

THE ROLE OF CUSTOMER SATISFACTION MEDIATING THE EFFECT OF PRODUCT QUALITY AND BRAND IMAGE ON POSITIVE WORD OF MOUTH

¹Ida Ayu Putri Widiasuari Riyasa, ²Ni Wayan Ekawati, ³Ni Made Purnami

^{1,2} Faculty of Economics and Bussiness, Udayana University, Bali, Indonesia

Abstract: The purpose of this research to test the influence of product quality and brand image to Positive Word Of Mouth through customer satisfaction shoes sports Nike. The number of samples to be taken as much as 140 consumers shoes sports Nike with the methods purposive sampling. Data were collected through the distribution of the questionnaire. Technique the analysis used is sobel test by using path analysis. Based on the results of the analysis found that the variable quality products it has some positive effects and significantly to it WOM consumers Nike sneakers, the brand image it has some positive effects and did not significantly to it WOM Nike sneakers, it has some positive effects variable product quality and customer satisfaction significantly to Nike sneakers , it has some positive effects variable brand image and customer satisfaction significantly to Nike sneakers, it has some positive effects and variable customer satisfaction and consumer WOM it significantly to Nike sneakers Denpasar city.

Keywords: quality products, brand image, customer satisfaction, positive word of mouth, nike.

1. INTRODUCTION

Businesses developed quite rapidly in this era of globalization, shown by the intensive business in producing a product both goods and services, resulting in tight business competition between companies (Putra and Sulistyawati, 2015). On the other hand, the rapid development of technology and information, provides opportunities for companies to make superior products (Ismayanti and Santika, 2017).

This situation occurred in competition in the sports shoes market in Indonesia. One of them is Nike brand sports shoes that are in great demand by young people. Nike has been in Top Brand For Teens in 2015 to 2017, indicating that successful Nike shoes are in the first rank for 3 years continuously, but seen in the 2017 Nike Top Brand Index, showing a drastic decline caused by increasing the number of competitors and the position of foreign and local shoe brands.

One method of the company to maintain its customers is word of mouth. Word of mouth arises when consumers are satisfied for the products and services they buy (Syriac, 2013: 169). Overall customer satisfaction, provides two main benefits for customers, one of them is word of mouth (Tjiptono and Chandra, 2012:57). The better customer satisfaction can lead to positive word of mouth (Wahyuni and Ekawati, 2018). The research results of Saraswulandari and Santika (2013), state that consumer satisfaction has a positive effect on word of mouth. Consumer satisfaction depends on the quality of the product and service.

Satisfaction felt by a customer on the quality of a product, indirectly will encourage customers to make recommendations to others for the product (Puspasari, 2014). The results of other studies that support, is a study by Mismiwati (2016), with the results that product quality and customer satisfaction have a positive effect on word of mouth. Research by Febriana et al. (2017), Ackaradejruangsari (2013), Al-Tit (2015) and Gaol et al. (2016) also stated that product quality has a positive effect on customer satisfaction. However, the results of research by Nasirudin (2018), show conflicting results, there is a negative influence between product quality on word of mouth. Besides product quality, there is a determinant of customer satisfaction is a brand image.

Positive brand image can determine the level of customer satisfaction (Yu-Te et al., 2013). The better the brand image, the higher the customer satisfaction will be, indicating that the brand image has a positive and significant effect on customer satisfaction (Widiaswara, 2017, Sinaga, 2016). Brand image has a significant effect on word of mouth, meaning a strong brand image will affect word of mouth for consumers (Permadi et al., 2014). The results of this study are different by Ismail et al. (2015) which states that brand image does not have a significant effect on word of mouth.

Based on the description of the background, and there is a research gap, the researcher is interested in researching further, about the role of consumer satisfaction mediating the effect of product quality and brand image on word of mouth, studies on consumers of Nike shoes in Denpasar City.

2. THEORITICAL FRAMEWORK AND LITERATURE REVIEW

Product quality is the ability of an item to deliver the appropriate results or performance even more than what the customer wants (Kotler and Keller, 2009: 143), or to what extent, the product or service meets its specifications (Lupiyoadi, 2013: 212). So product quality is the overall characteristics or specifications of a product that has the ability to meet the needs of consumers.

Brand image is the perception and confidence of consumers of a brand that is embedded in the minds of consumers and is always remembered first when hearing certain slogans (Kotler and Keller, 2009: 403). Brand image is also expressed as a series or total summation of brand associations held in consumer memory which leads to perceptions of temporary brands (Chinomona, 2016). Brand image shows a representation of the whole of the brand so that it is embedded in the minds of consumers.

