

ANALYSIS OF THE DIFERENTIATION STRATEGY OF BAKSO GOYANG TONGUE CHICKEN NOODLES AND ITS IMPACT ON CUSTOMER SATISFACTION IN RANTAUPRAPAT CITY

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ABSTRACT

The purpose of this study was to analyze the differentiation strategy of bakso goyang tongue chicken noodles and its impact on customer satisfaction in Rantauprapat City. This research approach is descriptive qualitative research. As informants are the owner / leader and several employees of Bakso Goyang Lidah Chicken Noodle. Data collection using interview techniques or structured interviews directly. The population in this study were customers of bakso tongue chicken noodles. The sample taken randomly was 100 customers. The data analysis technique uses a descriptive analysis model with the help of Smart PLS. The results showed that: product innovation has a significant effect on customer satisfaction, customer experience has a significant effect on customer satisfaction and service has a positive and significant effect on customer satisfaction.

Keywords: Product Innovation, Customer Experience, Service, Customer Satisfaction

INTRODUCTION

The development of business marketing and business strategy are two things that are important in running the success of a business. Among the marketing or business strategies that are the main consideration for a businessman is to prioritize the marketing concept of his business. Through proper marketing, it will be easier to reach the target market. According to (Keelson, 2012) the marketing concept was first defined as a way of thinking; a management philosophy that guides an organization's overall activities (affects) all organizational efforts, not just its marketing activities. This means that marketing in an organization is not only about an activity but its mindset and strategy. According to (Blythe, 2012) the development of marketing thought can be divided into four periods. The first period (1900-1919) was a time when economists focused more on production and distribution concerns. The second period (1920-1950) was a time when the concept of supermarkets among new concepts began to emerge in the US. The third period (1950-1980) saw a paradigm shift towards mass marketing. marketing. During this time marketing was more concerned with developing concepts such as marketing orientation, segmentation, branding, and the 4Ps of marketing. The fourth period (1980-present) emphasized more on economic factors. In its journey, the concept of marketing in the world tends to undergo changes and developments following market and consumer tastes. According to (Taqi, 2019)

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there is a similarity that marketing development has produced many ideas and ways that can be used to attract consumers to buy products. But finally the marketing concept increasingly focuses on the need to understand future customers before designing and creating products or services for them. (Joseph et al., 2016). From this explanation, it is confirmed that businesses that pay attention to the needs or are related to customer satisfaction are of key importance and almost all research has become customer satisfaction as the most crucial topic studied. (Rita et al., 2019). As according to (Al-Dmour et al., 2023) customer satisfaction is an important factor in the success of successful tourism marketing because it encourages loyal behavior, trust, and brand evaluation. (Harrigan et al., 2017).

Every culinary business still has to pay attention to customer satisfaction in its marketing, which is the right step in maintaining the market or customers. Companies or business people who prioritize satisfaction in practice are highly favored by customers because customers will maintain their trust. According to (Maharjan, 2014) the success of any business organization depends on customer satisfaction. Whenever the business is about to start, the customer is always first and then the profit. Inevitably for micro small and medium enterprises such as the Bakso Goyang Lidah Chicken Noodle business in its business is more dominant in product quality and service quality as well as differentiation strategies. The advantage of the Bakso Goyang Lidah Chicken Noodle business in Rantauprapat is that the raw material for meatballs is real beef which is processed with techniques to produce products that have innovation. According to (Risnawati et al., 2022) one of the main advantages is the ease of adopting innovation in business is a smaller scope, and the flexibility to adapt the business to dynamic market conditions. Product innovation in the Bakso Goyang Lidah Chicken Noodle business emphasizes the texture and taste of the products produced wrapped in an attractive appearance. According to (Zhang et al., 2024) innovation is a major driving force for development and a strategic pillar for building a modern economic system. From a business development point of view, product innovation is an important strategy for companies to gain and maintain a competitive advantage. According to (Baron Himawan & Susanti, 2016) Product innovation that can meet consumer needs and tastes is absolutely necessary if businesses do not want to lose their consumers and grow demand for their products. From this explanation, the author further understands that the business world is a world that provides important knowledge in marketing, not only talking about the four P's (4P) but factors that are not expected are also important to consider as a differentiation. Study results show that product innovation affects customer satisfaction (Chukwunwem & Ndubueze, 2021). In the differentiation strategy of the Bakso Goyang Lidah Chicken Noodle business, it can use customer experience as one of the keys to knowing customer satisfaction. Study results that place importance on customer experience (Sastra & Indrawati, 2018) Marketing practice and research have undergone a series of large-scale transformations over the past 25 years, shifting focus from creating product brands to building customer relationships through service marketing and now to creating compelling customer experiences. He added customer experience as the New Competitive Battlefield (Dalla Pozza, 2015). Customer experience has a definition (Becker & Jaakkola, 2020) as individual assessments, responses, or reactions derived from customer interactions with direct or indirect contact with the company's physical environment, employees, core services, or other aspects related to service delivery. Affirmation of the definition of

