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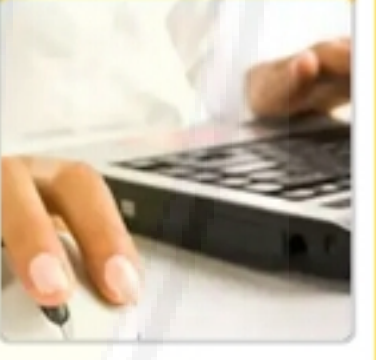
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## **The Role Of Customer Satisfaction On Product Quality, Price And Brand Image In Creating Word Of Mouth On Shop Store Conato In Jember**

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**ABSTRACT** :This research is a continuation of previous research which is categorized as confirmatory research. The data used in this study is the primary data obtained through the distribution of questionnaires. The population in this study were all consumers of three outlets of Conato in Jember. Determination of the number of samples using Ferdinand Samples method with the number of samples of 135 respondents. The technique or method of sampling used is purposive random sampling. The model of previous research analysis is Structural Equation Modeling (SEM) analysis which then developed in this research by using analysis of mediation variable. The results of this study indicate that the quality of the product will create word of mouth when consumers have felt the product and buy the product with experience satisfaction, the price will also create a word of mouth more widely when consumers have felt the product and buy the product by experiencing satisfaction and likewise brand image will create word of mouth extensively when the consumer has tasted the product and purchased the product by experiencing satisfaction. Analysis of mediation variables in this study showed that word of mouth can be influenced from product quality, price and brand image when consumers have felt and bought the product by experiencing the consumer so that the most important variable role in this research is consumer satisfaction.

**KEYWORDS** -Consumer Satisfaction, Product Quality, Price, Brand Image and Word of Mouth

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### **I. INTRODUCTION**

#### **1.1 Background**

Marketing is an important point in the company as an activity to distribute the company's production to market to the consumer. The process of distributing the production result required proper planning to reach all consumers optimally both in terms of quantity of consumers and product quality so that the company continues to exist sustainably in the market competition and get the profit or profit the company expects. Marketing activities within the company are also strived to retain existing consumers then the company must be able to provide satisfaction to consumers by trying to provide the best quality. The notion of marketing by Kotler and Armstrong (2008: 6), is the process by which the company creates value for customers and builds strong relationships with customers in order to capture the value of customers in return.

According Kotler (2009: 49) quality is all the characteristics and properties of a product or service that affects the ability to satisfy the expressed or implied needs. According to Kotler and Armstrong (2008: 266) states the product is all that can be offered to the market to attract attention, acquisition, use, or consumption that can satisfy a desire or need. The quality of the product is also called the quality of work, then the quality of the product is the ability of the product to perform its function, where the company chooses the level of quality in accordance with the target market needs and the level of product quality competitors and expected customers consistently (Kotler and Armstrong, 2008: 273).

Price is the thing that consumers pay attention to when making a purchase transaction and sometimes the price implies the quality of a product identified with the value. Kotler and Armstrong (2008: 439) state that the price is the amount of money charged to a product or service, or the sum of the value exchanged by consumers for the benefits of owning or using the product or service. Price affects consumer satisfaction, this means that the price is the same as what consumers expect (Yulisetiari Diah, 2013). Companies to compete with other similar companies should consider the price factor. The price offered must be affordable by the consumer and must be competitive with the price of other company's similar products.

Consumers in purchasing products also want and consider quality products with relevant prices that have a good product image. In relation to the quality of the product with the relevant price and the company's product brand is faced with the brand award decision which is a form of corporate communication to the consumer regarding the product provided by the company. Marketers must build a mission for the image and the vision of how the image is and what the marketer should do. Brand image can be defined as a set of beliefs, ideas and impressions that a person has on the brand, therefore consumer attitudes and actions towards a brand is determined by the brand image (Kotler, 2008: 32).

According to Kotler (2007: 177), customer satisfaction is the feeling of pleasure or disappointment of someone who emerged after comparing the performance (result) of the product that emerged after comparing the expected performance (or outcome). If performance is below expectations, customers are not satisfied. If the performance meets the expectations of satisfied customers. If performance exceeds expectations, the customer is very satisfied or happy. Furthermore, about how products, prices and brands can shape consumer perceptions so that consumers conduct marketing communications activities.

