
Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

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

The Effect of Customer Experience, Customer Value, and Service Quality on Customer Satisfaction (Ace Hardware Customer)**Nadya Nurul Sabrina^{1*}, Paham Ginting¹, Amlys Syahputra Silalahi¹, Endang Sulistya Rini¹, Beby karina F¹.**¹Magister Ilmu Manajemen, Universitas Sumatera Utara

Jl. Dr. T. Mansur No. 9, Padang Bulan, Kec. Medan Baru, Medan City, North Sumatra, Indonesia

***Email:** nadyanurul07@gmail.com**ABSTRACT**

The research conducted aims to examine and analyze the influence of customer experience and customer value and service quality on customer satisfaction. The object of research at the following writing is Ace Hardware customers. The sample selection method that the researchers used was purposive sampling based on the subject category referring to the age above seventeen years. In collecting data, the respondents used in the observation were 100 people. In collecting data, researchers used a survey method by applying a questionnaire. So that the results obtained in the study are in the form of evidence of findings about partial variables on customer experience, customer value and service quality have a positive and significant impact on customer satisfaction.

Keywords: Customer Experience, Customer Value, Service Quality and Customer Satisfaction

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

INTRODUCTION

This day, in Indonesia modern retail is developing along with economic developments and lifestyles making people demand more convenience in shopping. One of the leading modern retail companies in the field of home furnishing and furnishings in Indonesia, namely PT. Ace Hardware Indonesia. PT. Ace Hardware Indonesia always tries to make its customers feel satisfied. Satisfying consumer needs is the desire of every company. In addition to the important factors for the survival of the company, satisfying consumer needs can increase competitive advantage. Consumers who are satisfied with products and services tend to repurchase products and reuse services when the same need reappears in the future. This means that satisfaction is a key factor for consumers in making repeat purchases, which is the largest portion of the company's sales volume (Indrasari, 2019).

Creating a superior Customer Experience is seen as one of the main goals of the success of an organization or company. Organizations are increasing Customer Experience management to top priority items in their efforts to build Customer Satisfaction to customer loyalty.

Put attention to Customer Experience it's a must, companies must also pay attention to the Service Quality provided to customers. A quality can be said to be good if the service provider provides services that are on par with what is expected by the customer. Without providing good service, of course customers will not experience a good experience while at Ace Hardware.

The opinions of other customers who have visited this research location said that the products sold by this business place were very satisfactory, but the service quality provided was not good, because customers felt that they were waiting too long for their ordered dishes. Management is required to give confidence to the loyal customers of this place of business so that they can provide a good customer experience at the store.

To be able to survive, this place of business must improve its marketing strategy and service quality level, for example with customer experience, customer value and service quality to meet Ace Hardware customer satisfaction.

LITERATURE REVIEW

Customer Experience

According to Schmitt (2008) states the customer experience is an incident, events or circumstances that are personally experienced and occur as a response to certain stimuli (for example through various marketing strategies before and after sales). Experience can occur as a result of facing and experiencing situations that are produced through stimulation of the five senses, feelings and thoughts. According to Meyer and Schwager (2007) consumer experience is consumer responses internally and subjectively as a result of direct or indirect interactions with companies. So to keep consumers loyal, a strategy is needed that does not only focus on quality but also on customer experience in order to increase customer satisfaction. Dimensions that affect Customer Experience according to Schmitt (2008) dimensions that affect Customer Experience are as follows:

1. Sense Marketing, namely the senses possessed by humans as a tool to feel the products and services offered.
2. Feelings, namely feelings that are displayed through ideas, pleasure, and reputation for customer service.
3. Mind (Think), namely experience demands intelligence with the aim of creating cognitive experiences and problem solving by involving consumers creatively.

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

4. Attitude (Act), which is designed to create a better consumer experience relate to the physical body.
5. Relation (Relate), namely the relationship with other people, other social groups (such as work, lifestyle) or broader social identity.

Customer Value

According to Woodruff (2000) customer value is the customer's perceived choice and evaluation of product or service attributes, performance attributes and consequences arising from the use of the product to achieve the goals and intentions of the customer when using the product or service. According to Kotler and Keller (2009) customer value is obtained from the difference between what the customer gets and what he gives for different possible choices. According to Gale (2005), Customer Value indicators:

1. Performance value That is the value that shows how much the product can fulfill its uses, especially regarding the quality of the product itself.
2. Price Value That is the value that shows the amount of money and the sacrifice that must be paid by the customer for the product.
3. Social benefits

Service Quality

Parasuraman (1988) service quality is a reflection of consumers' evaluative perceptions of the services received at a certain time. Service quality is determined based on the level of importance on service dimensions. According to Kotler (2019) defines service quality, which is a form of customer assessment of the level of service received according to the expected service level. If the service received or perceived as expected, then the quality of service is perceived as good and satisfying.

