



## The Effect of Product Quality, Service Quality and Digital Marketing on Consumer Satisfaction Of Harrum Mart Retail Stores

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**Abstract:** In an increasingly advanced era in terms of digital marketing encouraging people to adapt to increasingly advanced technology, in the digital era purchase decisions can be made based on several applications that are often used by the public, currently, Harrum Mart retail stores are stores that sell their merchandise online and offline, in its use the quality of the product can describe the extent of the product's ability to meet the needs of consumers, when the service is in accordance with consumer expectations, it can be said to be effective in increasing consumer satisfaction. Quality service should be carried out continuously in accordance with the needs of consumers and the company's goals. Based on the results of the study, it shows that there is no direct positive influence of Product Quality on Digital Marketing, there is no positive influence of Service Quality on Digital Marketing, there is a positive influence of Digital Marketing on Consumer Satisfaction, there is a positive influence of Product Quality on Consumer Satisfaction, there is a positive influence of Service Quality on Consumer Satisfaction

**Keywords:** Product Quality, Service Quality, Digital Marketing, Consumer Satisfaction

### 1. INTRODUCTION

As the modern era and era in business, especially in the field of retail stores, many companies that were originally traditionally managed are now turning to modern retail marketing. This makes businesses more innovative, creative, dynamic, and able to compete competitively (Ghosh, 1992 in Angin, 2009).

Product quality is a very important aspect to be maintained so that in the competition of the retail business not only meets needs, but also attracts consumer interest and increases their satisfaction. The better the product sold by a retail store, the more positive the impact on consumer satisfaction.

On the other hand, retail store consumers also assess the quality of service provided when interacting directly with store employees. Good service quality is very effective in increasing consumer satisfaction and should be done continuously according to the needs of consumers and retail stores.

In an increasingly advanced era of digital marketing, people are encouraged to adapt to evolving technology. In the digital era, purchase decisions are often made through various applications that are often used by the public, such as ads on Instagram, Facebook, and TikTok. A purchase decision can occur when a person sees a random advertisement on social media

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and feels interested or finds a product that suits their desires at that time (Nuryana and Rahanatha, 2020).

The Harrum Mart retail store sells its merchandise both online and offline. They offer different types of goods through applications such as Facebook, Instagram, and other online buying and selling platforms. The products sold include clothes of various types, ranging from Muslim clothing for children to adults, pure honey from various types of bees such as *apis dorsata*, *apis mellifera*, *apis cerana*, and *apis trigona*, as well as a collection of pets and ornamental plants.

## **2. LITERATURE REVIEW**

### **a. Product Quality**

According to Kotler and Armstrong (2020), product quality is the ability of a product to demonstrate a variety of functions, including durability, reliability, precision, and ease of use. Product quality can describe the extent of the product's ability to meet consumer needs.

Li and Calantone (2006) stated that product attributes such as quality, reliability, contemporary, and uniqueness can provide a clearer picture of a company's ability to meet customer needs and demonstrate significant advantages.

Kotler and Keller (2008) explained that satisfaction is a person's reflection or assessment of the performance or product produced, in accordance with their expectations. If the performance and products meet expectations, customers will be satisfied. On the other hand, if expectations and expectations are not met, customers will feel disappointed.

### **b. Service Qualifications**

Service quality can be understood as the overall perception of consumers regarding the strengths and weaknesses of an organization and its services (Taylor and Baker in Chaterina, 2011).

This is felt by consumers when they interact directly with all or some members of the organization. If the service is in accordance with consumer expectations, then it can be said to be effective in increasing their satisfaction.

Quality service should be carried out continuously, in accordance with consumer needs and company goals.

### **c. Digital Marketing**

Today, businesses can reach customers anywhere and anytime through various websites or social media, such as Facebook, TikTok, YouTube, Instagram, as well as applications such as Tokopedia, Lazada, Shopee, Zalora, Bukalapak, Blibli, and many more.