Satisfaction is a feeling of being happy or disappointed someone who arises because of comparing the perceived performance of the product to customer expectations (Kotler and Keller, 2009: 139). According to the fact, customer satisfaction is a satisfied customer if the product purchased is in accordance with consumer expectations (Bayraktar et al., 2012; Jian et al., 2009; Shanin et al., 2011). Consumer satisfaction reflects a consumer's attitude towards a product and service as a result of consumer evaluation based on consumer experience after using a product and and service.

Word of mouth marketing is oral, written, or electronic communication to people relating to benefits or experience in buying or using product services (Kotler and Keller, 2009: 512). Trusov et al. (2009) stated that word of mouth strategy is an interesting strategy because this strategy combines low financing and rapid interpersonal communication through strategy and social media. Word of mouth is related to the process of providing information from consumers to other consumers through oral communication (Lo, 2012). Consumers can influence brand perceptions of other consumers that they invite to interact or communicate (Meiners et al., 2010). Positive word of mouth is communication from mouth to mouth in the form of positive recommendations both between individuals and groups on an item or service that aims to provide information personally.

3. RESEARCH HYPOTHESIS

Satisfaction felt by a customer on the quality of a product, indirectly will encourage customers to make recommendations to others for the product (Puspasari, 2014). The statement is in accordance with the results of Mismiwati (2016) research, where product quality has a positive and significant effect on word of mouth. However, research by Nasirudin (2018), the results are contradictory, which indicates a negative influence between product quality on word of mouth (WOM). Based on the explanation, the following hypotheses can be arranged **H₁ : Product quality has a significant positive effect on positive word of mouth.**

A good image is formed through the experience of consumers who will communicate the brand (Ismail, 2012). Research by Permadi et al. (2014), shows that brand image has a positive and significant effect on word of mouth, but this statement is not in line with research by Ismail et al. (2015), which states that brand image does not have a significant effect on word of mouth. In line with the explanation, the research hypothesis is: **H₂: Brand image has a significant positive effect on positive word of mouth.**

The more quality products and services provided by the company, the higher the satisfaction felt by consumers (Kotler and Armstrong, 2008: 272). Quality has a direct impact on the performance of a product or service, therefore quality is closely related to value and customer satisfaction. This statement is supported by research by Febriana et al. (2017), Ackaradejruangsari (2013), Al-Tit (2015) and Gaol et al. (2016), which shows that product quality has a positive effect on

customer satisfaction. According to this explanation the research hypothesis can be: **H₃: Product quality has a significant positive effect on customer satisfaction.**

Positive brand image makes consumers have their own satisfaction in using these products. Positive brand image, greatly determines the level of customer satisfaction (Yu-Te et al., 2013). The results of the research by Widiawara (2017) and Sinaga (2016) show that brand image has a positive and significant effect on customer satisfaction. The research hypothesis is as follows: **H₄: Brand image has a significant positive effect on customer satisfaction.**

Customer satisfaction is a feeling of pleasure or disappointment someone who appears after comparing products with one another and in accordance with consumer expectations (Kotler and Keller, 2009: 139). Satisfied customers will remain loyal for a long period of time, so they tend to buy back, when producers issue new products and talk about good things about the product or service to others (Kotler and Keller, 2009: 40). The research of Saraswulandari and Santika (2013), shows that consumer satisfaction has a positive effect on word of mouth, so the research hypothesis is: **H₅: Consumer satisfaction has a significant positive effect on positive word of mouth.**

Companies need to see the importance of product quality, because it can affect customer satisfaction by providing services and performance higher than expected by consumers. Research by Gaol et al. (2016) which states that product quality has a positive effect on customer satisfaction. Customers who feel satisfied will remain loyal for a long period of time, so they tend to buy back when the producer issues a new product and talks about good things about the product or service to others (Kotler and Keller, 2009: 40). This is supported by Mismiwati (2016) research, with the results that customer satisfaction, product quality, and experiential marketing have a positive effect on word of mouth. The research hypothesis is: **H₆: Consumer satisfaction significantly plays a role in mediating the effect of product quality on positive word of mouth.**