Satisfaction that has been formed can encourage customers to make repurchase intentions and will become loyal customers. Meanwhile, according to Goeth and Davis (2019) defining service quality is a dynamic condition related to service products, people, processes, environments that are able to meet or exceed customer expectations. According to Zeithaml (2009), service quality cannot be calculated, measured, touched or tested before being delivered to ensure the quality of presentation of a product, in contrast to goods produced by a factory which can be tested for quality before being delivered to customers. Indicators that serve as a reference for product service quality according to West, Wood and Harger (2006, p.39), are: Tangible, Reliability, Responsiveness, Assurance, Empathy.

Customer Satisfaction

According to Kotler and Keller (2013) stated that customer satisfaction is a level where the estimated product performance matches the expectations of the buyer. Customer satisfaction depends on the company's estimates that it will be much greater if it has to attract new customers or customers who have left the company than to retain customers.

Meanwhile, according to Kotler (2010), customer satisfaction is a person's feelings of pleasure or disappointment that arise from comparing perceived product performance (or results) against their expectations. Satisfaction of a customer is an absolute necessity for the company. Satisfied customers will have a tendency to be loyal to the company. Conversely, if the customer feels disappointed with either product quality or service quality, the customer will feel disappointed. Disappointed customers have a very slim probability of coming back, even relatively impossible. Customers can experience one of three general levels of satisfaction. If performance is below expectations, the customer is dissatisfied. If performance matches expectations, then the customer is satisfied. If performance exceeds

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

expectations, the customer will be very satisfied, happy or happy. According to Kotler (2000) there are three aspects of Customer Satisfaction as follows:

1. Loyalty to the product Satisfied customers tend to be loyal. Customers who are satisfied with the product they consume will have a tendency to repurchase from the same producer. The desire to repurchase is due to the desire to repeat good experiences and avoid bad experiences.
2. There is positive word of mouth communication Satisfaction is a factor that encourages positive word of mouth communication. This can be in the form of recommending to other potential customers and saying good things about the product and the company that provides the product.
3. The company is the main consideration when buying other products. This is a cognitive process when there is satisfaction, where customers prefer the same producer to get services or products from the company.

THEORETICAL FRAMEWORK

Effect of Customer Experience on Customer Satisfaction

Customer experience according to Dobrota (2015), that shows experience is able to build an interesting composition and create good interactions in a product and service. This encourages the consumer experience to be more individualized and shows the contribution of consumers through different ratings on the results obtained as customer satisfaction. In previous research by Sudirman Zaid, Patwayati (2021), research results show that customer experience and customer engagement have a positive and significant influence on customer satisfaction and customer loyalty.

Hasfar. M, Mitha Militina, Gusti Achmad (2020) research results show that consumer experience has a positive and significant effect on consumer satisfaction, consumer experience has an effect on consumer loyalty, consumer value has a significant effect on customer satisfaction and consumer satisfaction has a significant effect on customer loyalty.

H1: Customer experience has a positive and significant effect on customer satisfaction

Effect of Customer Value on Customer Satisfaction

Customer value according to Bonillo (2009), is a strong relationship with customers on a specific product that is directly distributed on value attributes. This value refers to efficiency, perfection, authenticity and trustworthiness. So that as a whole the company considers value based on the benefits provided to consumers, for the purpose of increasing price quality and influencing overall customer satisfaction. Previous research by Jefry Romdonny, Undang Juju, Eddy Jusuf, Maskarto Lucky Nara Rosmadi (2018) states that there is an influence between customer value on customer satisfaction. Vano Denise Wulan, Amir Azra'ie (2018) research results show that customer value is an important factor that can influence customer loyalty. In other words, Customer Value has a big influence on Customer Loyalty at JCo.

