LITERATURE REVIEW : THE INFLUENCE OF PRODUCT DIFFERENTIATION, PRODUCT INNOVATION AND CUSTOMER EXPERIENCE ON CUSTOMER SATISFACTION ON SOMETHINC BEAUTY PRODUCTS IN NORTH BEKASI CITY

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A R T I C L E I N F O

A B S T R A C T

This research is a literature review which aims to examine the influence of product differentiation, product innovation and consumer experience on consumer satisfaction with skincare products. This research tries to determine the influencing factors of customer satisfaction with this product. This research uses a quantitative approach with an unknown population. However, with the hair, et al approach, this research used a minimum sample size of 75 respondents. This research can be tested with SPSS statistical tools by testing the feasibility of the data and research hypotheses.

INTRODUCTION

Nowadays skin care has become a basic need for everyone. Apart from that, the skin care industry continues to innovate by offering a variety of skin care products for both men and women, from young people to older people, who can use skin care products as a means of fulfilling their needs. One of the most popular care products that is currently in great demand is skincare

Somethinc is a local brand created by Irene Ursula which focuses on beauty products. Founded in March 2019 and inspired by the crisis of high-quality skin care and makeup products that many millennials buy. This brand consistently attracts the attention of beauty lovers with its wide variety of products. Somethinc products were developed by PT. Royal Pesona Indonesia in 2019, but since its launch it has received a lot of attention and positive feedback from various parties. The reason is, Somethinc products use high quality ingredients that have gone through dermatological tests so they are safe to use on all skin types, including the skin of teenagers, adults and the elderly.

In June 2021, this brand was listed as a Top Brand because it successfully sold IDR 7.81 million on the official Shopee platform. Even though it is a new brand, Somethingnc is quite popular among beauty lovers or so-called beauty

enthusiasts because it produces a variety of high quality products. (Muhammad Edy Supriyadi, 2023).

Based on the image above, in August 2021 data collection was carried out on Shopee for a product called Somethinc using the online crawling method. From approximately 13 thousand listings of Somethinc brand products sold in official and non-official stores, Somethinc sales data for the period 1-15 August 2021 was successfully obtained.

Several things that are emphasized in customer satisfaction are that satisfied customers will usually come back for a long period of time, try to return to the company when it reopens and sells new products, and communicate positively with customers about the company and its products. Apart from that, customers are not too sensitive to the prices offered and do not look at other brands from competitors.

Product differentiation & innovation is important in determining customer satisfaction because it can increase the value of the product or service the company will provide, it can attract customer attention to differentiate itself from competitors and then it can also adapt products to market changes and meet customer expectations. If customer satisfaction is determined by Customer Experience, it can be seen that customers will give a good perception of the company, they will make repeat purchases or what is usually called a subscription. After that, they can recommend it to relatives or people around them. With this, these three factors are very important to be able to determine customer satisfaction with the products that Somehinc has created as in the picture described above.

According to Philip Kotler and Gary Armstrong (2017) In general, satisfaction is a person's assessment of a level of satisfaction or concern obtained from comparing the performance of the product or service provided with good expectations for the product and service. When performance is poor or below expectations, customers will not be interested or feel disappointed. If products and services are provided according to expectations and can even exceed them, then customers will feel satisfied. Customer assessment of the performance of a product or service takes various forms with various forms of loyalty that customers have towards the brand (Samara, 2023).

According to Tjiptono & Chandra (2020) Satisfaction can be interpreted as an effort to change something or make something more valuable. Customer satisfaction is an important aspect for market performance (Samara, 2023)
Then, according to Hasan (2014), buyer satisfaction and dissatisfaction are the alternatives chosen as an evaluation after the purchasing process, where with the existence of these alternatives, at least it can be seen that they match expectations or can even exceed these expectations. According to Permana & Djatmiko (2018), customer satisfaction is the result of various intensity of affective responses arising from time and duration variables as well as important considerations when consuming a particular product (Pranitasari & Sidqi, 2021)

Based on relevant previous research. Hasibuan, (2021) Partial testing of research variables states that the independent variable product differentiation positively and significantly influences customer satisfaction by 41.8%. Then

based on previous research further. Fillayata & Mukaram, (2020) Product Innovation has a positive effect on Customer Satisfaction. In this research, Product Innovation contributed 49.2% to Customer Satisfaction, whereas according to Suhianto (2022) Product Innovation had no significant effect on Customer Satisfaction. And according to other research also states. Pei et al., (2020) Data analysis shows that Customer Experience with staff service, shopping environment, product experience and shopping procedures have a positive effect on Customer Satisfaction. Meanwhile, according to Athar et al (2020), customer experience does not have a significant influence on customer satisfaction.

From relevant previous research, it has been found that there is influence and non-influence of the independent variables Product Differentiation, Product Innovation and Customer Experience on Customer Satisfaction. In this research, it will be seen or produced whether the achievements that occur in the Somethingnc product are influenced or not by one or three of the variables in this research, namely Product Differentiation, Product Innovation and Customer Experience so that they can create satisfaction for their customers.

THEORETICAL REVIEW

Customer Satisfaction

According to Kotler & Keller, (2016) Satisfaction is a perception that reflects a person's feelings in assessing the perceived performance of a product or service they obtain compared to the expectations they have set for themselves (Januar, 2016).

According to Yunanto, (2017). Measuring satisfaction is a step that needs to be taken by business actors to provide better, more effective and efficient services to customers. Therefore, service quality is the main factor that businesses must consider when setting expectations for customers (Januar, 2016). Bravendi et al., (2017) also argue that satisfaction is a very significant obstacle in carrying out organizational and business activities, so satisfaction is the main indicator of a company's success (Januar, 2016).

