APPLICATION OF CO-CREATION EXPERIENCE IN CREATING CONSUMER SATISFACTION WITH HEALTH PERCEPTIONS AS A STIMULATING VARIABLE
(STUDY OF MILLENNIAL CONSUMERS ON MSMES IN MATARAM CITY)

I Made Suardana
Program Studi Manajemen, Sekolah Tinggi Ilmu Ekonomi AMM, Mataram, Indonesia
*E-mail: imade_suar@yahoo.com

Abstract
This study aims to determine the significance of co-creation experience on millennial consumer satisfaction for MSMEs in Mataram City with health perceptions (application of health protocols by the government) as a stimulant. The number of respondents was 141 students, the analysis used in this study is RMA and was equipped with the entire measurement process, namely, validity and reliability tests and classical assumption tests. Hypothesis testing was carried out through significance tests (t and F) and other parameters. Based on the t test, it was found that the application of co-creation experience partially had a significant effect and the role of health perception as a stimulant. The level of influence of these two variables is quite strong, which is 72.10%. There was a finding that the level of influence from the application of co-creation experience was partially low, so it was tried to build a model by taking into account the related variables, it was found that the level of influence was 68.00%. This is due to the nature of the perception of health as an absolute requirement of legislation carried out by MSMEs in the city of Mataram, because of the will of the legislation.

Keywords: Co-Creation Experience, Health Perception, Consumer Satisfaction

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INTRODUCTION

Companies in managing business can be expressed as a need, in addition to the form of response to external conditions (taking opportunities or minimizing obstacles). For companies that are still easy to make adjustments (entrepreneurial marketing; MSME business scale) can quickly turn obstacles into business opportunities. It all depends on the ingenuity of the individuals who built the company (Kotler & Keller, 2013).

In the development of the practice of managing the company, it turns out that changes, business innovations do not only come from the company's internal intelligence, but can also use the potential of customers. This applied concept is known as the practice of co-creation experience. This marketing concept is a new wave of marketing, as a follow-up to marketing policies that face a turbulent and chaotic environment. Marketers are aware of the conditions 1) marketing budgets are much lower than companies using traditional marketing; 2) not focusing on short-term profit gain, but rather on growth; 3) build strong relationship with target market (Hermawan, 2009).

The practice of co-creation experience can realize the three conditions above, even including the characteristics of turbulent marketing, by involving consumers in the design of new products (Mason & Staude, 2009). The development of current marketing concepts, including responding to a turbulent market, certainly has a clear scientific foundation, namely the concept of marketing (marketing management practices that make customer satisfaction an economic and social condition for the company's success) (Kotler & Keller, 2013). In other practice there is added value from the achievements, including realizing customer satisfaction which has undergone radical changes. The concept most closely related to the co-creation experience is relationship marketing. The practice of co-creation experience as the company's attention to consumers, then aimed at applying it with high intensity through the consumer community when using the company's products or services together (Buana et al., 2019).

The business environment has experienced changes, especially from the government in formulating various policies, including policies to minimize the risk of the Covid-19 pandemic. This research refines the practice into health perceptions, so that it is positioned as a moderate variable that appears as a stimulant for the application of co-creation experience in realizing consumer satisfaction. Awareness in managing a business, from an early age, needs to be given to micro, small and medium scale businesses, especially the educated millennials as owners. This study tries to build a model, then as a guide in the practice of MSME scale business in Mataram. Attention to MSMEs are now a regional and national economic potential, especially in an uncertain era (turbulent environment). All of them are pursued through research objectives "to analyze the significance of the application of co-creation experience on consumer satisfaction with health perceptions as a moderate variable in the MSME business in Mataram City. The focus of the study is on millennials, so that the acquisition of respondents can be carried out on the STIE-AMM Mataram campus.

LITERATURE REVIEW

Consumer satisfaction as "a condition of the consumer's assessment of the company's
performance at least equal to his expectations" (Setiadi, 2013). It is certain that whatever company policy, including the application of radical marketing management, includes consumers in all aspects, even including them formally, but if the output produced has a lower performance than consumer expectations, it will certainly be disappointing. The implementation condition is that consumers may forgive, but it will not last in a long relationship and consumers will certainly disappear.

According to Engel et al (1995), consumer satisfaction is "after-purchase evaluation in which the chosen alternative is at least equal to or exceeds consumer expectations, while dissatisfaction arises when the results do not meet expectations". The company's performance is related to the actual condition of the value given by the company to consumers, as a combination of quality, service, price (Kotler & Keller, 2013). This value is a central concept of marketing, where in practice the company must be able to provide performance that exceeds consumer expectations, even must exceed the ability of competitors to realize this value.