customer experience according to (Dąbrowska & Janos-Kreslo, 2019) customer experience is simply the way in which the client perceives every interaction with the company. This seems to be one of the key driving forces of business.

Customer satisfaction of the Bakso Goyang Lidah Chicken Noodle business is also inseparable from the service factor. Services in businesses that offer products still prioritize service as a balance to maintain customer satisfaction. According to (Naini et al., 2022) service quality is defined to meet customer needs and desires and accuracy in delivery in balancing customer expectations. According to (Rane et al., 2023)(Rane et al., 2023), service quality is an effort made by the company to meet customer expectations for what is received so that the company can survive in the market and gain customer trust. Therefore, in order to maintain relationships with customers, employees must ensure prompt service and prompt problem solving and prompt problem solving. For managers to improve service quality, they must understand how service affects customer perceptions. (Kemboi, 2017). From various literature studies conducted, the authors determine the main objectives of this study to determine the effect of product innovation, customer experience and service on customer satisfaction at the Bakso Goyang Lidah Chicken Noodle business. Another objective of this study is also to convey that through product innovation, customer experience and service become a business differentiation strategy in attracting customer attention. Product differentiation is all the steps taken by companies to always be creative in showing their uniqueness compared to competitors who offer similar goods or services, ranging from the shape of the product, to the advantages of the product itself. Every company always strives to maintain the sustainability of their products to remain popular and in demand by consumers. Therefore, by implementing product differentiation, companies can increase the tendency of consumers to make purchases.

LITERATURE REVIEW

Product Innovation

Product innovation is an effort to create new products that can meet the needs and desires of consumers so that there is interest in buying the product, which is expected to be realized through customer satisfaction. The ability to innovate is the main competency needed in business competition. Not only to be able to compete and grow, but even more so to survive in global competition, every business needs to innovate as the prominent jargon "Innovation or Die" (Nasution & Kartajaya, 2018). (Nasution & Kartajaya, 2018). Product innovation as the process of introducing new products or systems that bring economic success to the company and social success to consumers and the community or environment. broader (Fontana & Musa, 2017). With innovation, companies will continue to have new products, or services, or processes. (Hendriyanto, 2015). Product innovation must be a company's priority strategy, because innovation plays an important role in a highly competitive market, so companies must continue to be able to make new innovations (Dalimunthe, 2017). (Dalimunthe, 2017). According to (Armstrong et al., 2014) in his book states that "product innovation is a combination of various processes that influence each other". From the above definitions, it can be concluded that product innovation is an effort to create new products or renew existing products and plays an important role for the company in order to survive and is expected to increase sales volume for the company.