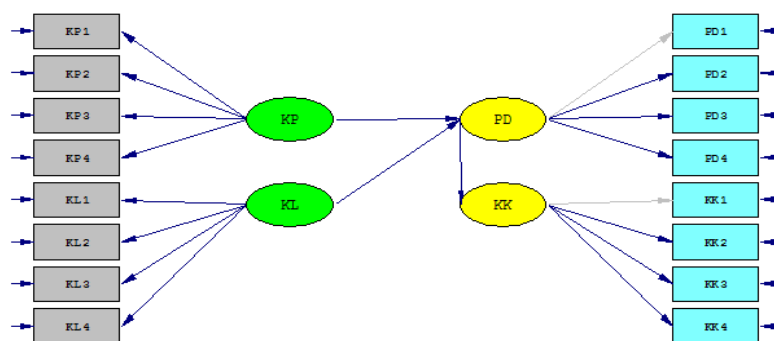
According to Kotler and Armstrong (2018), digital marketing and social media use digital marketing tools such as websites, social media, apps, online videos, emails, blogs, and other digital platforms to reach more consumers. All of this can be accessed through computers, smartphones, tablets, and other digital devices.

#### **d. Consumer satisfaction**

Fulfillment of consumer needs is an indicator of consumer satisfaction in consuming a product. When consumer expectations are met and they make a repeat purchase, they are satisfied.

According to Tjiptono (2005), satisfaction is an evaluation after consumption that shows that the alternative chosen is at least in line with or even exceeds expectations.

#### **e. Research Outline**



Information:

Leave it variable

- $\xi_1$  : Product Quality
- $\xi_2$  : Quality of Service
- $\eta_1$ : Digital Marketing
- $\eta_2$ : Consumer Satisfaction

#### **f. Research hypothesis**

Based on the variables that have been presented, there are several hypotheses as follows:

1. H1: There is a Positive Direct Effect of ( $\xi_1$ ) on ( $\eta_1$ ).
2. H2: There is a Positive Direct Effect of ( $\xi_2$ ) on ( $\eta_2$ ).
3. H3: There is a Positive Direct Effect of ( $\eta_1$ ) on ( $\eta_2$ ).

4. H4: There is a Positive Direct Effect of ( $\xi_2$ ) on ( $\eta_1$ ).

5. H5: There is a Positive Direct Effect of ( $\xi_2$ ) on ( $\eta_2$ ).

### 3. RESEARCH METHODOLOGY

#### A. Research Design

This study uses a quantitative method approach. According to Sugiyono (2015:11), the quantitative method is a research method based on the philosophy of positivism, involving research on a certain population or sample using research instruments and quantitative analysis to test the hypothesis that has been determined. This study aims to measure the magnitude of the influence of exogenous variables, namely product quality ( $\xi_1$ ) and service quality ( $\xi_2$ ), on endogenous variables, namely digital marketing ( $\eta_1$ ) and consumer satisfaction ( $\eta_2$ ).

#### B. Research Subject and Object

The subject of this study is consumers who have purchased products from Harrum Mart, with a sample of 200 people, both through online and offline platforms. The research objects include aspects of product quality, service quality, digital marketing, and consumer satisfaction.

### 4. RESULTS AND DISCUSSION

#### 1. Description of Questionnaire Result Data

##### a. $\xi_1$ Product Quality Description

The following is a description of the results of the questionnaire regarding the variable  $\xi_1$  (Product Quality) based on frequency distribution using the Sturges formula, which produces 9 interval classes. The frequency distribution of the Product Quality variable score is as follows:

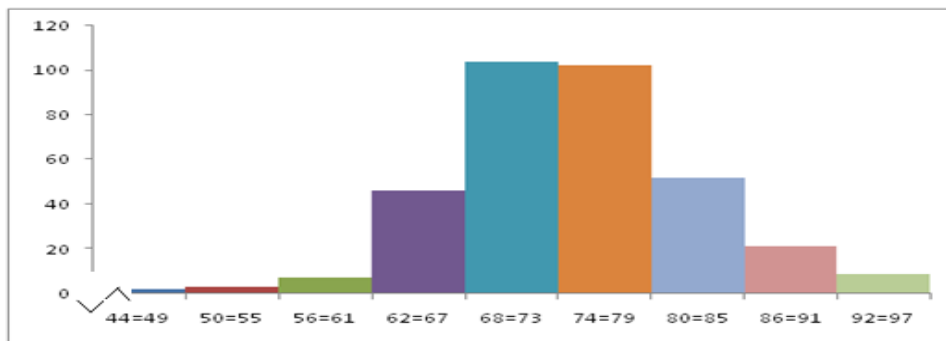
NO	Interval Class	Absolute Frequency	Absolute Frequency	Scale
1	44=49	2	1%	Very Low
2	50=55	3	1%	
3	56=61	7	2%	Low

