Analysis of Factors Affecting Consumer Satisfaction at H&M Medan

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Abstract— This research used Partial Least Square (PLS) to test a relatively complex series of relationships. PLS is a static technique for testing and estimating causal relationships by integrating factor analysis and path analysis. Based on the results of the research, the R Square value has the effect of jointly or simultaneously X1 (Product Quality) and X2 (Brand Image) on Consumer Satisfaction or Y. the adjusted r square value is 0.611. So, it can be explained that all exogenous constructs (X1 and X2) simultaneously affect Y by 0.611 or 61.1%. Because Adjusted R Square is stronger than 61%, the effect of all exogenous constructs X1 and X2 on Y is strong.

Keywords— Product Quality, Brand Image, And Consumer Satisfaction.

I. INTRODUCTION

Marketing is currently one of the factors that play an important role in the progress of a company. The products that have been produced then the company markets the goods to customers in accordance with the established strategy. A policy in a business organization can provide direct benefits for companies in implementing an effective and efficient marketing system to achieve high customer satisfaction, every company must pay attention and pay attention to customer satisfaction.

In 2019, the H&M Group's global net sales totaled approximately US$24.3 billion. dollar. The phenomenon of tarnishing the image of H&M products had lowered its sales in 2018, but at the end of 2019 the product posted sales above 2018.

Product quality is a characteristic of a product or service that depends on its ability to meet express and implied customer needs (Kotler & Keller, 2015). Product quality has two dimensions, namely level and consistency. Brand image is a perception of a brand which is a reflection of consumer memory of its association with the brand (Keller, 1993). It can also be said that brand image is a concept created by consumers for subjective reasons and personal emotions. (According to Brand Image is a representation of brand perception as a whole and is formed from information and brand experiences in the past. Brand image is related to attitudes in the form of beliefs and preferences for a brand. Consumers who have a positive image of a brand, will be more inclined to make a purchase.

According to Kotler in his book Sunyoto (2013, p.35), consumer satisfaction is the level of one's feelings after comparing the perceived performance or results with their expectations. Consumers can experience one of three general levels of satisfaction, namely if performance is below expectations, consumers will be disappointed but if performance matches expectations, customers will be satisfied and what if performance exceeds expectations, customers will feel very satisfied, happy or happy.

II. LITERATURE REVIEW

Quality products are products that require very little repair and are more durable (duration of time) than competitors' products. Improving product quality can be achieved by implementing procedures that can make products work or function better in the long term (Wijaya, 2018). Product quality is "the ability of a product to perform its functions, including overall product durability, reliability, precision, ease of operation and repair, as well as other valuable attributes.". Which means the ability of a product to perform its function, including the overall durability, reliability, consistency, ease of operation and repair of the product and other product attributes.

American Society for Quality in Kotler and Keller (2015:143), quality is the totality of features and characteristics of a product or service that depend on its ability to satisfy stated or implied needs. The higher the level of quality, the higher the level of customer satisfaction generated, which supports higher prices and (often) lower costs. Meanwhile, according to Kottler and Keller (2015) product is anything that can be offered to the market to satisfy a want or need, including physical goods, services, experiences, events, people, places, properties, organizations, information and ideas.

Quality goods or services are those that meet or exceed customer expectations. Customer expectations can be explained through quality attributes or things that are often referred to as "quality dimensions". There are eight dimensions of quality according to (Wijaya, 2018)

namely performance, aesthetics, serviceability, features, reliability and durability.

Quality of conformance / quality of conformance, a measure of whether a product or service has met the specifications that have been set. Suitable use / fitness for use, suitability of the product to carry out the functions as advertised or promised According to Kotler and Keller (2015), there are nine dimensions of product quality, namely shape, features, performance, conformance, durability, reliability, repairability, style, design.

Brand image is the perception of a brand which is a reflection of consumer memory of its association with the brand (Kotler & Keller, 2015). It can also be said that brand image is a concept created by consumers for subjective reasons and personal emotions.

Brand image or brand image is a representation of the overall perception of the brand and is formed from information and past experiences of the brand. According to Simamora and Lim (202) in Nadi Griyani Siringorigo, brand image is an interpretation of the accumulation of various information received by consumers. Dimensions of the brand image, namely professional impression, modern impression, serving all segments, attention to consumers.

A brand must have a good and strong strategy in introducing and marketing products in accordance with the selling value of the brand that has been determined by the manufacturer. This is useful for building a brand image and trust in the eyes of consumers towards the products being marketed. According to (Rangkuti 2014) there are several brand strategies, as follows new brand, multi brand, brand extension, extension line.