The satisfaction indicator in this study refers to the dimensions of satisfaction with the relationship with the product (attribute relate to product), service (attribute relate to service) and sales (attribute relate to purchase). Satisfaction as an absolute to realize repeat purchases, positive information about the company. On the other hand, if the consumer is dissatisfied (dissatisfied), the condition that can occur is a complaint. Complaints that have a very negative impact on the company are: third party response and private response. Complaints are limited to voice responses, so the company can immediately provide responses and improvements, not causing other parties to know about it (Tjiptono, 2015).

Companies in producing products (goods and services) must ensure the fulfillment of consumer satisfaction, protect the environment and other social aspects (social marketing concept) (Kotler, 2012), without paying attention to this aspect any marketing policy that is applied will not have a positive impact on the company. No matter how sophisticated the marketing policy is, it fulfills the basic concept of marketing that is oriented towards satisfaction and social welfare (safe products for consumers and the environment).

Basic marketing concepts, including social marketing, are still relevant to government policies during a pandemic (paying attention to health protocols). This external environment can be entered as a legal/political environment, influencing the company's marketing policies (Kotler & Keller, 2013). In this case, consumers only must follow, not fight, because it will only have a negative impact on the company's business continuity (the government can close or the like). In the study of consumer behavior, environmental factors (one of which is government policy) are also factors to be considered in determining consumer behavior, including ultimately consumer behavior after making a purchase (post purchase). Factors from a pandemic condition with the implementation of this health protocol are known as major situational factors (Ferrinadewi & Darmawan, 2004).

In carrying out its business, the company is oriented towards fulfilling customer satisfaction, of course as a fundamental thing and subsequently providing added value for other benefits that are far greater than competitors. Applied co-creation experience as a marketing policy that can obtain other satisfaction aspects, even expressed as a unique value. (Prahalad & Ramaswamy, 2004) stated that the basic idea of co-creation experience is 1) value is a joint creation between consumers and companies; 2) the co-creation experience is the basis of value; 3) the individual is the center of the shared experience. The implications are in the form of 1) consumer interaction with the company as a place (locus) of value for joint creation; 2) variety of co-creation experiences through heterogeneous interactions; 3) personalization of the co-creation experience. All of them are manifested in 1) the focus of
quality is the interaction of consumers and companies; 2) focus on environmental experience innovation and 3) focus on experiential networking. Companies in producing products, creations and innovations do not only focus on work and internal processes, but should pay attention to co-creation between companies and consumers.

MSME scale companies can apply it by providing opportunities for consumers to connect with companies and even implement it by creating blogs in this digital era. In the millennial era, consumers and MSME owners are very intense in using communication networks, even spending their free time socializing in cyberspace. MSME actors can apply the following aspects (Prahalad & Ramaswamy, 2004):

1. In-depth dialogue with consumers intensively.
2. Business actors allow consumers to provide input in product design.
3. Business actors are accustomed to accepting very heterogeneous creations.
4. Open a discussion on the risks that arise; studied in depth when accepting or rejecting risk.
5. Co-creation moves the company into the future, where individual requests are concerned.

Baehaqi (2020) in his research proved that the application of co-creation creates a competitive advantage for the company and satisfaction for customers. New competencies are realized from the company's collaboration with consumers. Cahya, et al. (2020) also found that satisfaction and added value for consumers and companies resulted from implementing co-creation experience. Over time from consumer relations with companies, it is proven that consumer groups, so that there is communication between consumers (customer to customer; C2C) in implementing co-creation experiences; no longer with individual consumers (Buana et al., 2019). This is relevant to the concept of environmental experience (environment in the context of many customers who have made relationships, related to the consumption of the company's products together.

The description above is related to the realization of the objective variable in customer satisfaction, the explanatory variable in the form of co-creation experience and the external (moderate) variable in the form of health perception. Certainly, every variable measured from the indicators will not be one hundred percent fulfilled, including the existence of associations between variables, there are certainly other variables. This causes this research to be built with a stochastics model, which is characterized by the presence of random variables (Widarjono, 2009).

**METHOD**

This type of research uses associative research (Sugiyono, 2018). The resulting association model as a pattern of relationships from explanatory variables or independent variables to the dependent variable with the stimulant of the moderate variable. The research was conducted in the city of Mataram, but in order to facilitate the acquisition of respondents, it was devoted to students who resided and had purchased MSME products in the city of Mataram. Obtained the number of respondents as many as 141 people.