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4	62=67	46	13%	
5	68=73	104	30%	Keep
6	74=79	102	29%	Tall
7	80=85	52	15%	
8	86=91	21	6%	Very High
9	92=97	9	3%	
	<b>Sum</b>	<b>346</b>	<b>100%</b>	

Source : Data Processing with *Microsoft Exse Officel 2007*

Based on the frequency distribution above, it is depicted in the form of a histogram as follows:

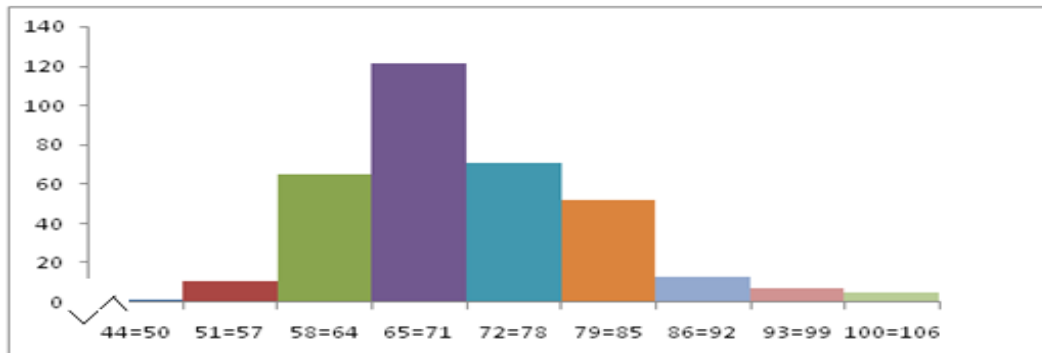


**a. Quality of Service frequency description  $\xi_2$**

Using the Sturges formula, the number of classes was obtained as many as 9. The score frequency distribution for the Quality of Service variable is presented in full in the following table.

NO	Interval classes	Absolute Frequency	Relative Frequency	Scale
1	44=50	1	0%	Very Low
2	51=57	11	3%	
3	58=64	65	19%	Low
4	65=71	121	35%	
5	72=78	71	21%	Keep
6	79=85	52	15%	Tall
7	86=92	13	4%	
8	93=99	7	2%	Very High
9	100=106	5	1%	
	<b>Sum</b>	<b>346</b>	<b>100%</b>	

Source: Data Processing with Microsoft Excel Office 2007. Based on the frequency distribution mentioned above, here is a histogram depicting the data.



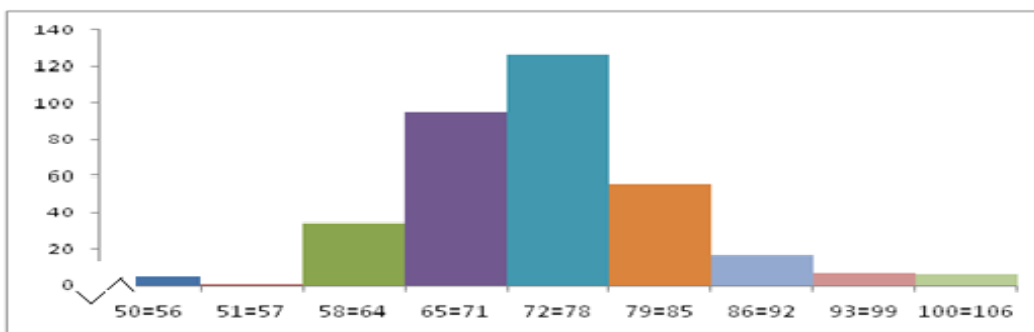
**b. Digital Marketing frequency description  $\eta_1$**

By applying the Sturges formula, the number of classes is 9. The following table presents the score frequency distribution for the Digital Marketing variables in full.