Communication that occurs in the form of communication from mouth to mouth or with the term word of mouth communication. This communication takes place between consumers and other consumers. Sumardy (2011: 63) suggests that word of mouth is a marketing activity undertaken by a brand to let consumers discuss, promote, and sell our brand to others. It has even been born an official organization to discuss the concept, theory, and ethics in the field of word of mouth called Word of Mouth Marketing (WOMMA) which sets the standard implementation and development of word of mouth program for marketers in all parts of the world. WOMMA defines word of mouth as a marketing venture that triggers consumers to discuss, promote, recommend, and sell products / brands to other sellers, (Harjadi and Fatmasari, 2009).

The culinary business in this case bread is one of the most favorite foods of all people. In addition to its delicious taste, bread is a carbohydrate food that is not boring for the consumer with a variety of flavors available. Therefore, every bread producer must be very careful, and careful in exploiting their business opportunities by spoiling the consumers. The vibrant lifestyle of society makes a shift in many ways, one of which is the staple food which is now substituted rice bread, cereals, pasta, and others. Bread is much liked and enjoyed by various circles of society. Various kinds of bread at varying prices along with the demands of the times and technology. Many bakeries are found in the city of Jember, one of them Conato bread. The Conato company in Jember which has been widely known by the public. There are three locations of Conato outlets in Jember which are Gajah Mada street (next to Nico Fashion) Jember, Gajah Mada street (front of Jember Telkom) Jember, and on Hayam Wuruk street (inside Roxy Square Jember) Jember.

Conato company also looks at consumer perceptions and preferences as well as in jember society which is a market opportunity as a consumer at Conato company in Jember such as word of mouth or word of mouth as a positive recommendation on Conato products and company. Jember community has a habit of socializing and gathering just to share stories, so the opportunity to disseminate information of a product or service they often use is very wide open. This will benefit the entrepreneurs, because with the word of mouth will bring customer loyalty to the products and services offered by the company.

### **1.2 Problem Formulation**

Based on the above background, then the main problem in this research can be formulated as follows:

1. Does customer satisfaction affect product quality in creating word of mouth at Conato outlets in Jember?
2. Does customer satisfaction affect price in creating word of mouth at Conato outlets in Jember?
3. Does customer satisfaction affect the brand image in creating word of mouth at Conato outlets in Jember?
4. Does customer satisfaction play a role in creating word of mouth at Conato outlets in Jember?

### **1.3 Research Objectives**

The objectives achieved in this research are as follows:

1. To know the effect of consumer satisfaction on product quality in creating word of mouth at Conato outlets in Jember.
2. To know the effect of customer satisfaction on price in creating word of mouth at Conato outlets in Jember.
3. To know the effect of customer satisfaction on brand image in creating word of mouth at Conato outlets in Jember.
4. To know the role of customer satisfaction in creating word of mouth at Conato outlets in Jember.

## **II. LITERATURE REVIEW**

### **2.1 Theoretical Review**

1. Product quality.

According to David A. Gravin (1988: 55) there are eight dimensions of product quality determinants are performance, features, reliability, conformance, durability, serviceability, (aesthetics), and the impression of quality (perceived quality).

## 2. Price.

According to Kotler and Armstrong (2008: 2678) prices have several indicators, the indicators that characterize the price are the affordability of prices, the appropriateness of prices with product quality, price competitiveness, and price conformity with the benefits of production.

## 3. Brand image.

The component of the brand image according to Aaker, A. David and Biel, L (2006: 137) shows that there are three indicators, namely corporate image, product image, and user image. Consumer satisfaction.