The co-creation experience variable is explained with seven items, health perception with five indicators and satisfaction with ten indicators. Measurement uses a five-tap Likert scale. Before being used as input for the formation of the model, all of these indicators must meet the requirements of feasibility (validity) and consistency (reliability).

The model built in this research is designed in the following framework:
Figure 1. Research Conceptual Framework

The rectangular image above does not show indicators, but variables. Researchers do not use images or patterns of elliptical circles, to avoid the perception that they will use the SEM (structural equation model) or PLS (partial least square) approach. The data analysis used is regression moderating analysis (RMA) with the help of the SPSS program.

The resulting model is attempted to meet the requirements set out in the classical assumption test, because this model was formed using the OLS (ordinary least square) method. The resulting model must meet the normality requirements, the conditions are not affected by multicollinearity symptoms and not affected by heteroscedasticity symptoms. The normality test used the Kolmogorov-Smirnov test (KS test), where the alpha significance was required to be greater than 0.05 (criteria H0 was accepted). This condition is important to fulfill, as a condition for the work of parametric statistics (Ghozali, 2018).

The second condition is that the independent variable in the model must have a weak relationship. The test uses the variance inflation factor (VIF) test, it is required that the VIF value is less than 10. If there are variables that have VIF value is greater than 10, then the variable is excluded from the model. This requirement is important, to maintain the model's efficiency (the resulting parameter has a low variation value). The homogeneity requirement is known from the predicted Y plot with the residual (e) forming a certain pattern (parabola and the like). If it is not patterned, it is stated that the sample is taken from a homogeneous population. This condition is important for forming model consistency (Ghozali, 2018). If the model has met the requirements of the classical assumptions, then the analysis can be continued.

The next stage is to form a model. The resulting model, guided by RMA models (Widarjono, 2009) as follows:

\[ Y = b_0 + b_1X_1 + b_2Z + e_i \]

Information:
\[ Y = \text{consumer satisfaction} \]
\[ X_1 = \text{Co-creation experience} \]
\[ Z = \text{Health Perception} \]
\[ b_i = \text{Regression coefficient} \]
\[ b_0 = \text{Constant} \]
\[ e_i = \text{Random variable} \]

The above model was formed with the help of the SPSS program. The formed model has been able to explain the association between variables, seen from the sign of the resulting regression coefficient. The significance is proven by the significance test, both by t test (partial) and F (simultaneous) test. T test compares t count with t table or alpha significance with alpha testing. H_a accepted, if the resulting alpha significance is smaller than 0.05. Likewise, you can pay attention to the resulting alpha significance with the simultaneous significance test. H_a is also accepted with the same criteria, the alpha significance of the F test is less than 0.05. Other parameters need to be informed, namely the coefficient of partial and simultaneous determination to provide the level of influence of the independent and moderate variables in forming the dependent variable.

RESULTS AND DISCUSSION

The application of co-creation experience is not a very difficult policy. The owner or management of the company needs to require openness for communication, has been able to get input from customers. Small retail businesses, for example, can get new types of products that consumers are interested in, if fulfilled, then consumers have felt valued as members and on the other hand entrepreneurs have been able to add products that already have a clear market. Likewise with MSME actors, where there is a willingness to dialogue, there is access from consumers to the company as well as transparency and risk analysis, then the application of co-creation experience has been able to run, especially if a community of
consumers has been formed who use the product of an MSME.

After testing the validity and reliability, the consumer’s assessment of the variables in this study. The co-creation experience variable was indicated by seven items (X1.1...X1.7), resulting in a validity test with a significance alpha of 0.00. This means that the indicators are (communication space/X1.1, accepting consumer creations/X1.2, building relationships/X1.3, added value for consumers/X1.4, management openness/X1.5, there is space and time for consumers/X1.6 and collaboration with consumers/X1.7) is quite feasible. The same criteria are also for health perception variables (cleanliness and health of the work environment/Z1.1; air circulation/Z1.2; production handling/Z1.3; packaging handling/Z1.4 and product delivery/Z1.5), where all of these indicators produce a significance alpha of 0.00.

Validity requirements are met, so that the indicators of each variable are used to explain the empirical conditions of MSMEs in implementing co-creation experience, assessment of health perceptions and MSME consumer satisfaction. All indicators in this study also meet the consistency requirements. The results of the reliability test are as follows.

Table 1. Co-Creation Experience Reliability Coefficient (X1), Health Perception (Z) and Consumer Satisfaction (Y)

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Reliability Coefficient</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Co-Creation Experience (X)</td>
<td>0.934</td>
<td>Reliable</td>
</tr>
<tr>
<td>2.</td>
<td>Health Perception (Z)</td>
<td>0.951</td>
<td>Reliable</td>
</tr>
<tr>
<td>3.</td>
<td>Consumer satisfaction (Y)</td>
<td>0.962</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Processed data

The reliability coefficient values of the indicators for these three variables are high (much greater than 0.60), so it can be stated that these indicators can be used to measure the related variables very consistently. In the research context, this indicator can be applied to related variables in relatively the same research locations. In other words, this indicator can be recommended for other researchers.

