hypothesis 2 is accepted. Customer satisfaction has a positive and significant on eWOM, so hypothesis 3 is accepted. Customer co-creation has a positive and significant on eWOM through customer satisfaction, so hypothesis 4 is accepted.

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DISCUSSION**Explanation of Discussion 1**

Co-creation has a positive and insignificant on eWOM. This is based on direct effect which shows that the p-value is $0.059 > 0.05$. This means that co-creation has no effect on eWOM for BSI customers. This can happen because DART (dialog, access, risk, and transparent) aspects of customer co-creation are not good enough for BSI customers. Wufron et al., (2020) co-creation carried out between customers and companies can increase satisfaction for consumers. This is also in line with the opinion of Vega-Vazquez et al (2013) which states that there is a positive relationship between co-creation and customer satisfaction. Customers create co-creations with the bank, so they will feel more valued, especially in doing and creating something with their ideas that are related to their convenience. This will lead to a sense of satisfaction with the bank.

Explanation of Discussion 2

Customer co-creation has a positive and significant on customer satisfaction. This is based on direct effect which shows that p-value $0,000 < 0,05$, means that co-creation has an effect on customer satisfaction. Customers who do co-creation will cause a sense of satisfaction. Wufron et al., (2020) co-creation carried out between customers and companies can increase satisfaction for consumers. This is also in line with the opinion of Vega-Vazquez et al (2013) which states that there is a positive relationship between co-creation and customer satisfaction. Customers create co-creations with the bank, so they will feel more valued, especially in doing and creating something with their ideas that are related to their convenience. This will lead to a sense of satisfaction with the bank.

Explanation of Discussion 3

customer satisfaction has a positive and significant on eWOM. Based on the direct effect, it shows that a p-value $0,000 < 0,05$, means that customer satisfaction has an effect on eWOM. customer satisfaction has a positive and significant effect on eWOM. Satisfaction is an important thing in influencing eWOM (Rahmawati & Suminar, 2014). Satisfied customers will voluntarily express their feelings to others through social media. Based on the research results, satisfied BSI customers will recommend BSI as the bank of choice on social media.

Explanation of Discussion 4

Customer co-creation has a positive and significant on eWOM through customer satisfaction. based on the direct effect, it shows that a p-value $0,000 < 0,05$, means that customer co-creation has an effect on eWOM through customer satisfaction. Customers will feel satisfied and provide feedback and suggestions, which is done on their own accord (Maxham and Netemeyer, 2003). The form of co-creation expected by customers at BSI makes customers feel satisfied and willing to pay more, for example having more than one product at BSI. In addition, they also do positive eWOM voluntarily. This can be seen from several positive eWOMs written by BSI customers who use Twitter in recommending BSI as the bank of choice.

IMPLICATION

The research findings show that customers want to be more actively involved in co-creation. BSI should be more enthusiastic about engaging customers and creating new products or services so that customers are satisfied and willing to spread eWOM.

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CONCLUSION

Based on the findings and discussion that have been conducted, some conclusions are withdrawn as follows:

Customers want to be more active in creating value through co-creation with BSI. BSI must be more active in treating its customers because based on this research, BSI customers who use Twitter are aged 19-25 years, where this age is a creative age. Customer satisfaction for customers who use Twitter is good. maintaining customer satisfaction is what must be done. have good relations with customers in order to understand what customers want, then facilitate services so that customers do not feel upset. For future researchers, it is suggested to do research by adding other variables and further research can also increase the number of research samples and expand the object of research, such as on other social media or on a larger scope. It is recommended to increase the number of respondents for further research because there were only 110 respondents in this study.

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