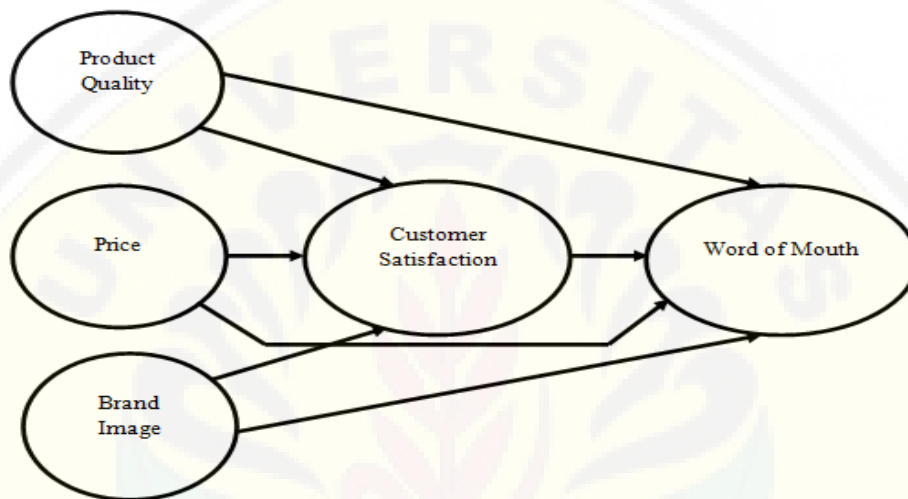
## 4. Customer satisfaction.

According Tjiptono (2004: 101) indicator of consumer satisfaction used is the fit expectations, interest to visit again, and willingness to recommend.

## 5. Word of mouth.

In the opinion of Sumardy (2011: 71) states that the communication from mouth to mouth has 3 levels (word of mouth communication), namely: customer do the talking, customer do promoting, customer do selling.

## 2.2 Conceptual Framework



**Figure 1. Conceptual Framework**

## 2.3 Hypothesis

Based on the formula of the problem can be formulated hypothesis as follows:

H1 : The quality of the product affects the customer satisfaction of Conato's company in Jember.

H2 :Price affects consumer satisfaction of Conato company in Jember.

H3 :Brand image influences the customer satisfaction of Conato company in Jember.

H4 : Product quality affects the word of mouth of Conato company in Jember.

H5 : Price affects the word of mouth of Conato company in Jember.

H6 :Brand image influences Conato's corporate word of mouth in Jember.

H7 :Consumer satisfaction affects the word of mouth of Conato company in Jember.

The results of the hypothesis are further analyzed in the analysis of the mediation variables through the calculation of the influence between the variables listed in the SEM results. Influence between variables consist of direct influence between variables and indirect influence between variables. Analysis of mediation variables to find the formulation of the problem with the hypothesis of H1, H2, H3, H7 as follows:

H1: Consumer satisfaction affects product quality in creating word of mouth at Conato outlets in Jember.

H2: Consumer satisfaction influences the price in creating word of mouth at Conato outlets in Jember.

H3: Consumer satisfaction affects the brand image in creating word of mouth at Conato outlets in Jember.

H7: Consumer satisfaction is influential in creating word of mouth at Conato outlets in Jember.

## III. RESEARCH METHODS

### a. Research Design

This research is categorized as confirmatory research and explanatory research, because this research intends to test the relationship between variables and explain causal relationships (causality) between variables through hypothesis testing that has been formulated. Influence of variables in question is exogenous variables



are product quality, price and brand image, intervening variable that is consumer satisfaction, and endogenous variable is word of mouth.

**b. Population and Sample**

The population referred to in this study were all buyers at three outlets of Conato who bought Conato products in the three outlets. The three outlets of Conato are on Gajah Mada street (Jogja Nico Fashion), Gajah Mada Street (Telkom Jember front) Jember, and Hayam Wuruk Street (inside Roxy Square Jember) Jember. The number of samples used in this study is 135 samples. Sampling method used is purposive sampling with criteria used are as follows:

1. Consumers who make purchases at one of three outlets of Conato in Jember.
2. Consumers who have bought at least 2 times at one of three outlets of Conato in Jember.

**c. Data Collection Technique**

In this study data collection is done by using questionnaire and interview method.

**d. Data Analysis**

Data analysis in this research is validity test, reliability test, SEM assumption test and model feasibility test and hypothesis test. Further analyzed by analysis of mediation variables.

## IV. RESULT AND DISCUSSION

**4.1 Test Instrument Research**

Test Validity shows that estimate loading owned construct more than 0.50 then all variables are valid. Reliability test known to each latent variable used in this research shows that the value of Construct Reliability (CR) above the value of 0.7 so it can be said of each reliable latent variable.