Up to the stage above, the measurement results of these indicators can be used to provide an assessment of the variables in this study. In this case, the average score provides information on the number of respondents who assess each criterion. The information is as follows.

Table 2. Respondents’ Assessment Criteria

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Average Score</th>
<th>Criteria</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>STB</td>
<td>TB</td>
</tr>
<tr>
<td>1.</td>
<td>Co-Creation Exp.</td>
<td>3.82</td>
<td>Well</td>
<td>2.84</td>
</tr>
<tr>
<td>2.</td>
<td>Health Perception</td>
<td>3.97</td>
<td>Well</td>
<td>2.13</td>
</tr>
<tr>
<td>3.</td>
<td>Consumer satisfaction</td>
<td>3.77</td>
<td>Satisfied</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Source: Processed data

Description: STB= very bad; TB=not good; CB=good enough; B=good; SB=very good;
relevant successively very disappointed; disappointed, quite satisfied, satisfied and very satisfied.

The application of co-creation experience by MSMEs based on the assessment of respondents (millennial consumers) is classified as good (average score
3.82; in the interval 3.40-4.20). The average score has a value variation of 0.89; so it was found that there were still as many as 2.84% of respondents giving a very bad rating and 8.51% of respondents saying not good. The average score variation value is informed on the SPSS printout, as follows:

Table 3. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>3.7709</td>
<td>.89071</td>
<td>141</td>
</tr>
<tr>
<td>X</td>
<td>3.8237</td>
<td>.88633</td>
<td>141</td>
</tr>
<tr>
<td>XZ</td>
<td>15.8445</td>
<td>6.05758</td>
<td>141</td>
</tr>
</tbody>
</table>

Source: Processed data

AccumulationThe number of respondents who have assessed with good and very good criteria for applying co-creation experience by MSMEs in Mataram City is 71.63%. It can be stated in general that MSME business actors have used the potential of consumers in forming unique values. However, it should be explained that the context of the application of co-creation experience, still through individual consumers, has not yet led to the community, so environmental networks still need to be pursued.

The health perception variable as a manifestation of the health protocol implemented by the government, which occurred in MSMEs in Mataram City got a good perception (average score 3.97). Consumer satisfaction has also been established, with an average score of 3.77. The criteria for consumer satisfaction still need to be improved by some MSMEs, because 32.63% of respondents still assess with the criteria of being very disappointed to quite satisfied. These three criteria at a low level need attention, becoming the basis for increasing customer satisfaction.

The next stage of data preparation is the classical assumption test. The normality assumption test uses the Kolmogorov-Smirnov test, showing that the accepted criteria are \( H_0 \). Here's the printout.

Table 4. One-Sample Kolmogorov-Smirnov Test

<table>
<thead>
<tr>
<th></th>
<th>X.TOTAL</th>
<th>Z.TOTAL</th>
<th>Y.TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>141</td>
<td>141</td>
<td>141</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>1.096</td>
<td>1.109</td>
<td>1.084</td>
</tr>
<tr>
<td>asymp. Sig. (2-tailed)</td>
<td>.114</td>
<td>.104</td>
<td>.150</td>
</tr>
</tbody>
</table>

a. Test distribution is Normal.

Source: Processed data

The resulting significance alpha is greater than 0.05; shows that the residuals of each variable are normally distributed. The next condition is that the relationship between variables is weak, seen from the VIF value of the X1 and X1.Z variables. The VIF value is 8.390, lower than 10, meaning that the independent variable is not on very strong criteria.

The third requirement is that the sample is taken from a homogeneous population. The Y plot of predictions against the residuals is informed as follows.
Figure 2. Plots of e and Y Predictions

Source: Processed data results

The Y plot of predictions on the residuals does not form a certain pattern, so it can be stated that the homogeneity requirements are met. The resulting model meets the requirements of best linear unbiased estimation because it will not make significant errors in proving the hypothesis and using its parameters. The resulting RMA model is as follows:

\[
Y = 1.355 + 0.272X + 0.087XZ
\]

Based on this equation, it is known that the application of co-creation experience (X) has a positive effect on consumer satisfaction of MSMEs in Mataram City. The perception of health (health protocol policies) emerged as a positive stimulant for applying co-creation experience in influencing MSME consumer satisfaction. The direction of the influence will have a clearer meaning through the significance test (t test). In Table 4, it is obtained that the significance alpha information for the co-creation experience (X)) variable is 0.039 (lower than 0.05), so the Ha test criteria are accepted. This means that even a slight change in the application of the co-creation experience provides a real change in customer satisfaction.

