1. The effect of user experience on customer loyalty mediated by customer satisfaction

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The effect of user experience on customer loyalty mediated by customer satisfaction

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ARTICLE INFO	ABSTRACT
	The success of implementing digital marketing cannot be separated from how marketers can create and design products and services that are able to deliver quality experiences. The experience felt when interacting with digital products or services will encourage users to give positive or negative responses. The response that is formed will encourage satisfaction, which will establish and maintain a sustainable relationship, so that in the end it will encourage the creation of customer loyalty. This study found that user experience affects customer satisfaction, user experience affects customer loyalty, customer satisfaction affects customer loyalty, and user experience does not affect customer loyalty mediated by customer satisfaction.

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INTRODUCTION

Technological developments in the digital era have driven various changes in aspects of human life to become more efficient and practical. Changes are also felt in marketing activities. Currently, marketing activities have experienced a lot of shifts from traditional marketing to digital marketing. Digital marketing is considered more effective because it can combine existing strengths in traditional marketing through technology that makes it possible to facilitate and reach a wider market. Apart from reaching a wider market, digital marketing also enables marketers to be able to design, design, and provide products and services more personally to the intended target market. With a more personal design, it is hoped that the company will have greater involvement with its consumers. This is also in line with the view of Kannan & Li, 2017, where digital marketing is an adaptive process that is supported by technology and is able to work together with customers and partners in creating, communicating, delivering, and maintaining value for all stakeholders.

One of the digital marketing transformations that are considered quite successful and are considered capable of creating new, more innovative experiences, especially during the Covid-19 pandemic, is streaming services. Online streaming services or video subscriptions are becoming a new lifestyle pattern. According to the results of a McKinsey and Company survey at the end of March 2020, it was stated that as many as 45% of respondents spent more money on entertainment at home during the Covid-19 pandemic, while 85% of respondents had tried to reduce spending on entertainment that was not done at home. One of the most popular online streaming or video

subscription services in Indonesia is Netflix. Netflix had 203.67 million subscribers worldwide in the fourth quarter of 2020 even as Netflix expects an additional 6 million in the first quarter of 2021. Netflix acquired 37 million new subscribers in 2020 (Jay, 2022) with the achievement of 850 thousand subscribers in Indonesia, which has driven the net addition of subscribed video on-demand users in Indonesia to around 3.6 million subscribers between September 2020 and January 2021. (Bhojwani, 2021).

According to research institute Morning Consult in 2020, the biggest subscribers to the Netflix Streaming service are Generation Z, where Generation Z is the most Netflix subscribers with 70% of the age group that has a paid subscription. (Jay, 2022). Generation Z is a generation that is more willing to participate in surveys, provide feedback on services or products, and connect socially with brands. (Infiniti Research, 2019). One of the main characteristics of Generation Z that differentiates it from previous generations is connectivity, convenience, and the proximity of Generation Z to technology. (Rakhmah, 2021).The closeness of Generation Z to technology has ultimately made Generation Z the main target market for digital businesses, especially in Indonesia, where this is also reinforced by the results of the 2020 census collected by the Central Statistics Agency (BPS), which shows that most of the composition of Indonesia's population, comes from Generation Z, namely as much as 27.94% which is the generation born between 1997 and 2012. (Rakhmah, 2021). Seeing the huge opportunity and growth in subscription video streaming services (video on demand) as well as the intense competition in reaching the market and the number of subscribers encourages businesses with streaming services to be able to provide the best experience. One way used by marketers is to create and design products and services that encourage customers to feel a different experience than others. The experience felt by users can act as a guide for marketers to be able to better understand consumer needs and wants through features, design structure, product usability, and others that can visually create a pleasant experience, comfort, convenience and create satisfaction in using these products and services. (Feng & Wei, 2019). ISO 9241-210 (2019) defines user experience as the views and reactions of a person obtained through the use of anticipation of the use of a product, system, or service, whereas according to Intanny et al. (2018), often associated with the relationship between humans or user interaction with computerized application systems. The design and implementation of user experience or better known as the right user experience, will encourage satisfaction and maintain long-lasting relationships that will ultimately encourage customer loyalty. Casidy & Wymer (2016) conceptualize customer loyalty as a feeling of loyal attachment to the object of loyalty, rather than repeated commercial transactions, while Massoudi (2020) explains that customer loyalty depends on attitudes and behavior, leaning towards certain brands and ignoring other brands.