Positive brand image, makes consumers have their own satisfaction in using these products (Sangadji, 2013). The results of the research by Widiawara (2017) and Sinaga (2016) state that brand image has a positive and significant effect on customer satisfaction. Permadi et al. (2014) in their research, concluded that with a strong brand image it will affect word of mouth for consumers. This is supported by the results of research by Mismiwati (2016) which states that customer satisfaction, product quality, and experiential marketing have a positive effect on word of mouth. The research hypothesis is as follows: **H₇: Consumer satisfaction significantly mediates the influence of brand image on positive word of mouth.**

4. RESEARCH METHOD

This study uses a quantitative approach and is classified into associative research. The population in this study were all consumers in the city of Denpasar, who had purchased Nike sport shoes with an infinite number. The sample size is 140 respondents. Methods of collecting data using a questionnaire. The data analysis technique used for this study is descriptive and inferential statistics, because it analyzes data by describing it to conclude, the data has been collected. Inferential statistics are path analysis tests, classical assumptions and sobel tests.

5. RESULT

Path analysis was used to test the data in this study, with the following results:

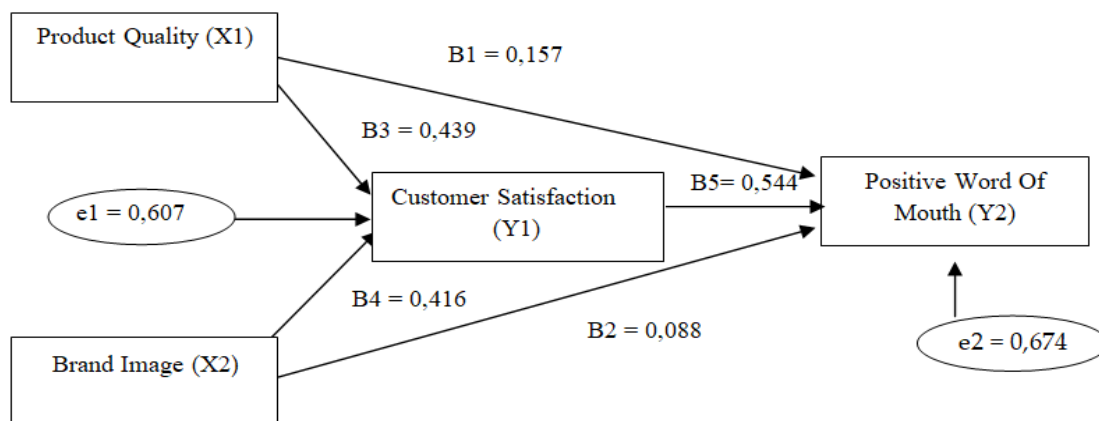


Figure 1 : Path Analysis Result

Based on the analysis results of ϵ_1 and ϵ_2 , the total determination coefficient can be calculated as follows:

Structure Equation 1:

$$Y_1 = \beta_1 X_1 + \beta_2 X_2 + e_1$$

$$Y_1 = 0,439 X_1 + 0,416 X_2 + e_1$$

$$\begin{aligned} \epsilon_1 (\text{error}_1) &= \sqrt{1 - R^2} \\ &= \sqrt{1 - 0,631} \\ &= 0,607 \end{aligned}$$

Structure Equation 2 :

$$Y_2 = \beta_3 X_1 + \beta_4 X_2 + \beta_5 Y_1 + e_2$$

$$Y_2 = 0,157 X_1 + 0,088 X_2 + 0,544 Y_1 + e_2$$

$$\begin{aligned} e_2 (\text{error}_2) &= \sqrt{1 - R^2} \\ &= \sqrt{1 - 0,545} \\ &= 0,674 \end{aligned}$$

$R^2_m = 1 - (\epsilon_1)^2 - (\epsilon_2)^2 = 0.833$. The total value of determination is 0.833, meaning that 83.3 percent of positive word of mouth variation is influenced by variations in product quality, brand image, and customer satisfaction, while the remaining 16.7 percent is explained by other factors not included in the model.