**4.2 Test SEM Assumption**

The important assumptions that need to be tested in SEM analysis are normality, outlier and multicollinearity. Critical ratio obtained value of 1,107 mean multivariate normality accepted because CR value is from limit value  $\pm 2,58$ . Ferdinand (2014: 113) states that multivariates still below number 8 are still allowed for further analysis. The normal univariate data is indicated by all values of the critical ratio of the indicator being at the limit value of  $\pm 2.58$ . Outliers test results in this study shows the magnitude of Mahalanobis d-squared is smaller than the value of Chi Square is equal to 46.963 means no outliers. The result of multicollinearity test gives determinant of sample covariance matrix value of 90,051 so it can be concluded that there is no problem multicollinearity and singularity in the data being analyzed.

**4.3 Model Feasibility Test**

The test of this stage on SEM model aims to see the suitability of the model, the result of suitability testing model in this study there are eight criteria used to assess feasibility of a model considered has been fulfilled. The test results revealed that from the eight criteria there are four criteria included in the marginal category, but the model is still acceptable in the opinion of Ferdinand (2014: 92) although there are limitations because there are four good criteria in the SEM conformity index and there are insignificant variables so the model can still proceed.

**4.4 Hypothesis testing**

In this case will be presented coefficient value path between variables following the significance of hypothesis test results in Table 4.

**Table 1. Causality Test Results**

Influence		Estimate	S.E.	C.R.	P	Information
Y1 <---	X1	0,305	0,096	3,190	0,001	Significant
Y1 <---	X2	0,054	0,064	0,848	0,397	Not Significant
Y1 <---	X3	0,498	0,103	4,821	0,000	Significant
Y2 <---	X1	-0,231	0,188	-1,229	0,219	Not Significant
Y2 <---	X2	0,044	0,095	2,235	0,642	Not Significant
Y2 <---	X3	0,068	0,252	0,268	0,788	Not Significant
Y2 <---	Y1	1,377	0,411	3,349	0,000	Significant

Source: Results of Data

Table 1 can be stated that the result of the coefficient of line test for the effect of product quality (X1) on consumer satisfaction (Y1) has a positive parameter estimate of 0.305 with CR of 3.190 and probability (p) of 0.001 which means that product quality (X1) consumer satisfaction (Y1). This hypothesis states that product quality significantly influence the satisfaction of consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H1 accepted. This means that the better the quality of the products available at Conato's company in Jember, the better the customer satisfaction will be to purchase at one of Conato's outlets in Jember.

The result of the coefficient of line test for the influence of price (X2) on consumer satisfaction (Y1) has a positive parameter estimate of 0.054 with C.R of 0.848 and probability (p) of 0.397 which means that the price (X2) has an insignificant effect on customer satisfaction (Y1). This hypothesis states that the price has no significant effect on the satisfaction of consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H2 is not accepted. This means that prices have a positive effect on customer satisfaction in three outlets of Conato Jember, although the effect is not significant.

The test result of coefficient of line for the influence of brand image (X3) on consumer satisfaction (Y1) has positive parameter estimate of 0,498 with CR 4,821 and probability (p) 0.000 which means that brand image (X3) have significant effect to customer satisfaction (Y1) . This hypothesis states that the brand image has a significant effect on the satisfaction of consumers who make a purchase at one of the outlets of Conato in Jember that proved true or accepted H3. This means that the better the overall brand image of Conato's company in Jember, the better the customer satisfaction will be made at one of Conato's outlets in Jember.

The result of the path coefficient test for the effect of product quality (X1) on word of mouth (Y2) has negative parameter estimate of -0.231 with CR negative equal to -1.222 and probability (p) of 0.219, which means that product quality (X1) word of mouth (Y2). This hypothesis states that the quality of the product has a negative effect is not significant to the word of mouth consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H4 is not accepted. This means that product quality negatively affects the insignificant word of mouth.

The result of the coefficient of line for price influence (X2) to word of mouth (Y2) has positive parameter estimate 0,044 with CR 2,235 and probability (p) equal to 0,642 which means that price (X2) have insignificant effect to word of mouth (Y2) ). This hypothesis states that the price has an insignificant effect on the word of mouth of consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H5 is not accepted. This means that price has a positive effect on word of mouth although its influence is not significant in word of mouth.

The result of path coefficient test for the influence of brand image (X3) to word of mouth (Y2) has positive parameter estimate 0,068 with CR negative equal to 0,268 and probability (p) 0,788 meaning that brand image (X3) have insignificant effect to word of mouth mouth (Y2). This hypothesis states that the brand image has no significant effect on the word of mouth consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H6 is not accepted. This means that product quality has a positive, although not significant, effect on word of mouth.

