

# The Influence of Perceived Value Dimensions on Customer Satisfaction of Garmin Smartwatches

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**Abstract.** *The rapid development of technology makes human life easier and simpler. One example of technological development is the emergence of wearable technology such as smartwatches. This research was conducted to determine the influence of perceived value dimensions on customer satisfaction of Garmin smartwatches. The number of samples used in this research was 50 respondents. The sampling technique used in this research is non-probability sampling with a purposive sampling method. The results of this research state that emotional value has a significant effect on customer satisfaction. Meanwhile, performance value, price value, and social value do not have a significant effect on customer satisfaction. The implications of this research are useful for companies to implement strategies to create customer satisfaction.*

**Keywords:** *performance value, emotional value, price value, social value, customer satisfaction*

## 1 INTRODUCTION

In this era of globalization, technology is developing increasingly rapidly. The rapid development of this technology is marked by the emergence of internet technology. Currently, internet technology has a very important role and has become something that cannot be separated from human life. According to the We Are Social report, the number of internet users in Indonesia as of January 2023 has increased by 5,44% from the previous year, which has reached 213 million people (Annur, 2023) [1]. The development of technology presents electronic devices with sizes and shapes that are simpler and easier to carry. In the past, technology can only be used by holding the technology device with our hands. However, as time goes by, technology can be installed on the human body (wearable technology) such as smartwatches. Smartwatches are one of the technology products that is currently become a trend in Indonesia. In 2022, smartwatch users have reached 216,43 million people (Shewale, 2023) [2].

Garmin is a leading company and is a market leader in terms of GPS technology and wearable technology (Ecerri, 2022) [3]. On the other hand, there are several Garmin competitors, namely Apple and Samsung, where each brand has smartwatch products. With increasingly tight competition, companies are competing to implement strategies to create customer satisfaction.

The performance value of a product is an important factor in influencing customer satisfaction. If customer feel the performance and quality of the product, then it will affect customer satisfaction (Lupiyoadi, in Puspitasari and Widayanto, 2019) [4].

Emotional value is the product's ability to influence individual feelings and how a product can cause an emotional response in the individual. Aisyah, in Sudarso (2016) states that emotional value arises in customers because customers feel satisfaction from the products they have purchased and used [5].

Amir, in Sari and Mayasari (2022) states that price is a factor that can influence customer satisfaction. Customers will feel satisfied if the product used has quality and benefits commensurate with the price [6].

Woods in Rahmawati (2021) states that satisfaction is attached to social values. If costumers use products that are expensive and have a well-known brand, then they will feel proud and receive social recognition from other people [7]. Recognition from other people will certainly influence customer satisfaction.

Customer satisfaction is important because satisfaction arises when costumers feel the added value or benefits of a product that can increase their perception.

This research aims to determine the influence of perceived value dimensions on customer satisfaction in using Garmin smartwatches.

## **2 LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **LITERATURE REVIEW**

#### **2.1 Performance Value**

Sweeney dan Soutar (2001) define performance value as the ability of a product to function or work well and effectively [8]. Performance value includes an assessment of a product based on its function, use, or physical performance of the product's attributes (Tanjung Sari and Lunardy, 2016) [9]. According to Park, in Sudarso (2016) performance value is a rational assessment by customers of a product which is related to its value in terms of product and efficiency for customers [5].

#### **2.2 Emotional Value**

According to Surachman, in Sudarso (2016) emotional value is a good feeling that customers will experience when buying a product [5]. Emotional value is the ability of a product to influence someone's feelings or the way the product triggers someone's emotional response (Sweeney and Soutar, 2001) [8]. Jang et al., in Fonda and Antonio (2020) stated that emotional value is the value that arises from customers emotional responses after they obtain the product [10].

#### **2.3 Price Value**

Sweeney dan Soutar (2001) state that price value is the extent to which a product can be obtained at a price that is considered economical [8]. Meanwhile, according to Zeithaml, in Sandy et al., (2020) price value is what is given or sacrificed to obtain the desired product [11].

#### **2.4 Social Value**

Social values refer to values that connect individuals with their social environment (Ekrem and Kirbikir, 2007). Meanwhile, according to Sweeney and Soutar (2001) social value is a product depending on its ability to improve positive social views in society [8]. According to Sheth, in Hatta (2015) social value is the benefit felt and obtained in relation to one or several social groups [13].

