BUILDING CUSTOMER EXPERIENCE AND SATISFACTION DURING THE COVID-19 PANDEMIC: IMPROVING PRODUCT QUALITY AND SERVICE QUALITY

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Abstract
This study analyzes the driving factors for customer experience and satisfaction during the Covid-19 pandemic. This study uses 105 respondents who are customers of Promise Jiwa. The analysis used is PLS-SEM. The results of this study found that service quality and product quality were able to improve customer experience. Other results state that the more customers have a memorable experience, the more they will have an impact on increasing their satisfaction. This study proposes managerial implications, including improving taste quality, using attractive packaging, increasing food and beverage variants, improving the appearance of food and beverages, and innovation in food and beverages.

Keywords: Product Quality, Service Quality, Customer Experience and Customer Satisfaction

Introduction
The development of the food and beverage industry in Indonesia has grown rapidly. In

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2020, at the beginning of the pandemic, the food and beverage industry experienced a decline. But in its development, this industry is growing again. The food and beverage industry contributed 37.77% of the GDP of the non-oil and gas processing industry in the first quarter of 2022. Figures 1 and 2 show a trend of data on growth in the food and beverage industry from 2010–2022, as can be seen in the graph below.

Customer experience has become a key concept for academics and practitioners in many service industries, one of which is the food and beverage industry (Yrjölä, Rintamäki, Saarijärvi, Joensuu, & Kulkarni, 2019). A restaurant brand is no longer just about food. Currently, what is needed is quality, value, sanitation, location, and staffing and how providers are able to provide

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**Figure 1. Trends in Food and Beverage Industry Growth Data 2011-2022**

**Figure 2. Trends in Food and Beverage Industry Growth Data Q2 2010 – Q1 2022**

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an interesting and memorable experience on a consistent basis. Customer experience relates to
the customer's perception and feelings about the restaurant at every interaction and point of
contact with the business. Customers' positive or negative responses to and feelings about all of
these interactions together make up their overall customer experience. A great customer
experience is the foundation of any strong and successful restaurant. This is what sets you apart
from most competitors and what drives loyalty from your customers. The impact of an
impressive customer experience is very broad because it will affect satisfaction (Dobrota,
Nikodijevic, & Mihailović, 2012), loyalty (Ardyan, 2014; Tyrväinen, Karjaluoto, & Saarijärvi,
2020; VanParys, 2007), retention (Cambra-Fierro, Gao, Melero-Polo, & Trifu, 2021), repurchase
intention (Anshu, Gaur, & Singh, 2022), performance (Rajgopal, Venkatachalam, & Kotha,
2001), and customer behavior (Choi, Wilson, & Fowler, 2013).

Customer satisfaction is obtained when customers receive service or experience service
from the provider more than expected. Problems will occur if there is a gap between what is
expected and what is experienced by customers (Liat, Mansori, Chuan, & Imrie, 2017). The
positive gap—where the customer experience is greater than expectations—will result in a high
level of customer satisfaction (Jin, Nicely, Fan, & Adler, 2019). However, if guests feel that
something is missing, they will be dissatisfied (Rabinot & Giannelloni, 2010). For dissatisfied
customers, it’s expected that they can provide a minimum standard so they do not give a negative
response to the company (Codotte & Turgeon, 1988).

This study investigates the factors that influenced customer experience and satisfaction
during the COVID-19 pandemic. The goal of this study is to show how the quality of products
and services affects customer satisfaction and experience in the food and beverage industry.

Literatur Review

Product Quality

Product quality is important to the company. On the one hand, higher product quality
drives consumer demand, increasing company revenues and profits. (Sun & Anwar, 2022).
Product quality has been defined as a consumer's assessment of the superiority or superiority of a
Product quality is defined based on either extrinsic cues, which are external qualities, or intrinsic cues, which are internal qualities of a product (Zeithaml, 1988). We conclude that product quality as product quality is a way for companies to provide quality products that have advantages, meet customer needs, satisfy desires, and expect competitive prices for customers.