The next test of health perception as a stimulant in influencing consumer satisfaction; found an alpha significance of 0.000 (lower than 0.00), indicating that the criteria Ha is accepted. The health perception variable emerged as a significant stimulant for applying co-creation experience in influencing MSME consumer satisfaction. All procedures in conditioning the environment, production processes and the like that lead to health need to be continuously strengthened, because it has emerged as a positive perception of consumers to get healthy goods and services.

Another parameter that needs to be informed is the coefficient of partial determination (\(r^{2}_{XY}\)). The value of the coefficient of determination for the application of co-creation experience (\(r^{2}_{XY}\)) is 0.03 (square of \(r_{XY}=0.175\)). This partial level of influence is classified as weak. As for the health perception stimulant on the co-creation experience (\(r^{2}_{XZ.Y}\)) it is 0.13 (the square of 0.360). This information shows that the effect of the co-creation experience will be stronger if it gets a stimulant from health perception.
The degree of simultaneous influence of co-creation experience and the perception of health as a stimulant of 0.721. This means that the combination of co-creation experience with environmental conditions in the form of health protocol policies (millennial consumer health perceptions) varies the satisfaction of MSME consumers in Mataram City by 72.10%. The influence of other variables is 27.90%. It can be stated that this model is classified as good in interpreting MSME consumer satisfaction.

The model in this study shows that the application of co-creation experience be very important. The existence of the perception of health as an environmental factor (health protocol) is ensured to remain, in which the company's internal parties must follow suit. This indicates that the application of co-creation experience can be used to strengthen customer satisfaction.

Researchers try to follow up on these findings, where the model only involves co-creation experience, without the health perception stimulant variable, it produced a fairly strong level of influence (68.00%; r2 = 0.680). The resulting model has a regression coefficient of 0.829 and a t-count value of 17,181 (alpha significance of 0.000). This proves the statement that MSME management needs to implement a co-creation experience policy.

Policy co-creation experience different from other marketing policies (marketing mix), where these policies require large costs. The co-creation experience policy, as a new wave marketing policy, especially in the case of companies with an MSME scale, can be declared free of charge. The aspect that is needed is the attitude of the company's management in implementing dialogue with consumers, applying openness and the willingness of consumers to contribute to product innovation. The important thing provided by MSME owners/managers is to provide space and time (physical/non-physical) for dialogue and openness to consumers.

In this study, researchers continue to provide input that the marketing concept is constantly changing and improving, so the owners/managers of MSMEs should be open to these improvements (covering all aspects of the business). MSME business actors should not be comfortable with the status quo, even in the current condition, business people must take advantage of every viral moment.

CONCLUSIONS AND SUGGESTIONS

This research is not rigid, because it also conducts further analysis to address the findings. Preliminary findings indicate that the co-creation experience partially significantly affects consumer satisfaction, but with a common effect. Consumer perception as a proxy for health protocols during the pandemic era became a significant stimulant for applying co-creation experience in influencing MSME consumer satisfaction in Mataram City. It is important to be informed that in this RMA analysis, it seems as if the influence of co-creation experience is partially low, but in the context of a model that only has co-creation experience variables, it turns out that the level of influence is quite strong (68.00%). The level of simultaneous influence of co-creation experience and the role of health perception as a stimulant is 72.10%.

The findings in this study provide evidence that the applied co-creation experience in influencing the satisfaction of UMKM consumers in Mataram City cannot be ignored. The expected facts must be strengthened, especially the role of the owner/manager in implementing the co-creation experience only changes attitudes in providing dialogue opportunities, openness and participation for consumers in providing input on product designs, processes and others. The communication context is the basis for the application of co-creation experience, even in advanced practice it is sought to be created through C2C, in the sense of forming a network in the environment (MSME consumer community).

REFERENCES


**AUTHOR PROFILE**

I Made Suardana, born in Denpasar Bali, September 2, 1963, earned a Bachelor's degree in Economics at the National Education University in 1986 and a Masters in Management at the University of Mataram in 2005, currently active as a PNS Dpk Lecturer at the AMM College of Economics, with the academic position of Lecturer The Head, besides that he is also active in conducting research with the last research title "Study of Consumer Behavior in the Pandemic Era: Turbulent Approach Marketing” and also actively writes in various scientific journals.