

THE INFLUENCE OF CUSTOMERS' VALUE ON SATISFACTION AND ITS IMPACT TOWARDS LOYALTY USING IPHONE BRAND SMARTPHONE IN PALU CITY

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ABSTRACT

This research aims to determine the influence of customers' value on satisfaction and its impact towards loyalty using iPhone brand smartphone in Palu city. This is descriptive-causal research. The research sample is 165 consumers who use iPhone brand smartphones in Palu City selected through purposive sampling method. The research used data analysis methods carried out by looking at the assumptions of Structural Equation Modeling (SEM) as well as conformity tests and statistical tests which are all carried out with the AMOS 16.0 and SPSS 23 programs. The research results reveal that 1) Customer value has a positive and significant influence on satisfaction using an iPhone brand smartphone in Palu City., 2) Customers' value has a positive and significant influence on Loyalty using an iPhone brand smartphone in Palu City, 3) Customers' satisfaction has a positive and significant influence on Loyalty using an iPhone brand smartphone in Palu City, 4) Satisfaction can mediate the influence of customers' value on loyalty using iPhone brand smartphone in Palu City.

Keywords: Customers Value, Customers Satisfaction, and Customers Loyalty.

INTRODUCTION

The world of telecommunication is currently progressing very rapidly, new innovations have a large enough influence but provide opportunities for manufacturers of other telecommunications equipment. Mobile phones at this time are not only used by teenagers or adults, many children also have cellphones with sophistication that are not inferior to cellphones of teenagers or adults.

The telecommunication tool that is commonly used today is a smartphone because it can be carried everywhere. Competition between smartphone operating systems is always interesting to observe. There are several competing smartphone brands in Indonesia, including iPhone, Samsung, Sony, LG, Lenovo, Xiami and others. The smartphone market like this causes intense competition among business competitors in the telecommunications sector.

One of the smartphone products that now dominates the Indonesian market is the iPhone. iPhone is a line of smartphones designed and marketed by iPhone Inc. iPhone 2G became the first generation of iPhone which was released in January 2007. At the time of its release, this product from Apple was only marketed to smartphone users in the United States in limited quantities.

Apple continues to make improvements to produce the best smartphones with the most complete features, until in 2021 the iPhone 13, 13 mini, 13 Pro dan 13 Pro Max will be released (www.wikipedia.org). Data on iPhone usage globally from 2008 to 2020 is shown in Figure 1:

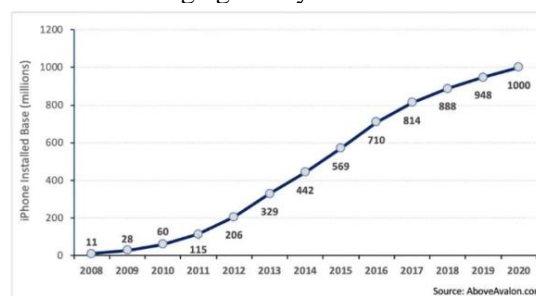


Figure 1
iPhone Usage Globally Of 2008-2020

Figure 1 shows the development of iPhone usage increasing from 2008 to 2020. Although the price offered by the iPhone is quite expensive, users of this device are increasing, due to the conveniences offered, as well as application features that are very helpful for those who use it. The value perceived by consumers is the superiority of the features on the iPhone. Customer value can influence the impact of sales; therefore, production management must work hard in order to produce quality products, thus making it easier for companies to market these products.

The increasingly fierce competition in the smartphone industry makes iPhone companies try to build and maintain customer loyalty. In this case, the company is not only able to provide various values or benefits to make customers choose a brand, but the company must also continuously make various efforts to build a brand and satisfy its consumers.

Customers who are just satisfied with the smartphone product brand they use will find it easy to switch product brands smartphone, while customers who are very satisfied with their smartphone brand will find it difficult to switch smartphone product brands, this will establish high brand loyalty.

According to Zeithaml in Tjiptono (2005:296), customer value is the consumer's overall assessment of the utility of a product based on his perception of what is received and what is given. Wahyuningsih (2009) also stated that customer value is the difference between the benefits obtained and the sacrifices incurred, both monetary and non-monetary. Comprehensively, customer value is the difference between the total benefits obtained by customers or consumers with the total sacrifices made (Wahyuningsih, 2009: 6).

The components of customer value consist of functional values, social values and emotional values, namely:

1. Functional value is the value of an item or service seen from the physical appearance of the goods/services (wahyuningsih, 2011: 68).
2. Social value is the value of an item or service that is felt by consumers because of the ability of the goods or services to improve social status (Wahyuningsih, 2011: 69).
3. Emotional value is the utility or emotional feeling experienced by consumers when or after consumers buy goods or services (Wahyuningsih, 2011: 70).