The result of the coefficient of line test for the influence of customer satisfaction (Y1) to word of mouth (Y2) has positive path equal to 1,377 with CR equal to 3,349 and probability (p) equal to 0,000 meaning that consumer satisfaction (Y1) have significant influence to word of mouth (Y2) ). This hypothesis states that customer satisfaction has a significant effect on the word of mouth consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H7 accepted. This means if the consumer satisfaction is better, it will improve the word of mouth positively.

#### 4.5 Influence between Variables Research

##### 1. Direct Variable Influence

The direct effect occurs between exogenous latent variables of product quality (X1), price (X2) and brand image (X3) with endogenous variable of customer satisfaction intervention (Y1) and endogenous latent variable bound to word of mouth (Y2). A summary of the direct effects of these variables can be seen in table 3 below.

**Table 2. Direct Variable Influence**

Direct Effect	Endogenous Variables		
	Y1	Y2	
Exogenous Variables	X1	0,415	-0,211
	X2	0,103	0,056
	X3	0,755	0,069
	Y1	0,000	0,921

Source: Results of Data

Based on Table 2 it can be seen that the direct effects of product quality variables have a positive effect on consumer satisfaction and negatively affect the word of mouth. The direct influence of price variables and brand image is positive both to consumer satisfaction and word of mouth. The direct influence of consumer positive satisfaction variable is also positive for word of mouth. The direct influence of product quality (X1) on consumer satisfaction (Y1) is 0,415 with direction, direct influence of price (X2) to consumer satisfaction (Y1) equal to 0,103 with positive direction, direct influence of brand image (X3) to consumer satisfaction (Y1) (X2) with negative direction, direct influence of price (X2) to word of mouth (Y2) equal to 0,056 with positive direction, direct influence of brand image (X1) to the word of mouth (Y2) equal to -0,211 (X3) to word of

mouth (Y2) equal to 0,069 with positive direction and direct influence of consumer satisfaction (Y1) to word of mouth (Y2) equal to 0,921 with positive direction. Based on the test can be stated that consumer satisfaction has the biggest direct effect to the word of mouth consumer at three outlets of Conato in Jember.

## 2. Indirect Variable Influence

Indirect relationship occurs between exogenous latent variable of product quality (X1), price (X2) and brand image (X3) with endogenous variable of customer satisfaction intervention (Y1) and endogenous latent variable bound to word of mouth (Y2). A summary of the direct effects of these variables can be seen in table 3 below.

**Table 3. Influence of Indirect Variable**

Indirect Influence	Endogenous variables		
		Y1	Y2
Exogenous Variables	X1	0,000	0,382
	X2	0,000	0,095
	X3	0,000	0,696
	Y1	0,000	0,000

Source: Results of Data

Based on Table 3 it can be seen that the indirect effect of service quality (X1) to word of mouth (Y2) is 0,382 with positive direction, price (X2) to word of mouth (Y2) equal to 0,095 with positive direction and brand image (X3) word of mouth (Y2) of 0.696 with a positive direction. Based on these tests can be stated that the brand image has the largest indirect effect on the word of mouth of consumers at three outlets of Conato in Jember.

## 3. Variabel Influence of Total Inter-Variables

The total influence is the effect caused by the existence of various relationships between variables, either directly or indirectly. A summary of the direct effects of these variables can be seen in table 4 below.

**Table 4. Influence of Total Inter-Variables**

Total Influence	Endogenous variables		
		Y1	Y2
Exogenous Variables	X1	0,415	0,172
	X2	0,103	0,150
	X3	0,755	0,764
	Y1	0,000	0,921

Source: Results of Data

Based on Table 4 it can be seen that the total effect of product quality variables, price and brand image is positive both to consumer satisfaction and word of mouth. The total effect of consumer satisfaction variable on word of mouth is also positive. Based on the test can be stated that consumer satisfaction has the greatest total effect on word of mouth at three outlets of Conato in Jember.