H2: Customer value has a positive and significant effect on customer satisfaction

Effect of Service Quality on Customer Satisfaction

Service quality according to Hamid Septian (2009), is the overall perception that is directly related to service efficiency. This shows that services must be carried out continuously or long term in a company. The concept of service quality is if the service received is in accordance with what is desired, and the quality provided is good and even on

Proceeding Medan International Conference Economics and Business

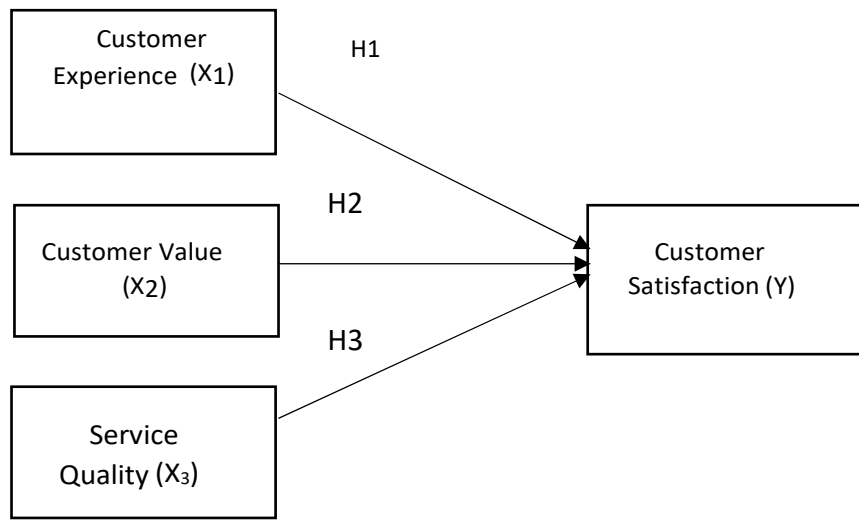
Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

target. The format of the service quality provided provides a quality perception that can be in accordance with the desired customer satisfaction as the right service quality performance.

In previous research by Sirojudin, Andin Desti, Asrti, Agus Irawan (2021) The results showed that Service Quality has a significant influence on Customer Satisfaction at PT. Surya Jaya.

H3: Service quality has a positive and significant effect on customer satisfaction.



METHOD

Population and Sample

The population in this study is the customer at the research location. The method of determining the sample is purposive sampling, with the following criteria: respondents are at least 17 years old, respondents with a minimum purchase of 6 months and have made purchases twice at the research location. According to Sugiyono (2013: 85), purposive sampling is a sampling technique with a certain consideration. By using the sampling formula according to Rao Purba (1996), the following is obtained: 1,962

$$n = \frac{1,96^2}{4(0,10)^2}$$

$$= 96,04$$

n = 96,04 respondents, rounded up to 100 respondents

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

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

RESULT AND DISCUSSION

Result Test Validity

Variabel	Indicator	Kaiser Meyer Olkin (KMO) > 0.50	Infomatio	Loading Factor > 0.40	Infomatio
Customer Experience	X1.1	0.886	Correct	0.812	Valid
	X1.2			0.852	Valid
	X1.3			0.894	Valid
	X1.4			0.874	Valid
	X1.5			0.957	Valid
	X1.6			0.886	Valid
	X1.7			0.897	Valid
	X1.8			0.879	Valid
	X1.9			0.929	Valid
	X1.10			0.864	Valid
	X1.11			0.839	Valid
	X1.12			0.933	Valid
	X1.13			0.928	Valid
	X1.14			0.852	Valid
	X1.15			0.431	Valid
Customer Value	X2.1	0.872	Correct	0.847	Valid
	X2.2			0.822	Valid
	X2.3			0.911	Valid
	X2.4			0.940	Valid
	X2.5			0.837	Valid
	X2.6			0.873	Valid
	X2.7			0.863	Valid
	X2.8			0.890	Valid
	X2.9			0.880	Valid
Service Quality	X3.1	0.934	Correct	0.950	Valid
	X3.2			0.932	Valid
	X3.3			0.950	Valid
Quality	X3.4	0.934	Correct	0.928	Valid
	X3.5			0.939	Valid

Based on Table , it is known that all variables show a Kaiser-Meyer-Olkin Measure of Sampling Adequacy or KMO MSA value of > 0.50 , which means that the entire sample meets the sample adequacy criteria so that analysis can be carried out. Then the loading factor value > 0.40 which shows that each statement of each indicator is declared valid.