Product quality is very important in influencing customer satisfaction when customers feel the product is conforming to buyer expectations. Customers will compare the performance of the product with their expectations of the product. Actual performance that is higher than consumer expectations will cause customers to be satisfied (Kotler & Armstrong, 2008). Customers feel confident about the experience they feel after using the product and the customer's decision to repurchase the product. Repurchase interest is very important for the company because it can stabilize and grow market share in the community, and the company will benefit from a financial point of view as well as from loyal customer loyalty and commitment to using the product in the future (Tjiptono, 2006)

**Service Quality**

Industries that are engaged in services place great importance on service quality. In its development, Parasuraman, Parasuraman, Zeithaml, and Berry (1988) proposed measuring customers' perceptions of service quality. To measure the service quality, there are several important indicators, including: Physical evidence (tangibles); Reliability (reliability); Responsiveness (responsiveness); Guarantee (assurance); and Empathy. Customer service quality describes the extent to which the services provided are in accordance with customer expectations (Lewis & Booms, 1983). Gronroos (1990) explains that perceived appraisal results from an evaluation process in which customers compare their expectations with the service they perceive to have received. We can conclude that the service quality as service quality is an assessment, expectation, and customer perception of the service received in accordance with customer needs and desires on an intangible basis or causing any transfer of ownership.

Service quality is important in influencing customer satisfaction with the level of one's feelings of pleasure or disappointment that arises after comparing the performance (results) of
the product thought to the expected performance (Kotler, 2013). Customers who feel happy and satisfied because in accordance with their expectations can lead to commitment to the product that will be used from time to time, this can make the company get customer loyalty because customer satisfaction is seen as a multidimensional concept that involves products, costs, facilities, technical aspects (service) and interpersonal and final results (Kotler, 2013). With the existence of customer loyalty for the company, customers will buy the product again for a long time, and besides that, customers can talk about the product well to other people who they have experienced themselves (Kotler & Keller, 2012).

**Customer Experience**

Experience is an event that involves the individual personally (Pine & Gilmore, 1998, 1999). Customer experience or what is usually called customer experience is the views, opinions, impressions, or individual customer feelings whether they like or dislike a business or a product of a business. This customer experience is in the form of what a customer gets when he buys a product or service from a company.

The customer experience depends on and relates to the final results or product performance that customers get with expectations and the results that customers expect (Kotler, 2006). When individuals or consumers have a good experience and are satisfied with a product that has been tried, then the individual is likely to return to buy the product so that they will become loyal customers of the business and spread their satisfaction with the product to others. Therefore, their satisfaction is included in an important concept in marketing and research on customers (Peter, Olson, & Grunert, 1999).

All processes in a business can lead to a customer experience. These processes can be in the form of advertisements displayed, product website display, staff friendliness when serving customers, packaging forms, and et cetera. All impressions from customers can appear when customers have searched for the right product, bought the right product, and they use the product (Brakus, Schmitt, & Zarantonello, 2009).
**Customer Satisfaction**

Customer satisfaction is an evaluative attitude or judgment, while customer pleasure is a very positive emotional state (Torres & Ronzoni, 2018). Satisfying consumers involves fulfilling their expectations, consumers will be pleased with unexpected and surprising positive treatment (Oliver & Rust, 1997). Customer satisfaction is the impression that customers create because they feel that their expectations and expectations have been met according to their expectations or exceeding their expectations (Gerson, 2004). Customer satisfaction is a form of customer evaluation of the product or service that has met its expectations or has not met expectations (Bitner & Zeithaml, 2003). Providing satisfaction and pleasure to customers will have different impacts on customer loyalty, as happy customers usually show higher intentions in positive word of mouth and repurchase (Finn, 2005).

**Hypothesis**

*The effect of Service Quality on Customer Experience*

There are very few studies that explain how product quality can affect customer experience. Product quality has long been recognized as a key factor in driving business performance and achieving competitive advantage. Product quality is the most important parameter for a product, brand or organization. Quality determines the customer experience and repeat business. If the quality of the product is poor and the product cannot do its job reliably and safely, then the brand image will be disturbed.

*The effect on customer experience on customer satisfaction*

Good service will have an effect on the customer's experience. Research by Kim and So (2022) states that the driving factor of the customer having a pleasant experience is a cognitive factor. One of the cognitive driving factors is the quality of the service. costumer's experience does not only come from accommodation, entertainment or food and beverage but also from supporting facilities and processes such as technology and interactions with staff and other services (Kandampully, Zhang, & Jaakkola, 2018). Costumer experiences take form as feelings by the costumer from the moment they interact with a company (Meyer & Schwager, 2007). This
interaction is being made possible by the provider giving a service to the consumer. Research done by Johnson, Johnson, Lervik Olsen, and Wallin Andreassen (2009) states that costumer experience recieved from quality service has to be offset with interesting pricing. Shortly it can be stated that quality service can elevate the costumer's experience.

