# THE INFLUENCE OF BRAND IMAGE AND PRICE PERCEPTION ON CUSTOMER LOYALTY MEDIATED BY CUSTOMER SATISFACTION (Study of Samsung Smartphone Users among Students in Surabaya)

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## Abstract

Mature This all line in the world already is at in the era of digitalization. Digital technology does not only used for industry needs but also become primary human needs as tool for communicate even For Work. So that need will tool telecommunication specifically product *smartphones* are one of them high demand on the market. Marketing management research This want to test and see How level loyalty Samsung users as the best-selling smartphone product on the market specifically among students in Surabaya. Research purposes This is for know Satisfaction customer as variable mediation between image brand and perception price to loyalty customer. Research methods used is method quantitative, with a sample of students in Surabaya who use Samsung smartphones. Research result This that satisfaction customer influential significant in mediate between image brand and perception price to loyalty customer.

Keywords: Loyalty customer, image brand, price perception, satisfaction customer

## 1. INTRODUCTION

Kotler and Keller (2016) [10], reflects how consumers see and evaluate a company or its products. Apart from brand image, price perception also has a crucial role in determining greater levels of customer satisfaction. Because price is related to the consumer's economy or finances, while the economy is very important because it is the basis of consumers' lives. Peter and Olson (2014) [14], who stated that price perception involves the way consumers understand information about prices and how it is important to them. Based on the explanation, brand image and price perception can be supporting factors that increase customer satisfaction. According to Sasongko (2021) customer satisfaction is an element related to creating value for customers. On the other hand, with the satisfaction felt by the customer, the customer will repurchase the product. This could mean that customers make repeat purchases because of the brand image at a price that meets their expectations. Kotler and Keller (2016) [10] define that consumer loyalty is a firmly held commitment to repurchase or re-subscribe from a chosen product or service in the future despite the influence of situations and marketing efforts that have the potential to cause changes in behavior.

Based on the International Data Corporation (IDC) report, it summarizes the top five smartphone vendors in Indonesia in the first quarter of this year based on the number of senders. It is recorded that Samsung is the vendor with the largest number of shipments in 2023, namely 1.9 million units. In 2022, Samsung will also ship the most 2.1 million units. Even though sales have decreased from 2022-2023, the fact is that Samsung smartphones are still the highest product sold on the market [1].

To find out how loyal customers feel towards Samsung smartphone users among students in Surabaya, therefore it is supported whether brand image and price perception influence loyalty with the indirect relationship felt by customers through customer satisfaction. So, companies need to evaluate the factors that will influence customer satisfaction and design strategies to meet customer expectations. This aims to ensure that customers do not easily switch to competitors, or in other words, customer loyalty can be formed when they feel satisfied with the benefits obtained from the company's services.

This is confirmed by research conducted by Ulfah et al (2020) [23] which investigated the relationship between brand image and customer loyalty in the context of using Wardah cosmetics. The results of their research

show that brand image has a significant influence on the level of customer loyalty. In other words, the more positive the brand image, the higher the level of customer loyalty to the product. In addition, Dharmesta (1999) in Rusydi (2017) [16], highlights that loyalty to a brand is the result of a close relationship between an individual's relative attitude and repeated adherence to the brand. This means a person's level of loyalty to a brand is influenced by the extent to which the individual's attitude is connected to consistency in purchasing. This finding is reinforced by research by Putra, et al (2022) [15] which shows that price perception also plays a crucial role in increasing customer loyalty, where customers' understanding of price can influence the extent to which they remain loyal to a particular brand or store, as revealed in a study of 100 Lotte Mart Surabaya customers.

## 2. LITERATURE REVIEW AND DEVELOPMENT HYPOTHESIS

### 2.1 LITERATURE REVIEW

**2.1.1** Brand Image

Brand image is set held beliefs _ about something brand certain known as image brand (Kotler and Armstrong, 2013) [7]. In the writing journal Kotler and Keller (2012), argue that the brand image variable consists of 3 indicators, maker image, user image, product image [9].

**2.1.2** Price Perception

The assessment of price is crucial for consumers in assessing the extent to which the sacrifices incurred are commensurate with the benefits to be obtained from products and services (Zeithaml, 1988) in (Kusdyah, 2012) [11]. Kotler and Armstrong (2018) [8] have stated that there are four aspects that detail the nature of prices, namely price affordability, price alignment with product quality, price alignment with the benefits offered, and price alignment with buyer capabilities or price competitiveness.