Customer value is a combination of quality, service and price which is often referred to as the customer value triad. Quality and service increase value, while cost decreases value (Kotler dan Keller 2012). According to Griffin (2003), the characteristics of loyal customers are as follows: 1.) Make repeat purchases on a regular basis. Loyalty refers more to the behavior of the decision-making units to make continuous purchases of the goods/services of a selected company. 2.) Purchase outside the product and service line means the desire to buy more of the products and services that the company has offered. Customers who already believe in the company in one matter will also believe in other matters. 3.) Refer the store to others, Loyal customers voluntarily recommend the company to friends and colleagues. 4.) Demonstrate an immunity to the full of the competition. Not easily influenced by the pull of competition from other similar companies.

According to Fandy Tjiptono (2008:24) defines customer satisfaction as the customer's response to the perceived discrepancy between previous expectations and the actual performance of the product that is felt after use.

Factors supporting customer satisfaction according to Fandy Tjiptono (2006; 61):

1. Product/Service Quality
2. Service Quality
3. Emotional Factor
4. Price
5. Convenience

According to Kotler (2007: 177), stated that customer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the performance (outcome) that is thought to the expected performance. According to Fandi Tjiptono (2008; 104) there are 3 methods used by companies to measure customer satisfaction, namely:

1. Complaint and suggestion system
2. Customer satisfaction survey

3. Ghost shopping
4. Customer loss analysis

Lupiyoadi (2001:158) mentions five main factors that need to be considered in relation to customer satisfaction, including:

1. Product Quality
2. Service Quality
3. Emotional
4. Price
5. Cost

Loyalty According to Tjiptono (2011:481) "Repurchase behavior is solely involves purchasing the same particular brand repeatedly (could be because there is only one available brand, the cheapest brand and so on).

The benefits of loyal customers for the company according to Assuari (2012:16) are:

1. Concentration of their purchases in order to be maintained, so that a large market volume can be maintained and selling and distribution costs are low.
2. Maintain word of mouth and customer referrals
3. There is the possibility of paying a premium for the value they receive.

Kotler (2005:71) also argues that the key to generating customer loyalty is to provide high customer value. That by creating superior customer value and exceeding competitors, it will lead to customers with high satisfaction, loyal to the company and making even more repeat purchases, which of course will directly affect revenue company in the long run (Kotler dan Keller, 2012).

According to Griffin (2003: 31), loyal customers have characteristics such as making regular repeat purchases (making regular repeat purchases), buying across product or service lines (purchases across product and service lines), recommending others (referring other), showing immunity. from the attractiveness of similar products offered by competitors (demonstrates immunity to the full of the competition).

According to Griffin (2003), the characteristics of loyal customers are as follows:

1. Make regular repeat purchases.
2. Purchasing outside product/service lines (purchases across product and service lines).
3. Referring stores to others, which means attracting new customers to the company (Refers other).
4. Demonstrating an immunity to the full of the competition.

According to Wahyuningsih (2009:6), customer value is the difference between the total benefits obtained by customers or consumers with the total sacrifices made. The customer value component consists of benefits and sacrifices. The benefits and sacrifices received by the customer consist of functional benefits and sacrifices, social benefits and sacrifices and emotional benefits and sacrifices. All of these are called functional values, social values and emotional values.

As for the framework in this research, namely:

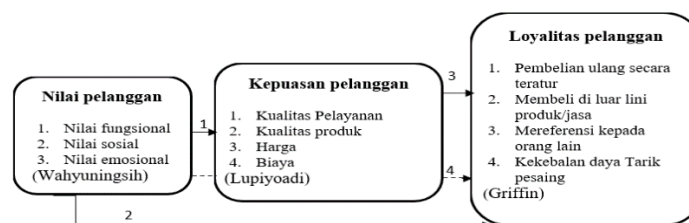


Figure 2
Framework

Hypothesis:

H1 Customer value has a positive and significant influence on satisfaction using iPhone brand smartphones in Palu City.

H2 Customer value has a positive and significant influence on Loyalty using iPhone brand smartphones in Palu City.

H3 Customer satisfaction has a positive and significant influence on Loyalty using an iPhone brand smartphone in Palu City.

H4 Satisfaction can mediate the influence of customer value on loyalty using iPhone brand smartphones in Palu City.

RESEARCH METHOD

The population of the research was consumers who use iPhone brand smartphones in Palu City. The sampling technique used was purposive sampling with a sample of 165 people. The criteria for respondents who were sampled in the research were iPhone brand smartphone users in Palu City, had used an iPhone brand smartphone for at least 6 months, and were at least 17 years old. This research uses data analysis methods carried out by look at the assumptions of Structural Equation Modeling (SEM) as well as suitability tests and statistical tests, all of which were carried out with the AMOS 16.0 and SPSS 23 programs.