#### **2.5 Customer Satisfaction**

Westbrook dan Reilly (2005) define customer satisfaction as an emotional response that arises in individuals regarding their experience in purchasing a product or service. Lovelock (2007) defines customer satisfaction as an emotional reaction that arises after customers make a purchase of a product and service which includes feelings of pleasure, anger, disappointment, joy, etc. According to Irawan, in Ayunani et al., (2023) stated that customer satisfaction is the customer's feelings in response to the products, goods or services they have used.

### **HYPOTHESIS DEVELOPMENT**

#### **2.6 Relationship of Performance Value with Customer Satisfaction**

Before customers make a purchase of a product, customers will look for information about the product including performance, function and quality. Therefore, companies must pay attention to the quality and performance of their products in order to influence customer satisfaction. Lupiyoadi (2001) states that product performance or quality is one of the factors that can influence customer satisfaction. This is supported by research conducted by Kapuy (2019) which states that performance value has a significant effect on customer satisfaction [14]. Thus, the following hypothesis is formed:

H1: Performance value has a significant effect on customer satisfaction

#### **2.7 Relationship of Emotional Value with Customer Satisfaction**

Emotional value describes an individual's feelings after the individual uses a product. Emotional value can be positive or negative feelings. Aisyah (2004) stated that emotional value is a feeling that arises in customers when making a purchasing decision and is an achievement of self-satisfaction [8]. This is also supported by research conducted by Marnilin et al., (2023) which states that emotional value has a significant effect on customer satisfaction [15]. Thus, the following hypothesis is formed:

H2: Emotional value has a significant effect on customer satisfaction

## 2.8 Relationship of Price Value with Customer Satisfaction

Amir (2012) said that one of the factors that can influence customer satisfaction is price [6]. If the quality of the product obtained matches the money spent by customers, it will create customer satisfaction. Sandy et al., (2020) stated that price value has a significant effect on customer satisfaction [11]. Thus, the following hypothesis is formed:

H3: Price value has a significant effect on customer satisfaction

## 2.9 Relationship of Social Value with Customer Satisfaction

If someone uses an expensive and branded product, it will certainly make that individual feel proud and gain social recognition from other people. Social value held within customers and from the perspective of others will provide satisfaction. Woods (2007) states that social value is attached to satisfaction [7]. This is also supported by research conducted by Munawwar and Saefuloh (2019) which states that social value has a significant effect on customer satisfaction [16]. Thus, the following hypothesis is formed:

H4: Social value has a significant effect on customer satisfaction

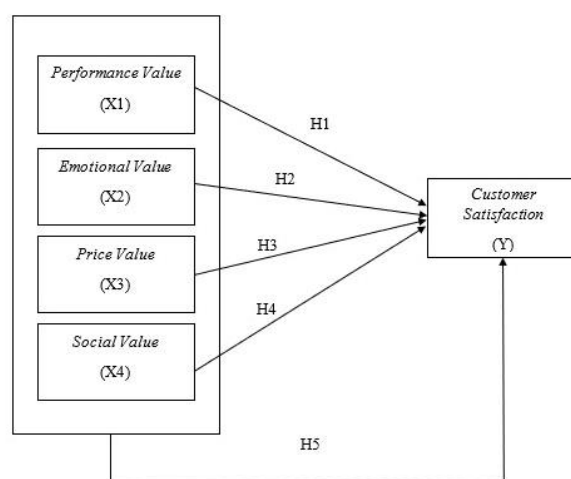


Fig 1. Conceptual Framework

## 3 RESEARCH METHODS

The research approach in this research is a quantitative method. The population in this study were Garmin smartwatch users in Surabaya. The number of samples used in this research was 50 respondents. The sampling technique used in this research is non-probability sampling with a purposive sampling method. Primary data in this research was obtained by distributing paper-based questionnaires to respondents. The analysis technique in this research uses multiple linear regression to test the casual relationship of the variables studied.

## 4 RESULTS AND DISCUSSION

### RESULTS

#### Respondents Identity

Based on the questionnaire that was completely filled out by the respondent, information was obtained about the respondent including age, gender and type of work which can be seen in the following table:

Table 1. Respondents Age

Age	Frequency	Percentage
17-25	26	52%
26-35	14	28%
36-45	6	12%
46-55	2	4%
56-65	2	4%
>65	0	0%

Source: Respondents Questionnaire Answers

From table 1, it shows that there were 26 respondents aged 17-25 years with a percentage of 52%, 14 respondents aged 26-35 years with a percentage of 28%, 6 respondents aged 36-45 years with a percentage of 12%, 2 respondents aged 46-55 years with a percentage of 4%, and 2 respondents aged 56-65 years with a percentage of 4%. From the data above, it can be seen that in this study the majority of respondents were 17-25 years old.