## 4. Analysis of Mediation Variables

**Table 5. Influence between Variables Against Word of Mouth**

Exogenous Variables	Influence between Variables		
	Direct Influence on Y2	Indirect Influence on Y2	Total Influence on Y2
X <sub>1</sub>	-0,211	0,382	0,172
X <sub>2</sub>	0,056	0,095	0,150
X <sub>3</sub>	0,069	0,696	0,764
Y <sub>1</sub>	0,921	0,000	0,921

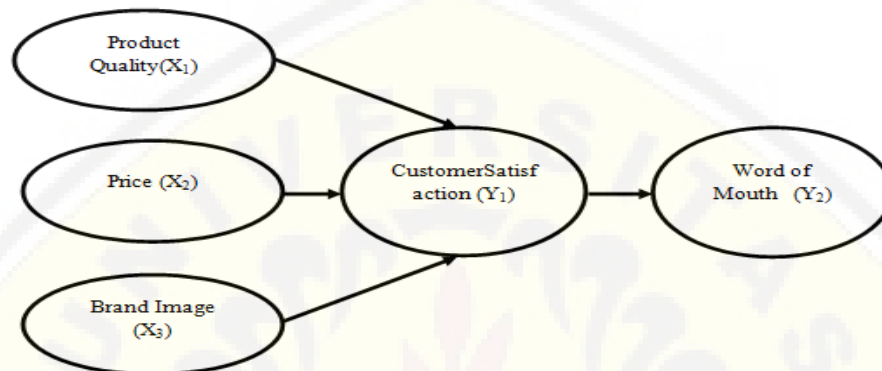
Source: Results of Data

The quality of product (X1), price (X2) and brand image (X3) on direct influence between variables is not significant to word of mouth (Y2) but on indirect influence known significant influence to word of mouth except price (see table 5 ) then it can be seen that customer satisfaction as intervening variables mediate product quality, price and brand image to influence word of mouth. Table 5 shows that the quality of the product influences the word of mouth from -0.211 increases by 0.382 with a total influence to 0.172, the price affects the word of mouth from 0.056 increases by 0.095 with the total effect to 0.150 and the brand image affects the word of mouth from 0.069 increases by 0.696 with total effect to 0.764. The greatest influence on consumer satisfaction on the word of mouth of 0.921. In total influence between variables can be seen that product quality (X1), price (X2) and brand image (X3) as exogenous variable through consumer satisfaction (Y1) as intervening



variable can increase influence to word of mouth ( $Y_2$ ) as endogen variable. The role of consumer satisfaction is very large in this study as the variables that mediate the influence of product quality, price and brand image in influencing word of mouth.

The results of this research analysis is known that product quality will create word of mouth when the consumer has felt the product and buy the product with experience satisfaction, the price will also create a word of mouth more widely when consumers have felt the product and buy the product by experiencing satisfaction and likewise the image the brand will also create word of mouth extensively when consumers have tasted the product and purchased the product by experiencing satisfaction. Analysis of mediation variables in this study showed that word of mouth can be influenced from product quality, price and brand image when consumers experience satisfaction after feeling and buying the product so that the most important variable role in this research is consumer satisfaction. Analysis of this mediation variables can be described the model of causality relationship that can be seen in Figure 2.



**Figure 2. Causality Relationship Model of Mediation Variables**

## V. DISCUSSION OF THE RESULTS

### 5.1 The Influence of Product Quality on Costumer Satisfaction

The results showed that product quality has a significant influence on customer satisfaction. This hypothesis states that product quality significantly influence the satisfaction of consumers who make a purchase at one of the outlets of Conato in Jember that proved true or H1 accepted. This means that the better the quality of the products available at Conato's company in Jember, the better the customer satisfaction will be to purchase at one of Conato's outlets in Jember. Lupiyoadi (2006: 158) argues that consumers will be satisfied when their evaluation shows that the products they use are qualified. When the evaluation of the resulting assessment is a positive assessment, then the quality of this product will lead to satisfaction. The results of this study are appropriate and support the research of Pajaree Ackaradejuangsari (2013) and Ahmad A. Al-Tit (2015) which states that product quality affects consumer satisfaction.

### 5.2 The Influence of Price on Costumer Satisfaction

The result of the research shows that the price has an insignificant effect on customer satisfaction. This hypothesis states that the price effect is not significant to the satisfaction of consumers who make purchases at three outlets in Jember proven true or H2 is not accepted. According to Irawan (2004: 37) one of the factors that drive customer satisfaction is the price, for sensitive customers, usually the low price is an important source of satisfaction because customers will get high value for money. This is similar to the perception of most respondents at Conato who stated that the price of Conato bread is quite expensive and not cheap so price has no significant effect on customer satisfaction at the three Conato outlets in Jember that are suitable and support the research conducted by Vinita Kaura (2016).