RESULTS AND DISCUSSION

Result

The first step in the Structural Equation Modeling (SEM) analysis is to test the Confirmatory Factor Analysis (CFA) measurement model. This step is directed to investigate the one-dimensionality of the indicators that explain a factor or a latent variable. The purpose of this test is to ensure the goodness of fit index of all variables analyzed using SEM. The analysis carried out for the structural measurement model is using the AMOS release 16.0 software.

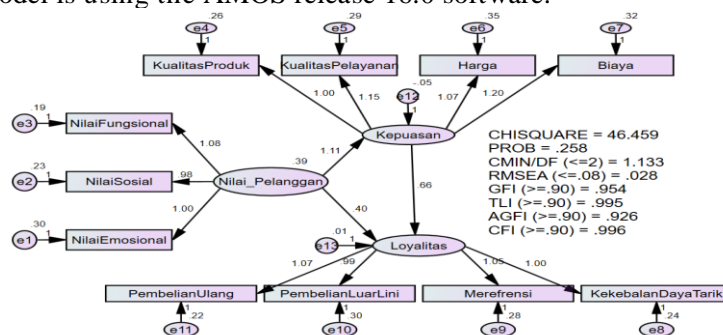


Figure 3
Structural Equation Modeling

The results of the final model construct test presented in the image above are evaluated based on the goodness of fit index, criteria the model and its critical values that are compatible with the data can be seen in the following table:

Table 1
Criteria Evaluation of Goodness of Fit Index Overall Model (Pretest)

Criteria	Cut-off Value	Model Result	Model Evaluation
Chi- Square	Diharapkan Kecil	46,459	Good
Probability	≥ 0.05	0,258	Good
CMIN/DF	≤ 2.00	1,133	Good
RMSEA	$\leq 0,08$	0,028	Good
GFI	≥ 0.90	0,954	Good
TLI	≥ 0.95	0,995	Good
AGFI	≥ 0.90	0,926	Good
CFI	≥ 0.95	0,996	Good

From the evaluation of the proposed model, it shows that the construct as a whole has produced a value above critical so that it can be accepted or in accordance with the data, because the modification index instructions no longer exist.

The results of the overall model test also show that the customer value variable is formed by 3 (dimensional) dimensions, namely: functional value, social value and emotional value. Furthermore, the variable of consumer satisfaction formed by the dimensions of product quality, service quality, price and cost. And consumer loyalty consists of the dimensions of making regular repeat purchases (making regular repeat purchases), buying outside product/service lines (purchases across product and service lines), referring stores to other people, and showing immunity to attractiveness from competitors (demonstrates an immunity to the full of the competition).

Table 2
Testing Hypothesis Of The Influence Of Customers' Value On Satisfaction
And Its Impact To Loyalty

Track	Regresion Weight	Critical Ratio	Probability	Description
Satisfaction <- Customers' value	1.112	11.075	0.000	Significant
Loyalty <- Customers' value	0.404	2.343	0.019	Significant
Loyalty <- Satisfaction	0.660	3.893	0.000	Significant

Based on the table above, it can be seen that the three paths show different influence in terms of their significance.

1. Customers' value has a significant influence on satisfaction.

The estimated parameters in Table 4.21 between the variable customer value and satisfaction show significant results because the P value is below the significance level of 5% or 0.05, which is 0.000 with a value of CR is greater than 2.00 which is 11.075. The estimate value between the customer value variable and satisfaction is 1.112, which means that if the customer value increases by 1, then satisfaction will also increase. Thus, the first hypothesis in this research is accepted.

2. Customers' value has a significant influence on loyalty.

The estimation parameters in Table 4.21 between the customer value variable and loyalty show significant results because the P value is below the 5% or 0.05 significance level, which is 0.019 with a CR value greater than 2.00, which is 2.343. The estimate value between the customer value variable and loyalty is 0.404, which means that if the customer value increases, loyalty will also increase. Thus, the second hypothesis in this research is accepted.

3. Satisfaction has a significant influence on customers' loyalty.

The estimated parameters in Table 4.21 between the variables of satisfaction and customer loyalty show significant results because the P value is below the level a significance of 5% or 0.05, which is 0.000 with a CR value greater than 2.00, which is 3.893. The estimate value between the satisfaction variable and customer loyalty is 0.660, which means that if satisfaction increases by 1, then customer loyalty will also increase. Thus, the third hypothesis in this research is accepted.

MacKinnon, Warsi and Dwyer use the Sobel test as a statistical method to formally measure mediation with the assumption that the dependent and moderator variables are continuous variables. The Sobel test is intended to test whether the moderator variable has an influence such as the independent variable on the dependent variable. In this research, the results of the Sobel test can be seen in the following figure:

Table 3
Sobel Test

	Input:	Test statistic:	Std. Error:	p-value:
a	1.112	Sobel test: 3.68469519	0.19918065	0.00022898
b	0.660	Aroian test: 3.6715031	0.19989633	0.00024113
s_a	0.100	Goodman test: 3.69803051	0.1984624	0.00021728
s_b	0.169	Reset all	Calculate	

Based on the results of the Sobel test, it was found that the research finding that satisfaction was able to mediate the influence of customer value on loyalty, this finding was evidenced by the p value coefficient on the Sobel test $0.0002 < 0.05$.