Product Differentiation

According to Asmini, D.P. Binar, A. Nurul, (2019). Product differentiation refers to actions taken to identify and produce differences between one product and other products that will be offered. These differences can be seen in the shape, durability, resolution, features, performance, suitability, style and design of the product. (Irsanni, n.d.)

According to Mc Carty and Perreault, Product Differentiation is a company's ability to produce goods better, faster, cheaper and new, which can result in higher prices for consumers for these products (Trisihnyo, 2018).

Product Innovation

Kotler and Keller (2016). emphasizes that new product development is a collection of many processes that continuously influence the company. Innovation is not just a new idea, concept, or even sale in a new market; However, this also includes feedback from each step of the process in question (Fillayata & Mukaram, 2020).

According to Sok and O'Cass, (2015) Product Innovation is a process that contains technical design challenges, product research and development, production, management, and company activities related to marketing new products. (Burtic, 2018)

Customer Experience

The customer experience process originates from interactions between customers and the company's products, or other divisions of the company, where the business division generates customer feedback about the product and the company. Customer experiences are quite personal and show that there are differences in customer needs in the emotional, racial, physical and spiritual domains (M et al., 2020).

According to Verhoef at,. al (2009) Customer Experience or overall customer experience refers to the experience that customers have with sellers, based on their interactions regarding existing products (Ameen et al., 2021).

According to Kavitha & Haritha, (2018) Customer experience is related to the customer's inner and personal response to all interactions that occur directly or indirectly with a business. Then according to J. Bhatt & Patel, (2020) customer experience concentrates on the perception of interaction between the company and its customers who make purchases.
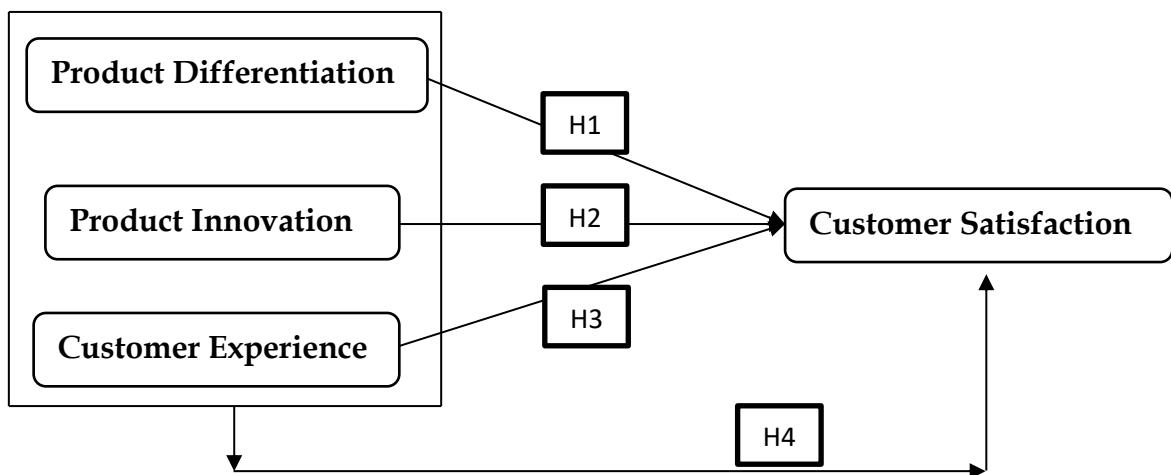

Figure 1. Conceptual Framework

Hypothesis

H1: It is suspected that there is an influence of Product Differentiation on Customer Satisfaction with Somethinc Beauty Products in North Bekasi City.

H2: It is suspected that there is an influence of Product Innovation on Customer Satisfaction with Somethinc Beauty Products in North Bekasi City.

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H3: It is suspected that there is an influence of Customer Experience on Customer Satisfaction with Somethinc Beauty Products in North Bekasi City.

H4: It is suspected that there is an influence of Product Differentiation, Product Innovation and Customer Experience on Customer Satisfaction with Somethinc Beauty Products in Bekasi City.

METHODOLOGY

Research design is a type of design that is used as a guide when carrying out the research process. The aim of the research design is to provide clear and structured guidelines to researchers in carrying out their research, Fachruddin (2009). This research uses a quantitative approach, which is one of the approaches used in research to test hypotheses using reliable or accurate respondent data. Based on the background and problem formulation mentioned previously, this research uses a quantitative approach to measure the influence of Product Differentiation, Product Innovation and Customer Experience on Customer Satisfaction with Somethinc Beauty Products in Bekasi City.

According to Nawawi (2007), population includes all human subjects, objects, animals, plants, symptoms, test results, or case studies—all of which function as data sources with certain characteristics in a particular study. According to Sugiyono (2012), population is a generalization aimed at objects and subjects with certain qualities and characteristics that researchers pay attention to study and then discuss in depth to reach conclusions. So the population is not limited to humans, but also other objects such as other objects (Syahidin et al., 2022). Determining the number of samples in this study used the formula Hair et al. because the size of the population is unknown. The formula of Hair et, al. knowing the number of samples depends on the number of indicators for all variables multiplied by 5 to 10. So the number of samples in this study can be determined as follows: Sample = Number of Indicators x 5 = 15 x 5 = 75 So the minimum sample size is 75 respondents

CONCLUSIONS AND RECOMMENDATIONS

So it can be concluded that customer satisfaction cannot be separated from the company's focus on its products, so that it can create the best products for consumers and make consumers feel satisfied with the products they buy. Then it can be seen from the statement described above, Somethinc was able to successfully occupy first position by competing to create the best-selling serum product with its competitors, and 13 thousand product listings sold online or offline, official and non-official and was able to maintain this achievement. Then in this research the definitions of each independent and dependent variable along with their factors and indicators have been described

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