NO	Interval Class	Absolute Frequency	Relative Frequency	Scale
1	50=56	5	1%	Very Low
2	51=57	1	0%	
3	58=64	34	10%	Low
4	65=71	95	27%	
5	72=78	126	36%	Keep
6	79=85	56	16%	Tall
7	86=92	16	5%	
8	93=99	7	2%	Very High
9	100=106	6	2%	
	<b>Sum</b>	<b>346</b>	<b>100%</b>	

Source : Data Processing with *Microsoft Exse Officel 2007*

Based on the frequency distribution above, it is depicted in the form of a histogram as follows



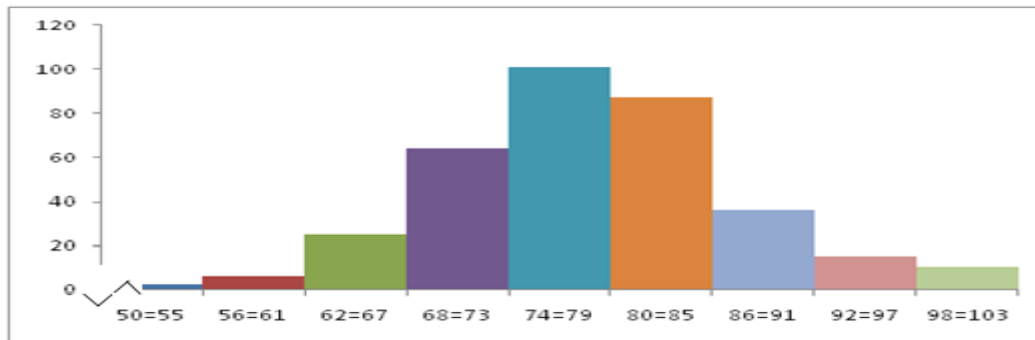
**c. Description of Consumer Satisfaction Frequency  $\eta_2$**

By using *the Sturges* formula , you get a class of 9. The frequency distribution of the Consumer Satisfaction variable score is presented in the following table

NO	Interval Class	Absolute Frequency	Relative Frequency	Scale
1	50=55	2	1%	Very Low
2	56=61	6	2%	
3	62=67	25	7%	Low
4	68=73	64	18%	
5	74=79	101	29%	Keep
6	80=85	87	25%	Tall
7	86=91	36	10%	
8	92=97	15	4%	Very High
9	98=103	10	3%	
	<b>SUM</b>	<b>346</b>	<b>100%</b>	

Source : Data Processing with *Microsoft Exse Officel 2007*

Based on the frequency distribution above, it is depicted in the form of a histogram as follows



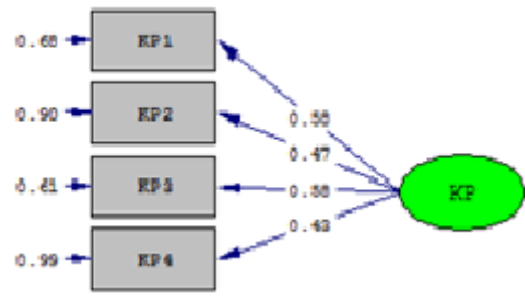
**a. Measurement Model *Fit***

In this study, the first thing that will be done is to do a measurement model (*Measurement Model*) In each latent variable with the manifest variable, in this study there are 4 manifest latent variables and with 16 manifest indicator variables.

Measurement model analysis is used to test the level of validity and reliability of each indicator that makes up the manifest variable. The following is an explanation of the results of the analysis of the measurement model for each manifest variable: as follows:

**1) Product Quality Measurement Model Analysis  $\xi_1$**

The Interest Variable, which is an exogenous variable, can be measured through 4 (four) variable indicators. The results obtained are shown by the results of the values of the Standardized Loading Factor can be seen in the following figure:

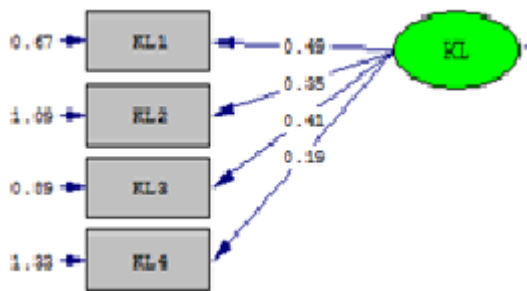


**Figure 4.6 Standardized Loading Factor CFA Product Quality  $\xi_1$**

Based on the description of the figure above from the results of the confirmatory factor analysis (*Confirmatory Factor Analysis*), the loading factor for X1 is 0.55, X2 is 0.47, X3 is 0.50, and X4 is 0.48. When compared to the threshold of 0.45, these values indicate that these indicators have good validity, signaling that they are effective in measuring the latent variables involved.