Discussion

The Influence of Customers' Value on Consumers' Satisfaction

Functional value is a potential synergistic value that is of concern to customers, because it is considered capable of providing positive satisfaction. This means that the value of the iPhone brand smartphone greatly influences customer satisfaction. It can be seen that the iPhone brand smartphone has complete and varied features. Consumers feel that the iPhone brand smartphone is easy to operate and has a variety of models that attracts consumers' attention.

The dimension of social value also contributes greatly to consumer satisfaction using iPhone brand smartphones. Consumers consider the iPhone brand smartphone to have a high social class. It can be seen that consumers feel that expensive brands can increase their social class while using iPhone brand smartphones. Consumers also have more class and feel cooler in using iPhone brand smartphones because the iPhone brand is well known among smartphone users and many people are interested in using an iPhone brand smartphone.

The last dimension that contributes to consumer satisfaction using iPhone brand smartphones is emotional value. Consumers feel comfortable and proud to use iPhone brand smartphones and consumers feel their self-confidence increases while using iPhone brand smartphones. So that customer value and customer satisfaction still have a significant relationship.

The findings of this research are in line with those proposed by Tenri Jemma (2021) that the variable customers' value influences customer satisfaction.

Customer Value to Customer Loyalty

Customers' value dimensions such as functional value, social value and emotional value contribute to loyalty. In the sense that if the value of the iPhone brand Smartphone is increased, it will influence the loyalty of using the iPhone brand Smartphone in Palu City. The respondents assessed that the perceived value of consumers using iPhone brand Smartphones in Palu City is relatively different from what consumers have ever felt using other smartphones so that consumers will be loyal to iPhone brand Smartphones. The results of this research are in line with what was stated by Siwantara (2011) that the customer value variable has an influence on customer satisfaction.

Customers' Satisfaction with Customer Loyalty

The satisfaction variable gives a positive contribution to the quality of service, which will be followed by high customer loyalty. Overall service quality is a potential synergistic value that is a concern for consumers, because it is considered capable of providing positive loyalty. iPhone brand smartphones are equipped with GPS services which are continuously improved up to 5G so that consumers feel satisfied in using iPhone brand Smartphone products to meet their needs and iPhone brand Smartphones are also always updated in the product software system and security facilities in the iPhone brand Smartphone are very safe for consumer privacy.

The dimension that contributes to customer loyalty using the iPhone brand Smartphone in Palu City is the price dimension. It can be seen that the price of the iPhone brand Smartphone is in accordance with the quality where iPhone products have a high selling price but always offer sophisticated technology so that it can influence consumers to use iPhone brand Smartphones.

Furthermore, the dimensions that contribute to customer loyalty using the iPhone brand Smartphone in Palu City. This can be seen that the hardware on the iPhone brand Smartphone has good quality, so that it can affect consumers in using the iPhone brand Smartphone.

The dimension that contributes to customer loyalty using the iPhone brand Smartphone is cost. This can be seen for iPhone brand Smartphone spare parts in Palu City which are easy to obtain, because in Palu City there is already an iPhone service center and consumers are easier to order spare parts for iPhone products.

The results of this research are in line with what was stated by Munisih, Soliha (2015) that customer satisfaction has a positive and significant effect on customer loyalty, where customer satisfaction increases, customer loyalty also increases.

Customers' Value of Satisfaction and Its Impact on Customers' Loyalty

Consumer satisfaction iPhone brand smartphones are able to provide the benefits of improving the relationship between producers and customers for the better while creating customer loyalty. Satisfaction is the achievement of consumer expectations of iPhone brand smartphones for iPhone brand smartphone products and loyalty is the impact of the attachment of iPhone brand smartphone consumers to choose to survive on iPhone brand smartphones because they think that the iPhone brand smartphones, they choose are able to provide satisfaction.

The results of this research are in line with what was stated by Munisih, Soliha (2015) that customer satisfaction has a positive and significant effect on customer loyalty, where customer satisfaction increases, customer loyalty also increases.

CONCLUSION

The conclusions in this study are as follows

1. Customer value has a positive and significant influence on satisfaction using iPhone brand smartphones in Palu City.
2. Customer value has a positive and significant influence on Loyalty using iPhone brand smartphones in Palu City.
3. Customer satisfaction has a positive and significant influence on Loyalty using iPhone brand smartphones in Palu City.
4. Satisfaction can mediate the influence of customer value on loyalty using iPhone brand smartphones.

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