The research objective to be obtained is to determine the effect of user experience on customer loyalty mediated by customer satisfaction while the expected benefits can be obtained, among others, become a reference material for academics in developing user experience theories and approaches by analyzing their effects on customer loyalty mediated by customer satisfaction, can provide an overview of the factors that determine customer loyalty and customer satisfaction as well as know the description of the experience felt by Generation Z and is expected to be input in maintaining and improving user experience, customer satisfaction, and customer loyalty.

RESEARCH METHOD

This research is an explanatory research. Explanatory research is used in this research where the research method is intended to provide an explanation of the position of the variables studied and the influence of a variable affects other variables. (Sugiyono, 2017). This is consistent with the purpose of this study, which is to test the effect of user experience on customer loyalty, which is moderated by customer satisfaction.

A person's perceptions and actions as a consequence of using or anticipating using a product, system, or service are referred to as user experience. (ISO 9241-210, 2019).The user experience research indicator used adopts the research of Munthe et al. (2018). Customer satisfaction can be interpreted as an assessment that follows a series of consumer product interactions. (Lovelock & Wirtz, 2018). The customer satisfaction research indicators used are adopted from (Kotler & Keller, 2016). Customer loyalty is a feeling of loyal attachment to the object of loyalty, rather than repeated commercial transactions.(Casidy & Wymer, 2016). The customer loyalty research indicator used adopted Shafiee & Bazargan (2018). The population used is Generation Z, who use the Netflix streaming service in Indonesia, while the sample taken is based on a non-probability sampling method with a purposive sampling technique, namely Generation Z who have used the Netflix streaming service in Bandung for at least 6 months as many as 100 respondents. This refers to the minimum sample size suggested by Roscoe in (Memon et al., 2020), which states that for most studies that discuss behavior, it is usually appropriate to use a sample size greater than 30 and less than 500. The data analysis method in this study uses the path analysis method.

RESULTS AND DISCUSSIONS

Characteristics of Respondents
The characteristics of the collected respondents are listed in Table I.

Table 1. Characteristics of Respondents

Characteristics	Number of Respondents
Man	41
Woman	59
Ages 9-25 years	100
Netflix subscription ≥ 6 months	100

Source: data processing results (2022)

Table 1 shows that 41% of the respondents collected were men while 59% of the respondents collected were women. This shows that more users of the Netflix streaming service in Bandung City are more dominated by women. Respondents in this study are also Generation Z aged between 9-25 years, who have used the Netflix streaming service in Bandung City for at least 6 months.

Hypothesis test
The results of the hypothesis were tested using the path analysis method.

Table 2. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.125	.425		4.997	.000
	UX	.390	.114	.326	3.410	.001

a. Dependent Variable: CS
Source: data processing results (2022)

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.326a	.106	.097	.65027

a. Predictors: (Constant), UX
Source: data processing results (2022)

Tables 2 and 3 show that the p-value or significance of the user experience is 0.001, which has a smaller value than the α value of 0.05. Therefore, it can be drawn that result Hypothesis 1 is

accepted, which means that an effect of user experience on customer satisfaction, namely the 10.6% while the value of e1 is obtained by $\sqrt{(1-0{,}106)} = 0{,}950$.

Table 4. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.820	.505		1.625	.107
	UX	.515	.128	.378	4.018	.000
	CS	.231	.107	.203	2.160	.033

a. Dependent Variable: CL

Source: data processing results (2022)

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.484a	.234	.218	.68927

a. Predictors: (Constant), CS, UX

Source: data processing results (2022)

Table 4 shows a p-value or user experience significance of 0.000 where these results have a smaller value compared to an α value of 0.05. Therefore, it can be drawn that Hypothesis 2 is accepted, which means that there is an effect of user experience on customer loyalty, while the p-value or the significance of the variable customer satisfaction is 0.033 where the result has a smaller value than the α value of 0.05. Therefore, it can be drawn that Hypothesis 3 is accepted, which means that there is an effect of customer satisfaction on customer loyalty. Table 5 shows that the effect of user experience and customer satisfaction on customer loyalty is 21.8% with an e2 value of $\sqrt{(1-0{,}218)} = 0{,}884$.
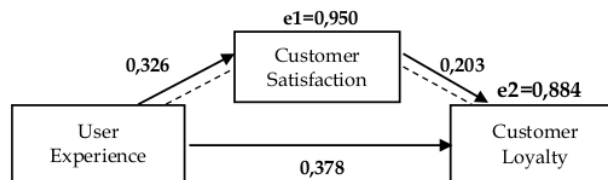

Figure 1. Path Chart

Figure 1 shows the direct effect exerted by user experience on customer loyalty is 0.378 while the indirect effect between user experience through customer satisfaction on customer loyalty is 0.326 x 0.203 = 0.066. This shows that the indirect effect has a smaller value than the direct effect, so it can be concluded that hypothesis 4 is rejected, which means that indirect user experience through customer satisfaction has no effect on customer loyalty.