### 5.3 The Influence of Brand Image on Consumer Satisfaction

The results showed that brand image has a significant influence on customer satisfaction. This hypothesis states that the brand image has a significant effect on the satisfaction of consumers who make purchases at three outlets in Jember proven true or H3 accepted. This means that if the image of the brand the better, it will increase consumer satisfaction. The functional, social and performance image of the brand is positively influenced by the customer's attitude, purchasing commitment and frequency of repeat purchase so that a good image can build consumer preferences and based on his experience the consumer grows judgment on a particular product or service, consumers may be satisfied or may feel not fulfillment of satisfaction called dissatisfaction. The results of this study indicate that brand image has significant effect on customer satisfaction and support research conducted by Peter Halim, Bambang Swasto, Djamhur Hamid, M. Riza Firdaus (2014) and research by Shahroudi Kambiz and Naimi Seyedeh Safoura (2014).

## **5.4 The Influence of Product Quality on Word of Mouth**

The results showed that the quality of the product has a negatively insignificant effect on word of mouth. This hypothesis states that the price has a negative effect is not significant to the word of mouth consumers who make purchases at three stores in Jember proven true or H4 is not accepted. According to Hoskins (2007: 108), the factors that influence word of mouth communication consists of two factors: emotional factors are factors that arise and the desire, needs and expectations are simulated by events that cause anxiety and anxiety and cognition factors is factors arising from the existence of uncertainty and inability to predict something. Emotional factors and cognition factors is one of the formation of information from the word of mouth required by the recipient of information because these consumers need a trusted reference from the experienced. Word of mouth communication is closely related to the experience of using a product brand. Perception of Conato respondents in Jember experienced satisfaction on product quality also has experience in buying and consuming Conato products in Jember so it is not easy to influence other people's assumption, which resulted in the function of word of mouth not become effective to Conato consumer in Jember. The results of this study indicate that product quality has a negative but not significant effect that is appropriate and supportive of research conducted by Klement Podnar and Pina Javernik (2011).

## **5.5 The Influence of Price on Word of Mouth**

The results showed that the price had no significant effect on word of mouth. This hypothesis states that the price effect is not significant to the word of mouth consumers who make purchases at three outlets in Jember proven true or H5 is not accepted. Paul Peter and Jerry Olson (2000: 228) state that price perceptions are related to how price information is understood entirely by consumers and provides deep meaning to them. When consumers evaluate and research on the price of a product is strongly influenced by the behavior of the consumer itself. Consumers of Conato in Jember who are mostly students and students consider the price is still quite expensive in their pockets, most of them because of the comfort and invitation of friends to relax in Conato cafes so that in terms of price they are reluctant to talk from mouth to mouth. The results of this study indicate that the price does not affect the significance of the appropriate word of mouth and support research conducted Taghizadeh, Mohammad Javad Taghipourian and Amir Khazaei (2013).

## **5.6 The Influence of Brand Image on Word of Mouth**

The results showed that brand image has no significant effect on word of mouth. This hypothesis states that the brand image has an insignificant effect on the word of mouth of consumers who make purchases at three outlets of Conato in Jember that are proven true or H6 is not accepted. According to Nugroho (2003: 182) states that the image or image is reality, therefore if the market communication does not match the reality, the reality will normally win. The perception of brand image of Conato respondents in Jember experienced satisfaction also most of respondents know Conato company in Jember, have experience in consuming and experience with brand product of Conato so that respondent attitude related to brand image is not easily influenced by other people who have effect of word of mouth not become effective . The results of this study indicate that brand image has a positive but not significant effect on the appropriate word of mouth and supports research by Ahmed Rageh Ismail and TC Melewar (2015) stated that brand image has no significant effect on word of mouth.