Table 1: Direct Influence and Indirect Effects and Effect of Total Product Quality (X1), Consumer Satisfaction (Y1), and Positive Word Of Mouth (Y2)

Variable Effect	Direct Effect	Indirect Effect (ρ_{mx1}) x (ρ_{ym})	Total Effect
Product Quality → Customer Satisfaction	0,439	-	0,439
Customer Satisfaction → Positive Word Of Mouth	0,544	-	0,544
Product Quality → Positive Word Of Mouth	0,157	0,238	0,395

Source : processed data

Table 2: Direct Effects and Indirect Effects and the Effect of Total Brand Image (X2), Consumer Satisfaction (Y1), and Positive Word Of Mouth (Y2)

Variable Effect	Direct Effect	Indirect Effect (ρ_{mx2}) x (ρ_{ym})	Total Effect
Brand Image → Customer Satisfaction	0,416	-	0,416
Customer Satisfaction → Positive Word Of Mouth	0,088	-	0,088
Brand Image → Positive Word Of Mouth	0,544	0,226	0,314

Source : processed data

F value is 54,348 with probability value (sig) = 0,000, Significance value is 0,000 < 0,05, H0 is rejected and H1 is accepted, this means that Product Quality, Brand Image, and Consumer Satisfaction simultaneously and significantly affect Positive Word Of Mouth.

The sobel test of the effect of product quality (X1) and brand image (X2) through customer satisfaction (Y1) on positive word of mouth (Y2) is as follows: Based on the results of the analysis, the calculated Z value is 4.38. The z value is 4.38 > z table is 1.96, this indicates that H0 is rejected and H6 is accepted. This means that customer satisfaction mediates the effect of product quality on positive word of mouth. Based on the results of the analysis, the calculated Z value is 4.12. The z value is 4.12 > z table is 1.96, this indicates that H0 is rejected and H7 is accepted. This means that customer satisfaction mediates the influence of brand image on positive word of mouth.

5.1 HYPOTESIS TEST

Based on the results of the analysis it can be concluded that product quality (X1) has a positive and significant effect on positive word of mouth (Y2) consumers of Nike sports shoes in Denpasar city. These results indicate that consumers' perceptions of Nike's sports shoes are good, because the quality of Nike's sport shoes has a strong endurance so consumers are satisfied with that. The results of this study support the research conducted by Mismiwati (2016).

The results of the analysis also show that brand image (X2) has a positive and insignificant influence on positive word of mouth (Y2) consumers of Nike sports shoes in Denpasar City. These results show that the brand image is positive, do not do word of mouth, which is caused by the Nike sports shoe brand already popular in the community. The results of this study are in line with the research conducted by Ismail et al. (2015).

The results showed that product quality (X1) had a positive and significant effect on consumer satisfaction (Y1) for Nike sport shoes consumers in Denpasar City. This means that the quality of Nike sports shoes is able to carry out its functions exceeding consumer expectations, which causes consumers to be satisfied using it. The results of this study support the study by Febriana et al. (2017), Ackaradejruangsari (2013), Al-Tit (2015) and Gaol et al (2016).

Positive and significant influence is also shown in brand image (X2) on consumer satisfaction (Y1) of Nike's sports shoes in Denpasar City. The results of this study indicate that the brand image of Nike sports shoes is very popular so consumers have their own satisfaction in using the product. This result is in accordance with the research of Widiaswara (2017) and Sinaga (2016).

Consumer satisfaction variable (Y1) has a significant influence on word of mouth (Y2) positive for Nike sport shoes consumers in Denpasar City, which indicates that consumers are satisfied using Nike sport shoes, and consumers communicate word of mouth to other consumers. The results of this study support the research by Saraswulandari and Santika (2013).

The results of this study indicate that directly the quality of the product has a positive and significant effect on positive word of mouth and indirectly the quality of the product through customer satisfaction has a significant influence on positive word of mouth. The results of the study can explain that the quality of Nike sports shoes is able to carry out its functions exceeding consumer expectations so that consumers are satisfied in using Nike sports shoes and are able to communicate to other consumers. The results of this study are in line with research by Febriana et al. (2017), Ackaradejruangsari (2013), Al-Tit (2015), Gaol et al (2016), Saraswulandari and Santika (2013).

The results of this study indicate that directly brand image does not have a significant effect on positive word of mouth, and indirectly brand image through customer satisfaction, has a significant influence on positive word of mouth. This is in accordance with the hypothesis, that consumer satisfaction significantly plays a role in mediating the influence of brand image on positive word of mouth. The results of this study are in line with the research of Widiaswara (2017), Sinaga (2016), Saraswulandari and Santika (2013).

6. CONCLUSION, RECOMMENDATION, AND LIMITATIONS

This study has limitations because the scope of the research is carried out only in the Denpasar city area, so that the results of this study cannot be generalized to consumers in a wider area. On the other hand, the study was also only for teenagers in the city of Denpasar, so the results of this study could not be generalized to wider consumers.