According to (Prasetyo & Febriani, 2020) there are several indicators of product innovation, namely:

1. **Product Features**
Product features are features that are used to distinguish products from other companies' products which can be seen from the function of the product.
2. **Product Design**
Product design is one way to add value to consumers. Style will describe the appearance of that particular product and the village has more concepts.
3. **Product Quality**
Product quality is something the expertise of a product to carry out its functions, including reliability, durability, and production accuracy.

Customer Experience

Customer experience is the experience felt by customers based on the events they experience both before and after purchasing goods and service products. Customer experience can be defined as the emotional impression that customers have when interacting with a service provider company. (Setiobudi et al., 2021). According to (Semuel & Dharmayanti, 2013) customer experience is the embodiment of a brand which covers all interactions between the organization and the customer. This means that when a customer has a positive experience, it has the potential to get more customers. According to research (Khotimah & Febriansyah, 2018)(Khotimah & Febriansyah, 2018), customer experience has a favorable and significant impact on a company's ability to retain customers. According to (Dagustani, 2011) Customer experience is a consumer's interpretation of the consumer's total interaction with a brand with the ultimate goal of creating a good relationship with consumers and building loyalty with consumers. Customer experience is a good or bad experience felt by customers when using and experiencing the product or service. (Wiyata et al., 2020). Customer experience is to provide memories for customers, besides that positive memories can benefit the company and allow customers to share their experiences with others, so they are interested in using the product. (Wardhana, 2019). According to (Keiningham et al., 2017)(Keiningham et al., 2017), the indicators of customer experience are as follows: Cognitive (assessing), Emotional, Physical, Sensory, Social.

Services

Service is an action or activity of a person that occurs in direct interaction between a person and another person to deliver services and products to customers to satisfy customer needs and desires. The essence of service is a process consisting of a series of actions, interactions, important activities to deliver services to customers where in this delivery there is a goal of making a profit. (Mindarti, 2016). According to the Big Indonesian Dictionary (KBBI), service is an effort to help prepare or drain the needs of what others need. Customer satisfaction is very important so that it can get loyal customers. (Putra, 2017). With the management standards can plan, implement, supervise and evaluate service activities, so that the final result satisfies the parties who get the service. To get customers and retain existing customers, a company must provide services properly and regularly. This needs to be done by a company, because basically the customer has a dynamic attitude if he wants a product

or service from a company and the customer has full power to choose the product that suits them. Service is also defined as a pleasant or unpleasant feeling by the recipient of the service when receiving the service. (Armaniah et al., 2019). Service quality must be seen from the perspective of customer needs and perceptions as consumers (Yusnara & Soepatini, 2023). According to (Harfika & Abdullah, 2017), there are five indicators of service quality, including the following: Tangibles, Reliability, Responsiveness, Assurance and certainty, Empathy.

Customer Satisfaction

Customer satisfaction is a measure of the extent of satisfaction felt by customers with the services or products they have received. Customer satisfaction can also be interpreted as the customer's perception that his expectations have been met or exceeded. Customer satisfaction is the overall reciprocal attitude directed at consumers after they have obtained and used goods and services, so that consumers recommend them to others. (Atmaja et al., 2018). Companies must strive to provide their customers with an attractive, efficient, and satisfying purchasing experience. (Felix & Rembulan, 2023). Customer satisfaction is the level of customer feelings after comparing perceived service performance compared to expectations. Customer satisfaction is an evaluation of purchase or evaluation results after comparing what is felt with their expectations (Yulisetiari & Mawarni, 2021). Consumers who feel satisfaction with the product, service, or brand tend to continue to make purchases and share positive experiences with others. (Sumarsid & Paryanti, 2021). Customer satisfaction with a product or service will determine their level of satisfaction, if they have a good experience, they will feel happy and emotionally stimulated. (Gultom et al., 2020). According to (Indrasari, 2019) indicators forming customer satisfaction consist of: Expectation match, Interest in revisiting, Willingness to recommend.