**2.1.3** Customer loyalty

Kotler and Keller (2016) [10] define that consumer loyalty is a firmly held commitment to repurchase or re-subscribe to a chosen product or service in the future despite the influence of situations and marketing efforts that have the potential to cause changes in behavior. According to Tjiptono in Sangadji and Sopiah (2013) put forward five indicators that can be used to measure customer loyalty, repurchase, great liking for the brand, loyalty to the brand, belief that a product is the best, giving product recommendations to others [17].

**2.1.4** Customer satisfaction

According to Pertiwi et al (2022) [13], consumer satisfaction is a post-purchase assessment of the choices made, which produce results that meet or exceed consumer expectations. The indicators used to measure customer satisfaction, according to Yuliarmi and Riyasa (2007) in Murti et al (2019) [12] include conformity of product quality with expectations, level of satisfaction comparable to similar products, no complaints submitted.

### 2.2 HYPOTHESIS

**2.2.1** The Relationship between Brand Image and Customer Satisfaction

The relationship between customer satisfaction and brand image shows that when consumers have a positive perception of a product and a well-known brand, they are more likely to feel satisfied when using that product compared to less well-known products.

H1 = Brand Image has a significant effect on customer satisfaction with Samsung *Smartphones*.

**2.2.2** The Relationship between Price Perceptions and Customer Satisfaction

According to Fuad (2016) [4] Price perceptions play a role in shaping the level of customer satisfaction. If consumers feel that the price of a product or service is commensurate with the benefits they receive, this will contribute to the level of satisfaction.

H2 = Price perception has a significant effect on customer satisfaction with Samsung *Smartphones*.

**2.2.3** The Relationship between Brand Image and Customer Loyalty

This is confirmed by the results of research conducted by (Stephen et al., 2007) as quoted in Tjahjaningsih (2016) [22], which also shows that brand image has a positive influence on customer loyalty.

H3 = Brand Image has a significant effect on customer loyalty among Samsung *Smartphone users*

**2.2.4** The Relationship between Price Perceptions and Customer Loyalty

These findings are in line with the findings reported by Dewi (2020) [3], which shows that empirically, price perception is a crucial variable in increasing customer loyalty.

H4 = Price perception has a significant effect on customer loyalty among Samsung *Smartphone users*

**2.2.5** The Relationship between Customer Satisfaction and Customer Loyalty

According to Hoffman & Bateson (2017) [6] customer satisfaction also has a significant effect in increasing customer loyalty, especially having the potential to encourage customers to make repeat purchases, cross selling and up selling.

H5 = Customer satisfaction has a significant effect on customer loyalty among Samsung *smartphone users*

**2.2.6** The Relationship between Customer Satisfaction as a Mediating Variable Between Brand Image and Customer Loyalty

The latest findings are explained by research conducted by Setyorini et al (2023) [20] that customer satisfaction can mediate the influence of brand image on customer loyalty.

H6 = Customer satisfaction as an *intervening variable* has a significant effect on brand image on customer loyalty among Samsung *smartphone users*

**2.2.7** The Relationship between Customer Satisfaction as a Mediating Variable Between Price Perception and Customer Loyalty

Price perceptions can create both customer satisfaction and customer dissatisfaction (Suzana et all 2022; Han & Ryu, 2009) [21][5]. Literature research shows that price perception plays an effective role in influencing customer repurchase tendencies or loyalty (Bei & Chiao, 2001; Jiang & Suzana et all 2022) [2][21].

H7 = Customer satisfaction as an *intervening variable* has a significant effect on price perception on customer loyalty among Samsung *smartphone users*.