## 2) Analysis of Service Quality Variable Measurement Model $\xi_2$

The Service Quality Variable which is an exogenous variable can be measured through 4 (four) variable indicators. The results obtained are shown by the results of the values of the Standardized Loading Factor can be seen in the following figure:



**Figure 4.8 Standardized Loading Factor CFA Quality of Service  $\xi_2$**

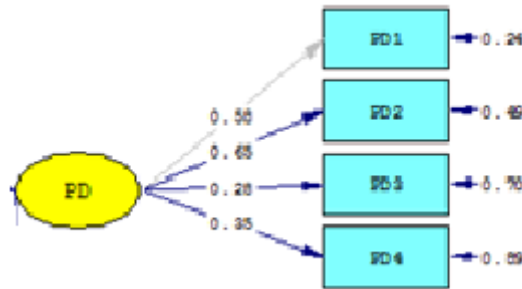
Based on the description of the figure above, from the results of the confirmatory factor analysis (*Confirmatory Factor Analysis*), the values were obtained consecutively: The loading factor for the variable X1 is 0.46, X2 is 0.55, X7 is 0.49, and X8 is 0.79. Compared to the



threshold of 0.45, these values indicate that the indicators have good validity, indicating that they are effective in measuring related latent variables.

### 3) Digital Marketing Variable Measurement Model Analysis $\eta_1$

Digital Marketing Variables, which are endogenous latent variables, can be measured through 4 (four) variable indicators. The results obtained are shown by the results of the values of the Standardized Loading Factor can be seen in the following figure:



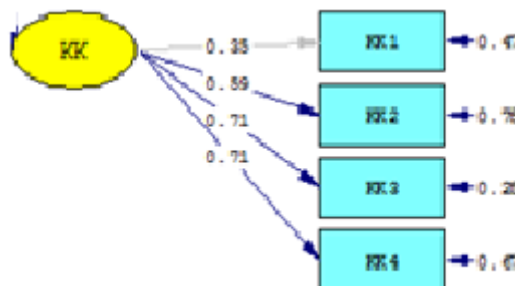
**Gambar 4.10 Standardized Loading Factor CFA**

#### Digital Marketing Variable $\eta_1$

Based on the description of figure 4.10 above, from the results of the confirmatory factor analysis (*Confirmatory Factor Analysis*), the loading factor for Y1 is 0.54, Y2 is 0.48, Y3 is 0.80, and Y4 is 0.85. Compared to the threshold of 0.45, these values indicate that the indicators have good validity, indicating that they are effective in measuring related latent variables.

### 4) Analysis of Customer Satisfaction Variable Measurement Model $\eta_2$

The Customer Satisfaction Variable, which is an endogenous latent variable, can be measured through 4 (four) variable indicators. The results obtained are shown by the results of the values of the Standardized Loading Factor can be seen in the following figure:



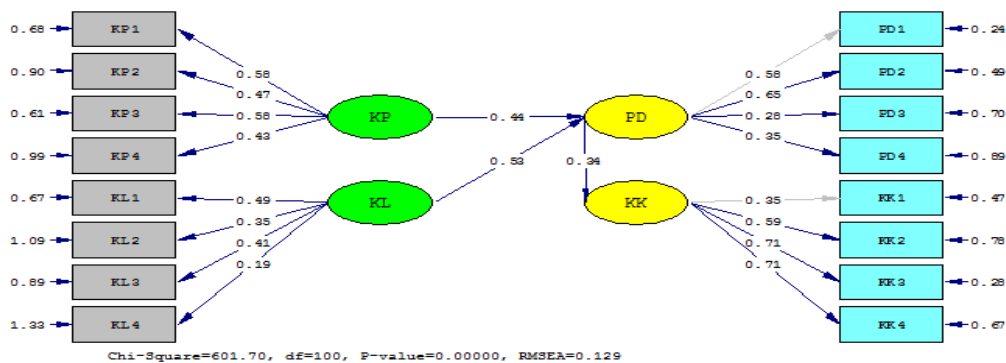
**Figure 4.12 Standardized Loading Factor CFA variable Customer Satisfaction  $\eta_2$**

Based on the description of Figure 4.12 above, from the results of the confirmatory factor analysis (*Confirmatory Factor Analysis*), the loading factor for Y1 is 0.85, Y2 is 0.85, Y7 is

0.71, and Y8 is 0.71. Compared to the threshold of 0.45, these values indicate that the indicators have good validity, indicating that they are effective in measuring related latent variables.