Frame Of Mind

Customer satisfaction is a measure of the extent of satisfaction felt by customers with the services or products they have received. Customer satisfaction can also be interpreted as the customer's perception that his expectations have been met or exceeded. Customer satisfaction is the overall reciprocal attitude directed at consumers after they have obtained and used goods and services, so that consumers recommend them to others. (Atmaja et al., 2018). Companies must strive to provide their customers with an attractive, efficient, and satisfying purchasing experience. (Felix & Rembulan, 2023). Customer satisfaction is the level of customer feelings after comparing perceived service performance compared to expectations. Customer satisfaction is an evaluation of purchase or evaluation results after comparing what is felt with their expectations (Yulisetiari & Mawarni, 2021). The proposed research methods include:

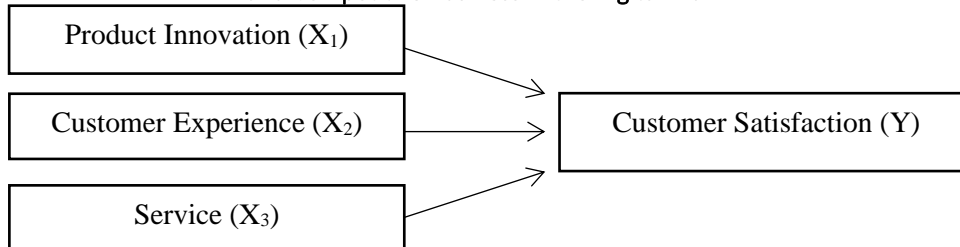


Figure 1. Conceptual Framework

Research Hypothesis

1. H_1 : Product Innovation variables affect customer satisfaction of Chicken Noodle Bakso Goyang Lidah in Rantauprapat City.
2. H_2 : Customer Experience variables affect customer satisfaction of Noodle Chicken Meatballs Goyang Lidah in Rantauprapat City.
3. H_3 : Service variables affect customer satisfaction for Bakso Chicken Noodles Goyang Lidah in Rantauprapat City.

METHODS

According to (Yuliantine et al., 2018) design in a study can be divided into quantitative and qualitative types of research. This study uses quantitative methods, which in this study use numbers and statistics in data collection. Quantitative research is research that certainly requires a lot of researchers in their research to use numbers, starting from data collection to displaying the results. (Siyoto & Sodik, 2015) One of the research flows that must be understood by a researcher in quantitative assessment is determining the population and sample (Samsu, 2017). (Samsu, 2017). For (Sugiyono, 2017) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are formalized by researchers to study and after that draw the end. In this study, the population used is the customers of bakso goyang tongue chicken noodles in the city of Rantauprapat. For (Sugiyono, 2017) The sample is part of the number and characteristics possessed by the population. the sample used in this study was 100 people who were customers of the tongue shake meatball chicken noodles in the city of Rantauprapat. With data collection techniques using primary data (questionnaires) with google forms distributed online. The scale technique used is a Likert scale by answering questions ranging from : Strongly disagree : point 1, Disagree : point 2, Disagree : point 3, Agree point 4, Strongly Agree (SS): point 5. The data analysis technique used in this research is using the Smart-PLS application. Namely using hypothesis testing, F-test, and t-test. In this study, there are 4 (four) variables to be tested, where the independent variables in this study are product innovation as variable X1, customer experience as variable X2, service as variable X3, while for the dependent variable in this study, namely using customer satisfaction as variable Y.

RESULTS
Model and Hypothesis Testing

Processing using SmartPLS.4.0 software produces the following path diagram:

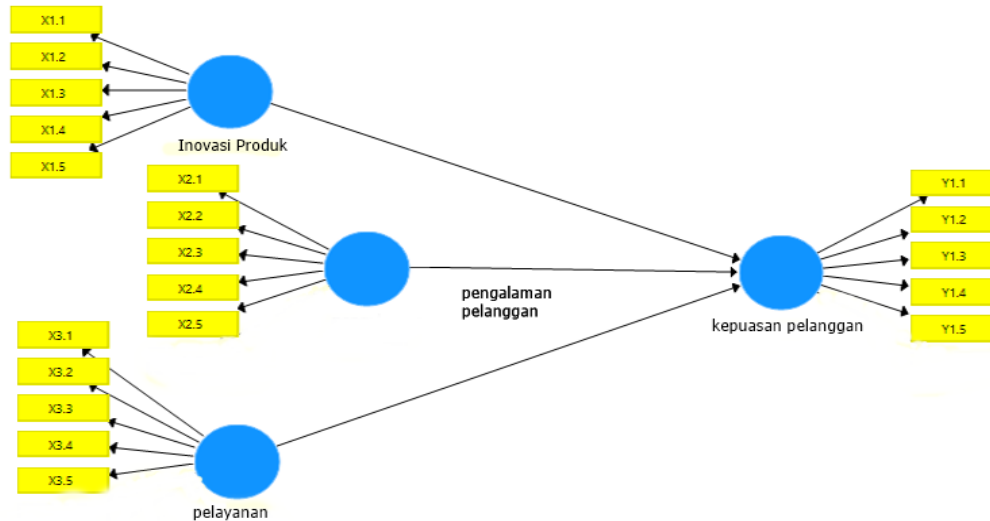


Figure 2. Graphical output

Source: SmartPLS4 Processed Results (2024)

Convergent validity is part of the measurement model, which in SEM-PLS is usually referred to as the outer model, while in covariance-based SEM it is called confirmatory factor analysis (CFA) (Mahfud and Ratmono, 2013: 64). There are two criteria for assessing whether the outer model (measurement model) meets the requirements of convergent validity for reflective constructs, namely (1) loading must be above 0.7 and (2) significant p value (<0.05) (Mahfud and Ratmono, 2013: 65). However, in some cases, loading requirements above 0.7 are often not met, especially for newly developed questionnaires. Therefore, loading between 0.40 - 0.70 should still be considered to retain or remove reflective indicators (Mahfud and Ratmono, 2013: 66). However, in this study the authors maintained a loading value of 0.50 - 0.70. Table 4.1 presents the outer loading value of each statement indicator as follows:

Table 1. Validity Test Analysis Results based on Loading Value

	IP	PP	P	KP	P Value
IP1	(0.750)	0.076	0.389	-0.117	<0.001
IP2	(0.726)	0.206	0.120	0.042	<0.001
IP3	(0.772)	-0.059	-0.242	-0.001	<0.001
IP4	(0.753)	-0.073	-0.126	0.328	<0.001
IP5	(0.693)	-0.097	-0.073	-0.122	<0.001
PP1	-0.117	(0.646)	0.833	-0.117	<0.001

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PP2	0.042	(0.767)	-0.190	0.076	<0.001
PP3	-0.001	(0.616)	-0.096	0.206	<0.001
PP4	0.328	(0.809)	0.017	-0.059	<0.001
PP5	-0.122	(0.825)	0.055	-0.073	<0.001
P1	0.128	0.006	(0.782)	0.006	<0.001
P2	-0.313	-0.078	(0.755)	0.005	<0.001
P3	-0.083	0.073	(0.826)	0.002	<0.001
P4	0.043	-0.033	(0.795)	0.076	<0.001
P5	-0.046	-0.075	(0.779)	0.206	<0.001
KP1	0.328	0.085	0.817	(0.759)	<0.001
KP2	-0.122	0.008	0.855	(0.790)	<0.001
KP3	0.128	0.006	0.077	(0.790)	<0.001
KP4	-0.313	-0.078	0.092	(0.655)	<0.001
KP5	-0.083	0.073	0.033	(0.743)	<0.001

Source: Data processing results, 2024

Description:

- IP : Product Innovation
- PP : Customer Experience
- P : Service
- KP : Customer Satisfaction

Based on the loading results in Table 1, it is known that all loading values are above 0.5, which means that they have met the validity requirements based on the loading size. Based on the loading results that have been carried out with the WarpPIs program.