**Table 2.** Respondens Gender

Gender	Frequency	Percentage
Female	26	52%
Male	24	48%

Source: Respondents Questionnaire Answers

Table 2 shows that 26 respondents were female with a percentage of 52% and 24 respondents were male with a percentage of 48%. From the data above, it can be seen that in this study the majority of respondents were female.

**Table 3.** Respondents Type of Work

Type of Work	Frequency	Percentage
Student	12	24%
Private Employee	24	48%
Entrepreneur	9	18%
Government Employee	0	0%
Other	5	10%

Source: Respondents Questionnaire Answers

Table 3 shows that 12 respondents are students with a percentage of 24%, 24 respondents have a job as private employee with a percentage of 48%, 9 respondents have a job as entrepreneurs with a percentage of 18%, and 5 respondents have other job with a percentage of 10%. From the data above, it can be seen that in this study the majority of respondents have a job as private employee.

### Validity Test

An instrument is said to be valid if it has a pearson correlation value equal to 0,3 or greater than 0,3 (Sugiyono, 2013) [17] and a significance value of <0,05 (Syarifuddin and Saudi, 2022) [18]. The variables studied are as follows:

**Table 4.** Validity Test

Variable	Indicator	Pearson Correlation	Significance	Result
<i>Performance Value (X1)</i>	X1.1	0,358	0,011	Valid
	X1.2	0,652	0,000	Valid
	X1.3	0,530	0,000	Valid
	X1.4	0,568	0,000	Valid
	X1.5	0,608	0,000	Valid
	X1.6	0,474	0,001	Valid
	X1.7	0,576	0,000	Valid
	X1.8	0,492	0,000	Valid
	X1.9	0,374	0,007	Valid
	X1.10	0,405	0,004	Valid
	X1.11	0,393	0,005	Valid
	X1.12	0,636	0,000	Valid
	X1.13	0,753	0,000	Valid
	X1.14	0,678	0,000	Valid
	X1.15	0,689	0,000	Valid
	X1.16	0,598	0,000	Valid
<i>Emotional Value (X2)</i>	X2.1	0,650	0,000	Valid
	X2.2	0,723	0,000	Valid
	X2.3	0,815	0,000	Valid
	X2.4	0,795	0,000	Valid
<i>Price Value (X3)</i>	X3.1	1,000	0,000	Valid
<i>Social Value (X4)</i>	X4.1	0,904	0,000	Valid
	X4.2	0,855	0,000	Valid
	X4.3	0,872	0,000	Valid
<i>Customer Satisfaction (Y)</i>	Y1.1	0,783	0,000	Valid
	Y1.2	0,896	0,000	Valid
	Y1.3	0,845	0,000	Valid

Source: Data Processed (2023)

From table 4 it can be seen that each statement on the variables performance value (X1), emotional value (X2), price value (X3), social value (X4), and customer satisfaction (Y) has a pearson correlation value equal to 0,3 or more and the significance value is <0,05 then it can be said that each statement item is valid.

### Reliability Test

If the Cronbach Alpha value is > 0,7 it can be interpreted that the items in the questionnaire are reliable. Conversely, if the Cronbach Alpha < 0,7 then the items in the questionnaire are not reliable (Syarifuddin and Saudi, 2022) [18].

**Table 5.** Reliability Test

Variable	Cronbach Alpha	Result
X1	0,834	Reliabel
X2	0,732	Reliabel
X3	1,000	Reliabel
X4	0,849	Reliabel
Y	0,787	Reliabel

Source: Data Processed (2023)

Table 5 shows that the Cronbach Alpha value of the variables performance value (X1), emotional value (X2), price value (X3), social value (X4), and customer satisfaction (Y) is > 0,7 so it can be said that all variables are reliable

### Multiple Linear Regression Analysis

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized	t	Sig.	
	B	Std. Error	Coefficients Beta			
	(Constant)	-2.211	1.736		-1.273	.209
1	Performance Value	.043	.026	.183	1.669	.102
	Emotional Value	.518	.126	.514	4.123	.000
	Price Value	.356	.304	.131	1.170	.248
	Social Value	.140	.085	.178	1.655	.105

a. Dependent Variable: Customer satisfaction

Source: Data Processed (2023)

From the table above, it can be seen that performance value has no significant effect on customer satisfaction of Garmin smartwatches because the significance value is 0,102 > 0,05 and causes the regression coefficient value to be meaningless. Meanwhile, emotional value has a significant effect on customer satisfaction of Garmin smartwatches because the significance value is 0,000 < 0,05. The regression coefficient value is positive, which means it is in the same direction. Price value does not have a significant effect on customer satisfaction of Garmin smartwatches because the significance value is 0,248 > 0,05 and causes the regression coefficient value to be meaningless. Social value does not have a significant effect on customer satisfaction of Garmin smartwatches because the social value significance value is 0,105 > 0,05 and causes the regression coefficient value to be meaningless.