## b. Structural Equation Testing

Overall, the path diagram (*Standardized Solution*) on each variable through the *Software Lisrel* program version 8.80 is obtained as follows:



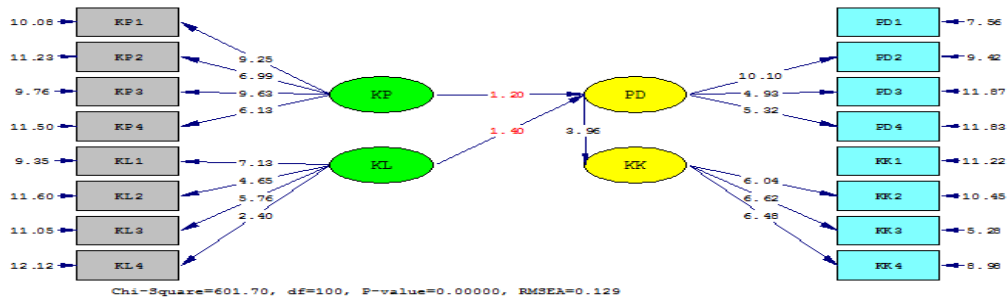
**Figure 4.15 Results of the Standardized Solution Path Diagram**

Based on Figure 4.14 above, the Standardized Solution shows that in addition to the direct effect, there is also an indirect effect between the exogenous variable ( $\xi$ ) and the endogenous variable ( $\eta$ ). From this description, the total value of the influence of exogenous variables ( $\xi$ ) on endogenous variables ( $\eta$ ) was obtained, which shows that exogenous variables ( $\xi$ ) have a positive effect on endogenous variables ( $\eta$ ) due to the existence of mediating variables (Intervening).

In other words, the variables  $\xi_1$ ,  $\xi_2$ , and  $\eta_1$  have an effect on  $\eta_2$  because the influence value is greater than only one exogenous variable ( $\xi$ ) on  $\eta_2$ . This also happens with the variable  $\eta_1$ , where the variables  $\xi_1$ ,  $\xi_2$ , and  $\eta_1$  have a greater influence value than only one exogenous variable ( $\xi$ ) affects  $\eta_1$ .

## c. Discussion

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In the context of the research, it can be concluded as follows:

1. There is no direct positive effect of  $\xi_1$  (Product Quality) on  $\eta_1$  (Digital Marketing).
2. There is no positive influence of  $\xi_2$  (Service Quality) on  $\eta_1$  (Digital Marketing).
3. There is a positive influence of  $\eta_1$  (Digital Marketing) on  $\eta_2$  (Consumer Satisfaction).
4. There is a positive influence of  $\xi_1$  (Product Quality) on  $\eta_2$  (Consumer Satisfaction).
5. There is a positive influence of  $\xi_2$  (Service Quality) on  $\eta_2$  (Consumer Satisfaction).

The results showed that exogenous variables ( $\xi_1$  and  $\xi_2$ ) had a positive influence on endogenous variables ( $\eta_2$ ), namely Consumer Satisfaction. The variable  $\eta_1$  (Digital Marketing) also had a positive influence on  $\eta_2$  (Consumer Satisfaction), but there was no direct positive effect of  $\xi_1$  and  $\xi_2$  on  $\eta_1$  (Digital Marketing) as observed in the analysis.

## 5. CONCLUSION

Based on the results of the research and discussion, it can be concluded as follows

1. That there is no direct positive influence of Product Quality on Digital Marketing
2. There is no positive effect of Quality of Service on Digital Marketing
3. There is a positive influence of Quality of Service on Digital Marketing
4. There is a positive influence of Product Quality on Consumer Satisfaction
5. There is a positive influence of Service Quality on Consumer Satisfaction

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