Considering that this research was carried out in a certain period of time (cross section), while the environment experienced very rapid changes, such as consumer purchasing power, this research is important to do again in the future.

The results of this study are expected to be used for the management of Nike brand sports shoes in designing marketing strategies based on product quality and brand image in order to increase consumer satisfaction and positive word of mouth for the product. The strategy that can be carried out by the company is to improve product quality and continue to innovate so that the Nike sports shoe brand becomes popular so that consumers become satisfied and able to communicate with other consumers.

REFERENCES

- [1] Ackaradejruangsri, Pajaree. 2013. Original Research : The Effect of Product Quality Attributes on Thai Consumers' Buying Decisions. *Ritsumeikan Journal of Asia Pacific Studies*, Vol. 33, No. 3, pp. 14-24.
- [2] Al-Tit, Ahmad A. 2015. The Effect of Service and Food Quality on Customer and Hence Customer Retention.

Journal Asian Social Science, Vol.11, No. 23, pp 129-139

- [3] Bayraktar, E., Tatoglu, E., Turkyilmaz, A., Delen, D., Zaim, S. (2012). Measuring The Efficiency Of Customer Satisfaction And Loyalty For Mobile Phone Brands With DEA. *International Journal of Expert Systems with Applications*, Vol. 39, No. 1, pp. 459-468.
- [4] Chinomona, Richard. 2016. Brand Communication, *Brand image* and Brand Trust as antecedents of Brand Loyalty in Gauteng Province of South Africa. *African Journal of Economic and Management Studies*, Vol. 7, No. 1, pp. 124-139.
- [5] Febriana, Eka Kiki, Yulianeu, Cicik Harini, dan Moh Mukeri Warso. 2017. Pengaruh Keragaman Produk, Kualitas Produk, dan lokasi Penjualan Terhadap Kepuasan Konsumen (Studi Kasus Pada Warung Makan Bu Sur). *Journal of Management*, Vol. 3, No. 3, pp. 1- 7.
- [6] Gaol, Analia Lumban, Kadarisman Hidayat, Sunarti. 2016. Pengaruh Kualitas Produk Terhadap Tingkat Kepuasan Konsumen dan Loyalitas Konsumen. *Jurnal Administrasi bisnis (JAB)*, Vol. 38, No. 1, pp. 125-132.
- [7] Ghozali, I. 2013. *Aplikasi Analisis Multivariate dengan Program SPSS Edisi Ketujuh*. Semarang: Badan Penerbit Universitas Diponegoro.
- [8] Ismail, Ahmed Rageh dan TC Melewar. 2015. Binational Study of The Impact of Brand Image, Brand Personality and Brand Love and Word of Mouth: The Case Of Fashion Brands an Uk and Switzerland. ISBN978- 3-319-10911-4. https://doi.org/10.1007/978-3-319-10912-1_151. *Journal Business and Economics*, pp. 462-471.
- [9] Ismail, Muhammad. 2012. *Strategi Pemasaran untuk membangun Citra dan Loyalitas Merek*. Bandung: PT.Penerbit IPB press
- [10] Ismayanti, Ni Made Arie, I Wayan Santika. 2017. Pengaruh Celebrity Endorser, Brand Image, Kualitas Produk Terhadap Niat Beli Sepatu Olahraga Nike Di Kota Denpasar. E- *Jurnal Manajemen Universitas Udayana*, Vol. 6, No. 10, pp. 5720-5747.
- [11] Kotler, Philip dan Armstrong, Gary. 2008. *Prinsip-Prinsip Pemasaran*, Jilid Satu. Jakarta: Erlangga.
- [12] Kotler, Philip dan Kevin Lane Keller. 2009. *Manajemen Pemasaran*. Edisi ketiga belas. Jilid Satu. Jakarta: Erlangga.
- [13] Lo, S.C. 2012. Consumer Decision : The Effect of Word Of Mouth. *The International Journal of Organizational Innovation*, Vol. 4, No. 3, pp. 188-197.
- [14] Meiners, N.H., Schwarting, U., dan Seeberger, B. 2010. The Renaissance of Word of Mouth Marketing: a 'new' Standard in Twenty-first Century Marketing Management?!. *International Journal of Economic Science and Applied Research*. Vol.3, No. 2, pp. 79-97.
- [15] Mismiwati. 2016. Pengaruh Kepuasan Pelanggan, Kualitas Produk, dan *Experiential Marketing* Terhadap *Word Of Mouth* Pada Percetakan Sabilul Haq. *I-Economic*, Vol. 2, No. 1, pp. 19-30.
- [16] Nasirudin, Mochamad, Diah Yuliasetiriani dan Imam Suruso. 2018. Pengaruh Kualitas Produk, Harga dan Citra Merek Terhadap Kepuasan Konsumen dan Word Of Mouth Perusahaan Conato di Jember . *Jurnal STIE Mandala*, Vol. 14, No. 1, pp. 68-86.
- [17] Permadi, Prima Conny, Srikandi Kumadji dan Andriani Kusumawati. 2014. Pengaruh Citra Merek Terhadap Word Of Mouth Dan Keputusan Pembelian (Survei pada Konsumen Dapoer Mie Galau Jalan Selorejo 83 Malang). *Jurnal Administrasi Bisnis (JAB)*, Vol. 10, No. 1, pp. 1-7.
- [18] Puspasari, Anita. 2014. Pengaruh Kualitas Produk Terhadap *Word Of Mouth* Melalui Kepuasan Pelanggan. *Jurnal Ilmu Manajemen*, Vol. 2, No. 4, pp. 1737-1748.
- [19] Putra, I Ketut Triya Darma dan Eka Sulistyawati. 2015. Peran Brand Image Dalam Memediasi Pengaruh Celebrity Endorser Terhadap Niat Beli. E- *Jurnal Manajemen Universitas Udayana*, Vol. 4, No. 6, pp. 1722-1734.
- [20] Saraswulandari, Kt Irma, dan I Wayan Santika. 2014. Keterlibatan Produk dan Keterlibatan Situasional dalam Memoderasi Pengaruh Kepuasan Konsumen terhadap *Word of Mouth*. E-*Jurnal Manajemen pada Fakultas Ekonomi dan Bisnis Universitas Udayana*, Vol. 3, No. 6, pp. 1552-1570.