Figure 1
Analysis Model
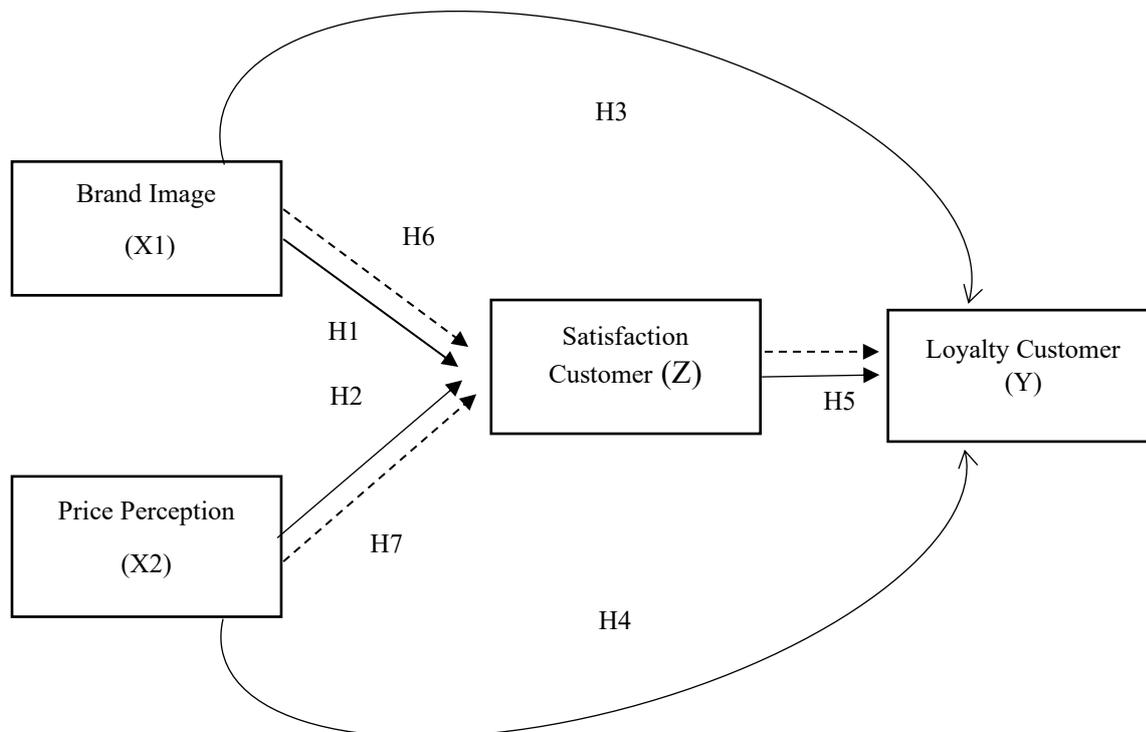


3. RESEARCH METHODSS

The research approach used in this research is quantitative. The sample in this study was 80 respondents obtained using a *non-probability* sampling technique through a *purposive sampling method*, where the sample was selected based on special characteristics that were relevant to the research objectives. The data analysis technique used in this research is *path analysis*.

## 4. RESULTS AND DISCUSSION

This research questionnaire was distributed to 100 respondents, and those who filled it in completely and according to the sample criteria were 80 respondents, so that the answers from 80 respondents were processed in subsequent analysis.

1. Test the validity of the instrument
   Explain whether the question items in this research really measure the variables

Table 1: Validity Test

| Variable | Indicator | Pearson Correlation | Significance | Information |
|---|---|---|---|---|
| Brand Image (X1) | X1.1 | 0.733 | 0.00 | Valid |
| | X1.2 | 0.683 | 0.00 | Valid |
| | X1.3 | 0.643 | 0.00 | Valid |
| | X1.4 | 0.580 | 0.00 | Valid |
| | X1.5 | 0.823 | 0.00 | Valid |
| | X1.6 | 0.651 | 0.00 | Valid |
| Price Perception (X2) | X2.1 | 0.579 | 0.00 | Valid |
| | X2.2 | 0.824 | 0.00 | Valid |
| | X2.3 | 0.734 | 0.00 | Valid |
| | X2.4 | 0.722 | 0.00 | Valid |
| Satisfaction Customers (Z) | Z1 | 0.760 | 0.00 | Valid |
| | Z2 | 0.793 | 0.00 | Valid |
| | Z3 | 0.803 | 0.00 | Valid |
| Loyalty Customer (Y) | Y1 | 0.789 | 0.00 | Valid |
| | Y2 | 0.733 | 0.00 | Valid |
| | Y3 | 0.676 | 0.00 | Valid |
| | Y4 | 0.800 | 0.00 | Valid |
| | Y5 | 0.756 | 0.00 | Valid |

Source: Data Processing (2023)

All statement items in X1, X2, Y, and Z are valid because mark pearson correlation more big of 0.4 and significance more small from 0.05

2. Reliability Test
   Reliability Test aim for know whether item item question consistent If asked repetitive.

Table 2 Reliability Test

| Variable | Cronbach Alpha | Information |
|---|---|---|
| X1 | 0.763 | Reliable |
| X2 | 0.670 | Reliable |
| Z | 0.679 | Reliable |
| Y | 0.797 | Reliable |