Kotler and Keller (2015) state that there are three aspects of customer satisfaction, namely: Loyalty to the product, positive word-of-mouth communication and the company being the main consideration. Satisfaction is a person's feelings of pleasure or disappointment arising from comparing the perceived performance of the product (or outcome) against their expectations. (Kotler and Keller, 2015). "Customer satisfaction is the level of feeling where a person states the results of a comparison of the performance of the product or service received with the expected one." (Lupiyoadi, 2013). If the feeling exceeds the customer's expectations, the customer will feel satisfied and vice versa. From some of the expert opinions above, it can be concluded that, "customer satisfaction is a response from customers to a product produced by the company according to the wishes and expectations of the customer or not, and is an indicator of measuring the success of a company in marketing its products".
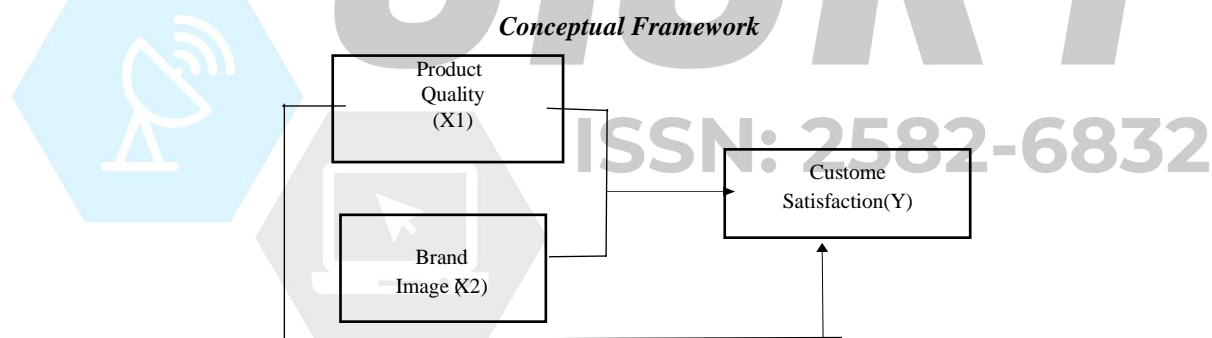
Conceptual Framework

Figure 1: Conceptual Framework (Source: Processed by the Author, 2020)

III. RESEARCH METHODOLOGY

The research approach that will be used in this research is a quantitative method with a survey type. Quantitative method is a research method based on a positive philosophy, used to examine a particular population or sample, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing the established hypothesis (Sugiyono, 2017). The place of research was carried out at the official H&M store in the city of Medan and the research time started from April 2021 to July 2021.

The population in this reserach includes consumers who previously bought H&M clothing in the city of Medan. According to Sugiyono (2014) in this study, the authors took samples using the Quota Sampling technique, which is a technique for determining a sample of a population that has certain characteristics with the desired quota of 100 respondents.

In this research, the types and sources of data used were obtained directly from consumers of H&M clothing in Medan City by distributing questionnaires to respondents. And secondary data from this study is data obtained from other sources that have processed information beforehand, such as from articles, libraries, journals, and other research results.

The program used to test the validity and reliability of the instrument is the Smart PLS program which consists of validity and reliability tests. The criteria for evaluating the validity test are:

• If r count > r table (at a significance level of 5%), it can be said that the questionnaire item is valid.
• If rcount <r table (at a significance level of 5%), it can be said that the questionnaire item is invalid.

Reliability is an index that shows the extent to which a measuring instrument can be trusted or reliable, questions that have been declared valid in the validity test are determined by the reliability with the following criteria (Situmorang, 2014: 92):

• If Cronbach's Alpha value > 0.8 then the reliability is very good
• 0.7 < Cronbach's Alpha < 0.8 then the reliability is good
• If the value of Cronbach's Alpha < 0.7 then it is not reliable

Researchers used Partial Least Square (PLS) to examine a relatively complex series of relationships. PLS is a static technique for testing and estimating causal relationships by integrating factor analysis and path analysis. Using PLS, complex relationships can be built between one or more dependent variables with one or more dependent and multivariate dependent variables. PLS is an alternative method of Structural Equation Modeling (SEM) that can be used to solve the problem of the relationship between complex variables.

IV. DATA ANALYSIS AND RESULT
Validity Test and Reliability Test
The validity test is used to test the validity and reliability of the questionnaire to ensure that the statement items used in this study can be understood by the respondents. According to Ghozali (2015), validity can be determined by convergent validity (outer model) with a loading factor value of 0.50 to 0.60 is considered sufficient and Average Variance Extracted (AVE) with an AVE value must be above 0.50. In this study, the researchers used a loading factor value of 0.60 and an AVE value of 0.50. Questionnaires have been distributed to 100 respondents, namely consumers who have used H&M clothes in the city of Medan. The results of the questionnaire were processed using the SmartPLS program by producing a loading factor where all question items were worth 0.60 and were declared valid. Another parameter that can be used to measure validity is Average Variance Extracted (AVE

Table 4.1: Value on Average Variance Extracted (AVE)