Tabel 2. Result Uji Reliability

Variabel	Cronbach's Alpha ($> 0,70$)	Information
Customer Experience (X ₁)	0.948	Reliabel
Customer Value (X ₂)	0.919	Reliabel
Service Quality (X ₃)	0.922	Reliabel
Customer Satisfaction (Y)	0.866	Reliabel

Source: Primary data processed, 2022

Based on Table it can be seen that the variables Customer experience (X₁), Customer value (X₂), Service quality (X₃), and Customer satisfaction (Y) obtain Cronbach Alpha values > 0.70 , which means that the four variables are declared reliable and can be analyzed furthermore.

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

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

Tabel Result Uji Koefisien Determinasi (R^2)

Variabel Independen	variabel Dependen	Adjusted R Square
Customer experience (X1)	Customer	0,748
Customer value (X2)	Satisfaction (Y)	
Service quality (X3)		

Source: Primary data processed, 2022:

Based on Table the Adjusted R Square value is 0.748 or 74.8%, which means that 74.8% (percent) of the variation in the dependent variable, namely customer satisfaction in the model, can be explained by the independent variables, namely customer experience, customer value and service quality. Meanwhile (25.2%) is influenced by other variables outside the model (besides customer experience, customer value and service quality).

Tabel Result Uji Normalitas

	Unstandardised Residual
N	120
Kolmogorov-Smirnov Z	0.119
Asymp. Sig. (2-tailed)	0.170

Source: Primary data processed, 2022:

Based on Table shows that the value of Asymp. Sig. (2-tailed) of 0.170 is greater than 0.05 so it can be concluded that the research data used is normally distributed.

Tabel Result Uji F

Variabel Independen	variabel Dependen	Uji F	
		F	Sig
Customer Experience (X1)	Customer	188,998	0,000
Customer Value (X2)	Satisfaction (Y)		
Service Quality (X3)			

Source: Primary data processed, 2022:

Based on Table it can be shown that the test results obtained calculated F value of 188.998 with a significance value of 0.000 which is smaller than the significance level of 5% or 0.05 ($0.000 < 0.05$). It can be concluded that the variables Customer Experience (X1), Customer Value (X2), and Service Quality (X3) have a significant effect on Customer Satisfaction (Y). It can be seen that the sig value that appears is $0.000 < 0.05$, meaning that Customer Experience, Customer Value, and Service Quality simultaneously have a significant effect on the Customer Satisfaction variable and this indicates that the model is feasible to use.

DISCUSSION

Customer Experience has a positive effect on Customer Satisfaction

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

“Entrepreneurship on Global Economics Development in the Era of Society 5.0”

The results of the empirical test that the customer experience of the Ace Hardware beverage product is of a good opinion, employee communication with customers also shows the impression that it is always appropriate and positive. The taste of coffee that is different from similar products from other restaurants makes customers feel satisfied, so the Ace Hardware customers are interested in trying again. The results of this study are in accordance with research conducted by Muhammad, Militina (2020) stating that customer experience has a significant sustainable and positive influence on customer satisfaction.

Customer Value has a positive and significant effect on Customer Satisfaction

The results of the empirical test show that the Ace Hardware employee's customer value is very concerned about providing services to customers. According to most the Ace Hardware customers, they have good service values, namely performance values. the Ace Hardware employees are very polite and responsive when providing services to customers. Price value the Ace Hardware customers are satisfied with the products offered according to the price paid. the Ace Hardware social benefits are able to provide quality product information and meet customer needs. Positive assessment of employees by providing the best service in presenting the Ace Hardware products so as to make customers interested in trying products from the Ace Hardware.

Customer Quality has a positive and significant effect on Customer Satisfaction

The results that the Quality of Service for Ace Hardware products shows that the responsiveness and reability level of Ace Hardware employee are presented very well and looks attractive so as to whet the appetite of customers. Ace Hardware has the best service in product presentation so as to make customers try products from Ace Hardware.

Service quality according to Kotler (2019) defines service quality, which is a form of customer assessment of the level of service received according to the expected service level. If the service received or perceived is as expected, then the quality of service is perceived as good and satisfying. Satisfaction that has been formed can encourage customers to make repurchase intentions and will become loyal customers. This shows that the service quality variable has a significant effect on customer satisfaction.