- [21] Shanin, A., Abandi, A.A., Javadi, M. H. M. 2011. Analyzing The Relationship Between Customer Satisfaction and Loyalty In The Software Industry – With a Case Study In Isfahan System Group. *International Journal of Bussiness and Social Science*, Vol. 2, No. 23, pp. 129-136.
- [22] Sinaga, Onita Sari. 2016. Pengaruh *Brand Image* dan Kualitas Pelayanan Pegawai Terhadap Kepuasan Pelanggan Pada Warnet Dimensi Pematangsiantar. *Jurnal Sultanist*, Vol. 5, No. 2, pp. 21-29.
- [23] Sobel, M. E. 1982. *Asymptotic Confidence Intervals for Indirect Effects in Structural Eequation Models*. In S. Leinhardt (Ed.), *Sociological Methodology*. Washington DC: American Sociological Association.
- [24] Suryani, Tatik. 2013. *Perilaku Konsumen di Era Internet Implikasinya pada Strategi Pemasaran*. Yogyakarta : Graha Ilmu
- [25] Tjiptono, Fandy dan Chandra. 2012. *Service, Quality & Satisfication*. Yogyakarta: Andi.
- [26] Trusov, B. dan Pauwels. 2009. Effects of Word-of-Mouth Versus Traditional Marketing: Finding from an Internet Social Networking Site. *Journal of Marketing*, Vol. 73, No. 5, pp. 90-102.
- [27] Wahyuni, Ni Kadek Sri Yunia dan Ni Wayan Ekawati. 2018. Peran Kepuasan Pelanggan Dalam Memediasi Kualitas Layanan Terhadap Word Of Mouth. *E-Jurnal Manajemen Universitas Udayana*, Vol. 7, No. 5, pp. 2823-2855
- [28] Widiaswara, Tias dan Sutopo. 2017. Analisis Pengaruh Kualitas Produk Dan Citra Merek Terhadap Loyalitas Pelanggan Melalui Kepuasan Pelanggan Sebagai Variabel Intervening. *Diponegoro Journal Of Management*, Vol. 6, No. 4, pp. 1-15
- [29] Yu-Te Tu, Mei-Lien Li, Heng-Chi Chih. 2013. An Empirical Study of Corporate Brand Image, Customer Perceived Value and Satisfaction on Loyalty in Shoe Industry. *Journal of economics and behavioral studies*, Vol. 5, No. 7, pp. 469-483.