## **5.7 The Influence of Consumer Satisfaction on Word of Mouth**

The results showed that consumer satisfaction has a significant influence on word of mouth. This hypothesis states that customer satisfaction has a significant effect on the word of mouth of consumers who make purchases at three outlets of Conato in Jember that proved true or H7 accepted. This means if the consumer satisfaction is better, it will improve the word of mouth positively. According Tjiptono (2008: 169) states that customer satisfaction has the potential to provide specific benefits, one of which is to grow the recommendation of positive word of mouth. The results of this study indicate that consumer satisfaction affects the significance of the appropriate word of mouth and support research conducted Elnaz Rahrovy (2012) that the result is customer satisfaction has a positive and significant influence on the formation of word of mouth. The same thing also supports research conducted by Eze Felix John, Nnabuko Justie and Beredugo Sunny Biobebe (2014) that consumer satisfaction has a positive influence in word of mouth.

## **5.8 Influence between Variables**

### **1. Direct Variable Influence**

The direct effect occurs between exogenous latent variables of product quality (X1), price (X2) and brand image (X3) with endogenous variable of customer satisfaction intervention (Y1) and endogenous latent variable bound to word of mouth (Y2). The test results show the test of direct influence between variables that consumer satisfaction has the biggest direct effect on the word of mouth of consumers at three outlets of Conato in Jember.

### **2. Indirect Variable Influence**

Indirect relationship occurs between exogenous latent variable of product quality (X1), price (X2) and brand image (X3) with endogenous variable of customer satisfaction intervention (Y1) and endogenous latent



variable bound to word of mouth (Y2). The test results indicate the indirect effect between the variables that the brand image has the largest indirect effect on the word of mouth of consumers at three outlets of Conato in Jember.

### 3. Influence of Total Inter-Variables

The total influence is the effect caused by the existence of various relationships between variables, either directly or indirectly. The test results show the total influence between variables that customer satisfaction has the greatest total effect on word of mouth at three outlets of Conato in Jember.

### 4. Analysis of Mediation Variables

The results of testing the influence between research variables indicate that customer satisfaction has the most important role in this study. Mediation on customer satisfaction variable can increase the influence of product quality, price and brand image variable to word of mouth variable which can be seen from total influence between variables.

## VI. CONCLUSIONS AND RECOMMENDATION

### 6.1 Conclusion

Based on the results of research and discussion that has been described in the chapter of results and discussion, then this study can be summarized as follows :

1. Product quality and brand image significantly influence the satisfaction of consumers who make purchases at three outlets of Conato in Jember. This means that the better the product quality and brand image available at three outlets in Jember Conato it will be better also the satisfaction of consumers who make purchases at three outlets in Jember Conato. These conditions illustrate the existence of product quality and good brand image and impact on customer satisfaction that made purchases at three outlets Conato in Jember.
2. Prices have no significant effect on customer satisfaction that made purchases at three outlets of Conato in Jember. This means that prices have a positive effect on customer satisfaction at Conato Jember's outlets although the effect is not significant.
3. Product quality negatively negatively affect the word of mouth consumers who make purchases at three outlets in Jember conato. This means that product quality negatively affects the insignificant word of mouth. Price and brand image have no significant effect on word of mouth of consumers who make purchases at three outlets of conato in Jember. These conditions describe the quality of products, prices and brand image that affects the word of mouth consumers who make purchases at three outlets Conato in Jember.
4. Consumer satisfaction significantly affects the word of mouth consumers who make purchases at three outlets in Jember conato. This means if the consumer satisfaction is better, it will improve the word of mouth positively. These conditions illustrate the existence of good consumer satisfaction and impact on the word of mouth consumers who make purchases at three outlets in Jember Conato. Consumer satisfaction has the most important role in this study as intervening variables because it can increase the influence of variable quality product, price and brand image to variable word of mouth.

### 6.2 Recommendations

From the results of this study would researchers can provide suggestions, including as follows :

1. The company's Conato in Jember should from all lines communicate the quality of products, price and brand image to its customers to be attached to the minds of consumers for example through the promotion of the media every day known to consumers such as television or radio so consciously or unconsciously encourage positive word of mouth wider.
2. In conjunction with word of mouth, Conato's company in Jember will still maintain customer satisfaction and further enhance dynamic relationships with its customers in encouraging the creation of positive word of mouth on aspects of product quality, price and brand image.
3. For further research it is advisable to add other variables such as marketing mix, commitment, trust, and others in order to obtain better findings in explaining consumer behavior and useful for the development of science, especially marketing management.

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