### Coefficient of Determination (R<sup>2</sup>)

If the value of the coefficient of determination of the independent variable is higher, the better it will be in explaining the behavior of the dependent variable. The coefficient of determination value can be seen with the Adjusted R<sup>2</sup> which has a magnitude of 0-1. If the Adjusted R<sup>2</sup> approaches 1, then the influence of the independent variable on the dependent variable become stronger. This indicates that the independent variables used provide almost all the information needed by researchers to predict the dependent variable.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.803 <sup>a</sup>	.644	.612	1.199

a. Predictors: (Constant), Social Value, Performance Value, Price Value, Emotional Value

Source: Data Processed (2023)

From the table above, the R number of 0,803 is greater than 0,5 which shows that performance value (X1), emotional value (X2), price value (X3), and social value (X4) have a very close relationship. Meanwhile, the R<sup>2</sup> value is 0,644 or 64,4%, which means that there is a 64,4% contribution to the influence of performance value (X1), emotional value (X2), price value (X3), and social value (X4) on customer satisfaction of Garmin smartwatches, while the remaining 35,6% is influenced by other variables outside the variables that were not studied.

## DISCUSSION

### The Influence of Performance Value on Customer Satisfaction

Based on the results of the t test, it is known that performance value does not have a significant effect on customer satisfaction of Garmin smartwatches. This is because when buying a Garmin smartwatches customer do not see its function as a tool for checking health such as measuring heart rate, calculating distance and calories, knowing oxygen levels in the blood. However, customer buy Garmin smartwatches only as accessories and timepieces. This research does not support research conducted by Sandy et al., (2020) which states that performance value has a significant effect on customer satisfaction [11].

### The Influence of Emotional Value on Customer Satisfaction

Based on the results of the t test, it is known that emotional value has a significant effect on customer satisfaction of Garmin smartwatches. If emotional value increases, customer satisfaction will also increase. Conversely, if emotional value decreases then customer satisfaction will also decrease. This is because customer are happy with the modern design and appearance of the Garmin smartwatch as well as the Garmin feature which has a long battery life because it can be charged using solar power. The long battery life of Garmin smartwatches will support customer activities because it can help customer easily see notifications, listen to songs and receive phone calls. The results of this research also support research conducted by Marnilin et al., (2023) which states that emotional value has a significant effect on customer satisfaction [15].

### The Influence of Price Value on Customer Satisfaction

Based on the results of the t test, it is known that price has no significant effect on customer satisfaction of Garmin smartwatches. This is because Garmin smartwatches are known as expensive smartwatches. Customer think that features such as measuring body temperature, blood oxygen levels, stress monitoring can be found on other brands of smartwatches at more affordable prices. The results of this research conducted by Iskandar and Dendy (2013) which stated that price value does not have a significant effect on customer satisfaction.

### The Influence of Social Value on Customer Satisfaction

Based on the results of the t test, it is known that social value has no significant effect on customer satisfaction of Garmin smartwatches. These results are because customers buy Garmin smartwatches not to show off or just want to get social recognition from other people. However, customers buy for a personal enjoyment and the benefits of the product. The results of this research do not support research conducted by Sandy et al., (2020) which states that social value has a significant effect on customer satisfaction [11].

## 5 CONCLUSION

Based on the research results after testing and analysis, it can be concluded that performance value does not have a significant effect on customer satisfaction of Garmin smartwatches. This is because customers use Garmin smartwatches only as accessories, not as tools for health checks. Apart from that, emotional value has a significant effect on customer satisfaction of Garmin smartwatches. This is because customers are happy with the features that Garmin smartwatches have. Price value does not have a significant effect on customer satisfaction of Garmin smartwatches. Customers feel that the price of Garmin smartwatches is expensive and the benefits can be obtained from other brands of smartwatches at more affordable prices. Social value does not have a significant effect on customer satisfaction of Garmin smartwatches. This is because customers use Garmin to experience the benefits of the smartwatch, not just to show it off or get social recognition from other people.

This research was conducted in a limited environment and type of work of respondents so that performance value, price value, and social value did not have a significant effect on customer satisfaction. Therefore, it is recommended for future researchers to conduct research on a wider range of respondents environments and types of work so as to enable performance value, price value, and social value to have a significant effect on customer satisfaction.

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