Construct Reliability Test

Measurement of construct reliability test using Composite Reliability > 0.70, Cronbach's alpha > 0.60, Average Variance Extrac > 0.50, and Full Collinearity VIF < 3.3. The results are attached in the following table:

	IP	PP	P	KP
Composite reliab.	0.795	0.798	0.847	0.812
Cronbach's Alpha	0.793	0.785	0.847	0.804
Avg. var. extrac.	0.547	0.544	0.620	0.561
Full Collin. VIF	2.378	1.164	2.348	2.654

Source: Data Processing Results, 2024

1. The composite reliability value of product innovation (IP) 0.795, customer experience (PP) is 0.798, service (P) 0.847, customer satisfaction (KP) 0.812. It is known that all composite reliability values are above 0.7, which means that the variables in this study have met the reliability requirements based on the composite

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reliability measure.

2. The Cronbach's Alpha value of product innovation (IP) is 0.793, customer experience (PP) is 0.785, service (P) is 0.847, customer satisfaction (KP) is 0.804. It is known that all Cronbach's Alpha values are above 0.6, which means that the variables in this study have met the reliability requirements based on the Cronbach's Alpha measure.
3. The Average Variance Extrac value from of product innovation (IP) is 0.547, customer experience (PP) is 0.544, service (P) is 0.620, customer satisfaction (KP) is 0.561. It is known that all Average Variance Extrac values are above 0.5, which means that the variables in this study have met the requirements based on the Average Variance Extrac measure.
4. The Full Collinearity VIF value of product innovation (IP) is 2.378, customer experience (PP) is 1.164, service (P) is 2.348, customer satisfaction (KP) is 2.654. It is known that all Full Collinearity VIF values are below 3.3, which means that the variables in this study have met the requirements based on the Full Collinearity VIF measure.

Coefficient of Determination

The interpretation of R Square for each latent variable is the same as the interpretation in regression, changes in the R Square value can be used to assess the effect of product innovation variables, customer experience and service on customer satisfaction.

Table 3. R Square Output

	R-square	Adjusted R-square
Customer satisfaction	0,787	0,787

Source: Data Processing Results, 2024

Based on table 3 above, the customer satisfaction variable has an R-square value of 0.787. This means that 78.7 percent of the variation in customer satisfaction is caused by product innovation, customer experience and service, while 21.3 percent is caused by variables that are not related to the variables studied.

Hypothesis Test

The indicator used in hypothesis testing in this study is the t value which is compared to the t-table value. The hypothesis is declared accepted if the t value is greater than the t-table, and the hypothesis is declared rejected if the t value is smaller than the t-table with the results of the significance of the path coefficient test. Based on these provisions, the accepted and rejected hypothesis testing results can be seen in Table 4 below:

Table 4. Hypothesis Testing Results

Hypothesis	Path		t-value	t-table	Description
	From	To			
Hypothesis 1	IP	KP	1,745	1,960	Accepted
Hypothesis 2	PP	KP	6,018	1,960	Accepted
Hypothesis 3	P	KP	2,034	1,960	Accepted

Source: Research Results, 2024

The results of testing each hypothesis based on the results of t-statistics and path coefficients in Table 4 are explained as follows:

1. Testing the first hypothesis proves that product innovation has a significant effect on customer satisfaction. Based on the results of the inner model evaluation of product innovation on customer satisfaction, the statistical t value is 1.745, which is greater than the t table of 1.960 so that this hypothesis is accepted. The results of hypothesis testing state that product innovation affects customer satisfaction .
2. Testing the second hypothesis proves that customer experience has a significant effect on customer satisfaction. Based on the results of the inner model evaluation of customer experience on customer satisfaction, a statistical t value of 6.018 is generated, where the value is greater than the t table of 1.960 so that this hypothesis is accepted. The results of hypothesis testing state that customer experience affects customer satisfaction.
3. Testing the third hypothesis proves that service has a significant effect on customer satisfaction. Based on the results of evaluating the inner model of service on customer satisfaction, a statistical t value of 2.034 is generated, where the value is greater than the t table of 1.960 so that this hypothesis is accepted. The results of hypothesis testing state that service affects customer satisfaction.