No.	Variabel	AVE	Status
1	Product quality	0,754	Valid
2	Brand Image	0,842	Valid
3	Consumer Satisfaction	0,829	Valid

The reliability test can be seen from the value of Cronchbach's Alpha and Composite Reliability. To be said to be a reliable construct, the Cronbach's Alpha value must be 0.50 and the Composite Reliability value must be 0.70 (Ghozali, 2015). The following is Cronbach's Alpha and Composite Reliability data:

Table 4.2: Cronchbach's Alpha dan Composite Reliability

No	Variabel	Cronchbach's Alpha	CompositeReliability	Status
1	Product quality	0,872	0,948	Reliabel
2	Brand Image	0,745	0,803	Reliabel
3	Consumer Satisfaction	0,933	0,961	Reliabel

Sumber : Data Diolah, 2021

The variable proved to be reliable has a Cronchbach's Alpha value 0.50 and a Composite Reliability value 0.70. The lowest value of Cronchbach's Alpha is 0.745 on the brand image variable and the highest value is 0.933 on consumer satisfaction.

While the lowest Composite Reliability value is 0.803 on the brand image variable and the highest value is 0.961 on the consumer satisfaction variable.

Data analysis technique
a. Outer Model Measuring Model
The Outer Model includes testing the validity and reliability of variable data related to further research to see R2 and the Structural Model Testing (Inner Model) can be continued after passing the Outer Model phase.

b. R Square and Inner Model Testing
The value of R2 is a measurement of the level of variation of changes in the independent variable on the dependent variable, the value of R Square has a joint or simultaneous effect of X1 (Product Quality) and X2 (Brand Image) on Consumer Satisfaction or Y, with the value of R Square the influence together or Simultaneous X1 and X2 against Y is 0.625 with an adjusted r square value of 0.611.

So, it can be explained that all exogenous constructs (X1 and X2) simultaneously affect Y by 0.611 or 61.1%. Because Adjusted R Square is stronger than

61%, the effect of all exogenous constructs X1 and X2 on Y is strong.

Hypothesis test

The relationship between latent variables in this research model can be seen from the estimation results of the path coefficients and their level of significance (p values). To test the proposed research hypothesis, it can be seen from the magnitude of the p values. If p values < 0.05 then Ho is rejected or there is a significant effect.

The results of the estimation of path coefficients to test the strength of the influence between variables.

Table 4.3: Hasil Estimasi Path Coefficients

NNo	Hipotesis	Path Coefficients	Std. Errors	P Values	Keterangan
21	X1 → Y	0,347	0,088	00,000	Signifikan
2	X2 → Y	0,366	0,084	00,000	Signifikan

Source: Processed Data, 2021

Discussion

This study focuses on testing whether the effect of product quality (X1) and brand image (X2) on consumer satisfaction (Y). The following is a clearer discussion of the research results that have been obtained by researchers:

a. Effect of product quality on consumer satisfaction

The results of the research that has been done by researchers show that product quality has a positive effect on consumer satisfaction. Which means that quality goods or services are those that are able to meet or exceed customer expectations. If the quality of goods or services exceeds customer expectations, then customer satisfaction is created.

b. The influence of brand image on consumer satisfaction

The results of the research that has been done by researchers show that brand image has a positive effect on consumer satisfaction. Which means if the brand image of a company is good and is known by many people, consumers will be satisfied with the product.

c. Effect of product quality and brand image on consumer satisfaction

The results of research conducted by researchers show that product quality and brand image simultaneously affect consumer satisfaction by 0.611 or 61.1% and this has a strong influence, because it is very profitable for a company that has a product with a brand that has a brand image and quality products that good for consumers

So that efforts must be made to build a brand image continuously so that the brand becomes more preferred and consumers become satisfied using these products, in this case H&M clothing products in the city of Medan.

V. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of research and data analysis that has been carried out by researchers on consumers of H&M clothing in Medan City, the following conclusions are obtained:

- Product quality has a positive and significant effect on consumer satisfaction of H&M clothing consumers in Medan City
- Brand image has a positive and significant effect on consumer satisfaction of H&M clothing consumers in Medan City.
- Product quality and brand image together have a positive and significant effect on consumer satisfaction of H&M clothing consumers in Medan City

Suggestion

Based on the discussion and conclusions of this study, the authors propose several suggestions that can be used by clothing companies H&M as consideration for increasing consumer satisfaction, there are several suggestions that need to be submitted by researchers, including:

- For H&M Companies

From the research results obtained from respondents, consumers of H&M clothing on average give a good response to product quality, brand image. The author suggests that the company improve the quality of H&M clothing production, and maintain the company's brand image so that the company remains able to compete with other clothing production companies.

- For further research

In other studies, it may be possible to add some new variables that can be used as variables that intervene in the influence of loyalty, employee performance, marketing mix, and others.

- Limitations

The limitation in this research is that the author still lacks knowledge and experience, so please understand if there are still many errors and suggestions for further researchers.

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