H2: The quality of the service affects costumer experience positively and significantly.

The effect on costumer experience and customer satisfaction

Some researchers have pointed out that a provider that delivers an interesting experience is an important part of elevating costumers satisfaction (Brakus et al., 2009; Dobrota et al., 2012). The experience the customer feels can have a drastic influence on their satisfaction because they feel their needs have been well fulfilled. From the moment the needs have been fulfilled according to the client's expectations, the client will feel satisfied. When his needs have been fulfilled beyond his expectations, the client will be very satisfied. When a product fails to satisfy a customer's expectations, this will cause the customer to feel disappointed towards the product they bought or are using. Customer experience can increase the motivation of the customer by having an effect on the perceived value of the product offered. A good experience will strengthen the emotional bond towards the product or brand, which can increase the customer's loyalty.

Method
Respondent

To gather data, the researchers have spread an online questionnaire to Janji Jiwa costumers from 7 till the 18th of July 2022. There have been 106 responders who have filled in the online questionnaire and filled in all questions asked in the mentioned questionnaire. So there has not been any data expelled because of mistakes or blank answers. From 106 responders, 29,52% are male and 70,48% are female. Relating to age, the majority of responders is aged between 20-30 years for as much as 61,90% and the remaining age lower than 20 is 32,38% and the age above 30 is 5,71%. The majority of respondents represent students at 82,86%.
Measurement and Data Analysis

The researchers used five variables, which are product quality, service quality, customer experience, and customer satisfaction. Every variable has an indicator where every indicator will be measured on a scale of 5. A scale of 1 will indicate large disagreement and a scale of 5 will represent large agreement. For every indicator or item used in this research, it can be found in table 1. The analysis used in this research is Partial Least Square Structural Equation Modeling (PLS-SEM). For data processing, Warpls version 8 has been used.

Result

Validity testing and reliability represent an important aspect of this analysis. Validity testing has been done by using factor loading and Average Variance Extracted (AVE). The minimal value needed for the instrument to be called valid is a loading factor and an AVE with a value above 0.5 (Hair, Hult, Ringle, & Sarstedt, 2017). Table 1 shows that the loading and AVE values are above 0.5 and, as such, it can be stated that the instrument utilised is capable of measuring every variable. The reliability test uses Composite Reliability and Cronbach Alpha, where an instrument can be called reliable with a minimal value of 0.06 (Hair et al., 2017). Table 1 shows the instrument used is reliable because all values are above 0.06.

Table 1. Validity and Reliability Testing

<table>
<thead>
<tr>
<th>Variable dan Indicator</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality (AVE=0,520; CR=0,866; Cronbach Alpha=0,813)</td>
<td></td>
</tr>
<tr>
<td>• Food and beverage color at Janji Jiwa is attractive</td>
<td>0,786</td>
</tr>
<tr>
<td>• The look of the food and beverages at Janji Jiwa is very good</td>
<td>0,688</td>
</tr>
<tr>
<td>• Food and beverage portions at Janji Jiwa are in line with my needs</td>
<td>0,646</td>
</tr>
<tr>
<td>• Food texture at Janji Jiwa is soft and not hard</td>
<td>0,767</td>
</tr>
<tr>
<td>• Food and beverage aroma at Janji Jiwa is very tasty</td>
<td>0,644</td>
</tr>
<tr>
<td>• Food and beverage taste at Janji Jiwa is very delicious.</td>
<td>0,780</td>
</tr>
<tr>
<td>Service Quality (AVE=0,510; CR=0,838; Cronbach Alpha=0,756)</td>
<td></td>
</tr>
<tr>
<td>• Restaurant supplies such as tables, chairs and cutlery are clean.</td>
<td>0,731</td>
</tr>
<tr>
<td>• The product is what I ordered.</td>
<td>0,647</td>
</tr>
<tr>
<td>• The staff is fast and able in providing service.</td>
<td>0,736</td>
</tr>
<tr>
<td>• The staff is knowledgeable about the products sold.</td>
<td>0,817</td>
</tr>
<tr>
<td>• The staff handles complaints well.</td>
<td>0,623</td>
</tr>
</tbody>
</table>
The results of the goodness of fit test are to test whether the data obtained fits with the model. The results of the goodness of fit test show that there is an alignment between the data and the research model. The following are the results of the goodness of fit test:

- Average path coefficient (APC)=0.457, P<0.001
- Average R-squared (ARS)=0.428, P<0.001
- Average adjusted R-squared (AARS)=0.420, P<0.001
- Average block VIF (AVIF)=1.443
- Average full collinearity VIF (AFVIF)=2.169
- Tenenhaus GoF (GoF)=0.485
- Simpson's paradox ratio (SPR)=1.000

This research proposes 3 hypotheses. According to the findings of this study, product quality has a positive and significant effect on customer experience (β= 0.179; ρ= 0.028). So, Hypothesis 1 is accepted. The results of testing other hypotheses also show that service quality has a positive and significant effect on customer experience (β= 0.563; ρ< 0.001), so H2 is accepted. Customer experience has a positive and significant effect on customer satisfaction (β= 0.628; ρ< 0.001). Testing the third hypothesis is also acceptable. The results of this study can be seen in table 2.
### Table 2. Hypothesis testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Result</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Product Quality → Customer Experience</td>
<td>β = 0.179; ρ &lt; 0.028</td>
<td>H1 accepted</td>
</tr>
<tr>
<td>H2: Service Quality → Customer Experience</td>
<td>β = 0.563; ρ &lt; 0.001</td>
<td>H2 accepted</td>
</tr>
<tr>
<td>H3: Customer Experience → Customer Satisfaction</td>
<td>β = 0.628; ρ &lt; 0.001</td>
<td>H3 accepted</td>
</tr>
</tbody>
</table>

### Discussion

The purpose of this study is to examine the antecedents and consequences of customer experience. One of the antecedents of customer experience is product quality. The results of this study indicate that product quality can improve customer experience. The first step to providing a memorable experience to customers is to provide guidance through the product's functional and emotional aspects (Berry, Carbon, & Haeckel, 2002). Food and drinks at the Janji Jiwa shop are basically able to provide functional benefits (make customers not hungry and thirsty). In addition, being able to touch the emotional side by means of customers being able to see, feel, and experience that the food at Janji Jiwa is able to provide a pleasant taste and shape/texture of food for its customers.

Service quality can improve customer experience. Shaw and Ivens (2002) explains that a pleasant experience is built because the provider respects and treats customers very well. The quality of service provided by Janji Jiwa to its customers is able to make customers feel emotionally comfortable. Customers feel comfortable when at the Promise Jiwa shop, and various service experiences will form the perception that Janji Jiwa has given its best to serve its customers. An interesting experience is formed from interactions between customers and various elements of service. (Teixeira et al., 2012). The interaction between the provider and its customers is an important dimension that affects the customer experience (Bharwani & Jauhari, 2013).

Service is the most important thing the food and beverage industry has to sell. Every time we deal with customers, we make a good or bad impression of the company we represent. This is what we call the "moment of truth." The main challenge for our business is managing the millions of moments of truth we have with our customers every shift, day after day.
The results of other studies show that the customer experience at the Promise Jiwa shop is able to increase customer satisfaction. Brakus et al. (2009) explain that the customer experience of a particular brand will be able to have an impact on customer satisfaction. Janji Jiwa customers have a memorable experience when making purchases at the Janji Jiwa shop.

Conclusions and Managerial Implications

The purpose of this study is to analyze the driving factors of customer experience and satisfaction during the COVID-19 pandemic. The results of this study indicate that product quality and service quality are an important part in enhancing a memorable experience during the COVID-19 pandemic. Of these two factors, service quality dominates in providing an impressive experience to customers.

There are several managerial implications, among others: First, Janji Jiwa must continue to strive to improve service quality. In this research, there are open questions that are asked of the respondents. Name one of the most interesting things about the service provided by the Janji Jiwa! Most answered that service should be friendly and fast. Soul Promise must consider the waiting time. Waiting time here is the time required by customers from ordering to receiving food and drinks. Janji Jiwa must reduce waiting time by serving faster. In addition to fast service, Janji Jiwa must strive to serve in a friendly manner. Friendly means that, starting from speech, gestures, to handling complaints, it is done well, patiently, and does not show an attitude that is less than commendable.

The second managerial implication is the Janji Jiwa to improve product quality. The quality of the Janji Jiwa product can be improved in several ways, including: improving the quality of taste; using attractive packaging; increasing the variety of food and beverages; improving the appearance of food and beverages; and innovation in food and beverages.

References