DISCUSSION

The Effect of Product Innovation on Customer Satisfaction

Product innovation is an effort to create new products that can meet the needs and desires of consumers so that there is interest in buying the product, which is expected to be realized through customer satisfaction. The ability to innovate is the main competency needed in business competition. Not only to be able to compete and grow, but even more so to survive in global competition, every business needs to innovate as the prominent jargon "Innovation or Die" (Nasution & Kartajaya, 2018). (Nasution & Kartajaya, 2018). Based on the results of the study, it states that product innovation has a significant effect on customer satisfaction. Based on the results of the inner model evaluation of product innovation on customer satisfaction, the statistical t value is 1.745, which is greater than the t table of 1.960 so that this hypothesis is accepted. The results of hypothesis testing state that product innovation affects customer satisfaction for Bakso Goyang Lidah Chicken Noodles in Rantauprapat City. Although the meatball chicken noodle product is a popular food, this tongue shake meatball chicken noodle has a product innovation that is different from other meatball chicken noodle products. This research is in line with research conducted by (Ganabillah & Handayani, 2023) which is entitled The effect of product innovation and consumer experience on customer satisfaction and its impact on consumer loyalty in facial cleansing soap users. The results showed that product innovation has an effect on customer satisfaction.

The Effect of Customer Experience on Customer Satisfaction

Customer experience is the experience felt by customers based on the events they experience both before and after purchasing goods and service products. Customer experience can be defined as the emotional impression that customers have when interacting

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The Effect of Service on Customer Satisfaction

Service is an action or activity of a person that occurs in direct interaction between a person and another person to deliver services and products to customers to satisfy customer needs and desires. The essence of service is a process consisting of a series of actions, interactions, important activities to deliver services to customers where in this delivery there is a goal of making a profit. (Mindarti, 2016). The results of the study prove that service has a significant effect on customer satisfaction. Based on the results of the inner model evaluation of services on customer satisfaction, a statistical t value of 2.034 is generated, where the value is greater than the t table of 1.960 so that this hypothesis is declared accepted. The results of hypothesis testing state that service affects customer satisfaction for Bakso Goyang Lidah Chicken Noodle in Rantauprapat City. This research is in line with research conducted by (Sulistyawati et al., 2015) entitled The effect of service on customer satisfaction. The results showed that service has an effect on customer satisfaction.

CONCLUSION

Based on the research results, the following conclusions can be drawn: That based on the results of hypothesis testing, Product Innovation has a positive and significant effect on Customer Satisfaction of Bakso Goyang Lidah Chicken Noodles in Rantauprapat City. The results of this test are in line with the results of research conducted by (Ganabillah & Handayani, 2023) which is entitled The effect of product innovation and consumer experience on customer satisfaction and its impact on consumer loyalty in facial cleansing soap users. The results showed that product innovation has an effect on customer satisfaction. That based on the results of hypothesis testing states that Customer Experience has a positive and significant effect on Customer Satisfaction of Bakso Goyang Lidah Chicken Noodles in Rantauprapat City. The results of this test are in line with the results of research conducted by (Ganabillah & Handayani, 2023) which is entitled the effect of product innovation and consumer experience on customer satisfaction and its impact on consumer loyalty in facial cleansing soap users. The results showed that consumer experience has an effect on customer satisfaction. That based on the results of hypothesis testing, it states that service has a positive and significant effect on customer satisfaction of Bakso Goyang Lidah Chicken Noodles in Rantauprapat City. This research is in line with research conducted by (Sulistyawati et pal., 2015) entitled The effect of service on customer satisfaction. The results showed that service has an effect on customer satisfaction.

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