CONCLUSION

Customer experience influences customer satisfaction. This means that Ace Hardware customer experience needs to be maintained. The customer experience of receiving good service from employees is able to encourage maximum customer satisfaction. Customer value affects customer satisfaction. That is, the customer value of Ace Hardware employees is good when providing services to customers. Service quality has an effect on customer satisfaction. That is, the quality of service provided by Ace Hardware employees is appropriate to provide satisfaction for Ace Hardware visitors. Based on the results of this study there are several limitations, namely in the data collection process, the information provided by respondents through questionnaires sometimes does not show the actual opinions of respondents, this occurs because of differences in thoughts, assumptions and understanding so that it is necessary to look for other factors such as honesty in filling out the questionnaire. Variable limitations so that it is necessary to expand other variables including price variables, product influences, location influences and purchasing decisions.

Proceeding Medan International Conference Economics and Business

Volume 1, Year 2023

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

REFERENCES

- Abdullah, D., Hambali, MERM, Kamal, SBM, Din, N., & Lahap, J. (2016). Factors influencing visual electronic Word-of-Mouth (e-WoM) on restaurant experience. *Heritage, Culture and Society*, Taylor & Francis Group, London, ISBN 978-1-138-03276-7.
- Ahmad, I. (2018). Indonesia Ranked 16th out of 183 Vegetarian Friendly Countries, Who's the Champion?
- Aliff, M., Majid, A., Samsudin, A., Hazrin, M., Noorkhizan, I., Izwan, M., & Faith, MH (2018). Service Quality, Food Quality, Image and Customer loyalty : An Empirical Study at a Hotel Restaurant Service Quality, Food Quality, Image and Customer loyalty : An Empirical Study at a Hotel Restaurant, *International Journal of Academic Research in Business and Social Sciences*, 8(10), 1432–1446
- Bambauer-Sachse, S., & Mangold, S. (2011). Brand Equity Dilution through Negative Online Word-of-Mouth Communication. *Journal of Retailing and Consumer Services*, 38-45.
- Barrett, DM, Beaulieu, JC, & Shewfelt, R. (2010). Color, flavor, texture, and nutritional quality of fresh-cut fruits and vegetables: Desirable levels, instrumental and sensory measurements, and the effects of processing. *Critical Reviews in Food Science and Nutrition*, 50(5), 369–
- Chung-Hsien Lin. (2012). Effect of Cuisine Experience, Psychological Well Being, And Self- Health Perception on The Revisit Intention of Hot Springs Tourist. *Journal of Hospitality & Tourism Research*, p.1-22.
- Goldman, E. (2008). Online word of mouth and its implications for trademark law. In GB Dinwoodie & MD Janis (Eds.), *Trademark law and theory handbook of contemporary research* (pp. 404–429). Cheltenham, UK: Edward Elgar.
- Guy Assaker & Rob Hallak. 2013. Moderating Effects of Tourist's Novelty Seeking Tendencies on Destination Image, Visitor Satisfaction, and Short- and Long-Term Revisit Intention.
- Huang, Haiyan, et al. (2015). Assessing The Relationships Between Image Congruence, Tourist Satisfaction and Intention to Revisit In Marathon Tourism: the Shanghai International Marathon. *Emerald Insight International Journal of Sports Marketing and Sponsorship*. Vol. 16 Iss 4 p.50.
- Kotler, P. (2012). *Marketing Management: Analysis, Planning, Implementation and Control* (Volumes 1 and 2). Jakarta: PT Prenhalindo.
- Kotler, P. and Armstrong, G. 2012. *Marketing Principles*. Edition 13. Volume 1. Jakarta: Erlangga.
- Nasution, N. (2004). *Integrated Service Management*. Bogor: Ghalia Pustaka.
- Omara, MS, Fadzil, H., & Ahmad, R. (2016). Service Quality , Customers' Satisfaction and the Moderating Effects of Gender : A Study of Arabic Restaurants. *Procedia - Social and Behavioral Sciences*, 224 (August 2015), 384–392.
- Setiyawati, T. 2015. Pengaruh Customer Experience, Customer Expectation dan Customer Satisfaction Terhadap Customer Loyalty (Survey pada Pelanggan Olive Chicken di Purworejo). Skripsi. Fakultas Ekonomi UMP. Purworejo
- Setiono, W., Untung, C. Y., & Jokom, R. 2016. Pengaruh Bauran Pemasaran Jasa Terhadap Minat Beli Ulang Melalui Kepuasan Konsumen Di Depot Rawon Malang Mm Surabaya. *Jurnal Hospitality dan Manajemen Jasa*, 4(2), 528-539.
- Zaenuri, 2019, Analisis Kualitas Layanan Untuk Meningkatkan Kepuasan Pelanggan Pada UD. Asia Baru Lamo