Source: Data Processing (2023)

All Statement Items on X1, X2, Y, and Z as a whole reliable Because Cronbach alpha value is more big of 0.6

3. Stepwise Regression Test and Path Analysis

Table 3 relationships image brand and price perception to loyalty

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Correlations |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Zero-order |
| 1 | (Constant) | -4,985 | 2,519 | | -1,979 | ,051 | |
| | Total.x1 | ,705 | .104 | ,607 | 6,753 | ,000 | ,721 |
| | Total.x2 | ,364 | ,152 | ,215 | 2,393 | .019 | ,537 |

Dependent variable: Y

Brand image (X1) is influential significant to loyalty (Y) because mark significance < 0.05

Perception price (X2) has an effect significant to Loyalty (Y) because mark significance < 0.05

Table 4 Relationship brand image and price perception to satisfaction

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Correlations |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Zero-order |
| 1 | (Constant) | -.413 | 1,642 | | -.251 | ,802 | |
| | Total.x1 | ,233 | ,068 | ,352 | 3,416 | ,001 | ,555 |
| | Total.x2 | ,367 | ,099 | ,381 | 3,700 | ,000 | ,568 |

Dependent variable: Z

Brand image (X1) is influential significant to satisfaction (z) because mark significance < 0.05

Perception price (X2) has an effect significant to satisfaction (z) because mark significance < 0.05

Table 5 relationships between image brand, satisfaction and loyalty

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Correlations |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Zero-order |
| 1 | (Constant) | -4.121 | 2,000 | | -2,060 | ,043 | |
| | Total.x1 | ,548 | ,093 | ,472 | 5,907 | ,000 | ,721 |
| | Total.z | ,791 | .141 | ,449 | 5,624 | ,000 | ,711 |

Dependent variable: Y

Satisfaction (Z) mediates influence image brand (X1) against loyalty (Y)

Table 6 relationship between price perception satisfaction and loyalty

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Correlations |
|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Zero-order |
| 1 | (Constant) | 1,257 | 2,238 | | ,562 | ,576 | |
| | Total.x2 | ,333 | ,160 | ,197 | 2,074 | .041 | ,537 |
| | Total.z | 1,055 | ,167 | ,599 | 6,323 | ,000 | ,711 |

Dependent variable: Y

Satisfaction (Z) mediates influence perception price (X2) against loyalty (Y)

DISCUSSION

In this research, the results show that brand image shown through product image, company image and user image has a significant effect on consumer loyalty. The better the consumer assesses Samsung's brand image, the better the consumer's loyalty to Samsung smartphones. This supports research from Tjahjaningsih (2016) [22] which confirms that brand image has a positive influence on customer loyalty.

The results of this research also show that price perceptions shown through price affordability, price match with quality, and price compared to competitors have a significant effect on consumer loyalty. The better the consumer's perception of Samsung's price perception, the better the consumer's loyalty to Samsung Smartphones. This supports Dewi's (2020) research which explains that price perception is a very crucial variable for increasing loyalty.

On the other hand, the research results also show that brand image shown through product image, company image and user image has a significant effect on consumer satisfaction. The better Samsung's brand image is assessed by consumers, the more satisfied consumers will be with Samsung Smartphones. This supports research by Sanjaya and Hastoko (2022) [18] which reveals that brand image has a positive influence on customer satisfaction.

The results of this research also show that price perceptions as shown through price affordability, price match with quality, and price compared to competitors have a significant effect on consumer satisfaction. The better the consumer's perception of Samsung's prices, the more satisfied consumers are with Samsung smartphones. This supports research by Fuad (2016) which explains that price perception is one of the factors that forms customer satisfaction.

This research shows that the consumer satisfaction variable mediates the influence between brand image and consumer loyalty. Likewise, consumer satisfaction also mediates the influence between price perception and consumer loyalty. This means that when consumers see the Samsung brand image as good, and the price perception is also good, then consumers will feel satisfied with Samsung Smartphones, then consumer loyalty will arise to the Samsung brand which is shown by their desire to buy a Samsung Smartphone product again when they need it and strong commitment to the Samsung brand.

CONCLUSION

Based on the research results above, it can be concluded that brand image and price perception have a significant effect on customer satisfaction. Meanwhile, customer satisfaction has a significant effect as a mediating variable for brand image and price perception on customer loyalty who use Samsung *smartphones* in the city of Surabaya.

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