The Effect of User Experience on Customer Satisfaction

Based on the results of the study, it shows that there is an influence of user experience on customer satisfaction. User experience is the totality of end user perceptions when they interact with a product or service. This perception includes effectiveness, efficiency, emotional satisfaction and the quality of the relationship with the entity that creates the product or service. (Badran & Al-Haddad, 2018). This confirms the findings of previous research which showed that there is a relationship between user experience and satisfaction, including research conducted by Badran & Al-Haddad (2018)

which showed that there was an implication effect of the effect of user experience variables on smartphone customer satisfaction, research by Martins & Riyanto (2020) which shows that most users are very satisfied with the experience of enjoying online streaming shows via Netflix.

The Effect of User Experience on Customer Loyalty

Based on the results of the study, it shows that there is an influence of user experience on customer loyalty. Providing a good and positive user experience will encourage customers to stay afloat and make repeated purchases of the products or services offered. Several previous studies also support the link between user experience and loyalty, including Ertemel et al. (2021)which shows that experience has a direct effect on loyalty, while Mukhlis & Indriastuti (2021) found that experience has a direct positive effect on customer loyalty for Go-Ride. Research discussing the relationship between satisfaction and loyalty is quite easy to find in various sectors and industries.

The Effect of Customer Satisfaction on Customer Loyalty

Based on the research results show that there is an effect of customer satisfaction on customer loyalty. Research discussing the relationship between satisfaction and loyalty is quite easy to find from various sectors and industries. Several previous studies that support the link between satisfaction and loyalty include research conducted by Bulan & Chandra (2021) which shows that customer satisfaction simultaneously has a significant effect on customer loyalty. Apart from that, research by Ilyas et al. (2021) also found that the effect of customer satisfaction on loyalty is positive and significant.

The Effect of User Experience on Customer Loyalty Mediated by Customer Satisfaction

This study also obtained the result that there is no effect of user experience on customer loyalty mediated by customer satisfaction, which proves that the satisfaction felt by customers from experiences that have been felt or obtained before will not necessarily provide encouragement for customers to make purchases repeatedly or make purchases continuously and survive to become loyal customers. The results of this study are in contrast to several studies that have been tested previously which stated that the satisfaction felt by customers as a result of positive and memorable experiences will indirectly increase customer loyalty to remain in the products and services offered. Previous studies that support the link between user experience and loyalty mediated by satisfaction include Hussein (2018) finding that customer satisfaction mediates the relationship between experience and loyalty, while according to Ngatno (2017) found that satisfaction acts as a mediator between experience and brand trust in Inul Vista Karaoke, Semarang. However, several previous studies actually support the findings of this study, among others Mukhlis & Indriastuti (2021) present findings where customer experience does not have an indirect effect on customer loyalty among Go-Ride customers at Mulawarman University through customer satisfaction as an intervening variable, Handayani & Susanto (2020) present findings that customers' e-satisfaction does not mediate the effect of user's experiences and on customers' loyalty, whereas according to Chandra (2014) finds that customer experience has no significant effect on customer loyalty, which is mediated by customer satisfaction at Ciputra World Surabaya.

CONCLUSION

The conclusion that can be put forward is that all the hypotheses tested were successfully proven where three of the four hypotheses were declared accepted or had an effect between variables, while one hypothesis was declared rejected. The suggestions given for improving the Netflix streaming service include considering the price and service convenience for customers. When compared to other similar streaming services, Netflix is one of the more expensive subscription streaming services because the subscription price for the Netflix streaming service is only based on the device package purchased, so customers prefer to subscribe to other streaming services that are more affordable and can be enjoyed together. In terms of ease of subscription and payment methods, the Netflix

streaming service provides subscription services through email registration and verification, but this is still lagging behind other streaming services that have worked with providers in Indonesia. Payment for subscriptions from the Netflix streaming service is also still limited to several payment methods, making it quite difficult. We recommend that the Netflix streaming service can further expand its reach to payment methods that are more common and widely used by the public.

The limitation in this study is regarding sampling, which only exists in the city of Bandung, so it is hoped that for further research, the coverage area of sampling can be expanded and other variables such as price, content, and promotion of services offered by Netflix so that they become considerations and benchmarks for customers when choosing a streaming service.

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PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6

PAGE 7