

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image



Ni Made Budi Susilawati¹, Mokhamad Natsir², Harianto Respati³

¹Student of Postgraduate Magister Management, University of Merdeka Malang, Indonesia

^{2,3}Postgraduate program, University of Merdeka Malang, Indonesia

ABSTRACT: Companies need to pay attention to the high consumption of consumers or customers to be more innovative to meet customer needs and desires with quality products or services created for the long term so that customers will retain and feel satisfied in meeting their needs, which can generate customer loyalty. Factors such as product quality, brand image, and customer satisfaction influence customer loyalty. This study aims to analyse the effect of product quality and brand image on customer loyalty through customer satisfaction in South Denpasar. This quantitative research obtained a sample of 100 respondents with a purposive sampling method. The data analysis techniques used are descriptive analysis, classic assumption test, t-test, and path analysis. The research results show that product quality and brand image can influence customer loyalty for Bebelac products in the South Denpasar District. Product quality and brand image can influence customer satisfaction with Bebelac products in South Denpasar District. The research results show the influence of product loyalty on Bebelac customer satisfaction in the South Denpasar District. Research results show product quality brand image can influence customer loyalty through customer satisfaction with Bebelac products in the District of South Denpasar.

KEYWORDS: Product Quality, Brand Image, Customer Satisfaction, Customer Loyalty, Denpasar

I. INTRODUCTION

Companies need to pay attention to the high consumption of consumers or customers to be more innovative in meeting customer needs and desires with quality products or services created for the long term so that customers will retain and feel satisfied in meeting their needs. The willingness of entrepreneurs to innovate so that their products can be accepted in society and generate profits influences the business world, which gives rise to a lot of product competition. The product quality perceived by customers will determine customer perceptions of product performance, impacting customer loyalty.

Kotler and Keller (2016) explain that loyalty is a commitment to purchase or reuse a preferred product or service in the future despite situational influences and marketing actions or efforts to switch. The company has made various efforts to create significant customer loyalty to survive and develop in an increasingly competitive environment. The high level of customer loyalty obtained will also guarantee the company's long-term life. Loyal customers have a positive impact, such as recommending or inviting family or friends to make purchases. Likewise, Sinta (2023) said that customer loyalty is an essential factor; if customer loyalty is high, then the productivity and profit of the company as a whole will also increase.

Putra (2022), in his research, states that product quality has a positive and significant effect on consumer loyalty in Tinelo SMEs, Gorontalo Regency. Companies do not just create quality products, but they must also make efforts so that the products they produce stick in the minds of consumers. The product quality can create high demand for companies. The better the quality of the product, the greater the interest of consumers who want to buy the product. Good product quality is essential for reaching the market.

Maulinda (2020), in his research, shows that brand image has a direct influence on the loyalty of customers. Products that can have a positive impact will result in consumers having good, unforgettable memories of the company and the hope that consumers will return or make repeat purchases. A marketing concept can influence consumer emotions, where a product can arouse interest and experience, which will become customer loyalty. Loyalty is positive behaviour related to the regular repeat

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image

purchases made by customers of a product or service. According to Tjiptono (2006), Consumer satisfaction can be defined as follows: consumer satisfaction is the level of consumer feelings after comparing the perceived performance (relative value) with their expectations.

Customer satisfaction is a post-purchase evaluation where the alternative chosen is at least the same as or exceeds the customer's expectations. At the same time, dissatisfaction arises if the results (outcome) do not meet expectations (Engel, 2019). Product quality and a good brand image will influence and increase customer loyalty and satisfaction of product users. This research aims to discover that mothers in the South Denpasar District know the importance of nutritional content for toddlers. Mothers in South Denpasar District already know the complete nutritional content of Bebelac products, considering that in South Denpasar District, there are many Posyandu. South Denpasar District was chosen because the existing Posyandu had received an award as the best Posyandu.

As previously explained, based on previous research, brand image can influence customer satisfaction, but research also states that brand image does not affect customer satisfaction. More research is needed regarding customer satisfaction as a mediating variable. This research gap makes researchers want to examine further the relationship between product quality, brand image, customer satisfaction, and customer loyalty.

II. LITERATURE REVIEW

A. Expectancy Disconfirmation Theory

Expectancy Disconfirmation Theory (EDT) is the primary theory used to study consumer behavior and satisfaction with products and services in the private sector. According to EDT, customers evaluate their satisfaction based not just on the performance of a product or service but also by comparing it to their pre-existing expectations. These expectations, or expectancies, are what customers have in mind when they buy a product. The difference between their perceptions of the product's performance (empirical) and their expectations (ideal) is referred to as the expectation disconfirmation model.

Expectancy Disconfirmation Theory, or EDT, explains how product quality and brand image influence satisfaction or dissatisfaction. EDT theory is a theoretical model that explains that a feeling of satisfaction or dissatisfaction is obtained after purchasing a product and then comparing expectations with the actual performance of the product (Elkhani, 2012). The Expectancy Disconfirmation Model theory states that consumers form judgments about products or services using their previous expectations about the characteristics or benefits offered by the product or service provided (Ryzin in Pasionus, 2021).

B. Loyalty

According to Kotler and Keller (2016), loyalty is a commitment held to purchase or reuse a preferred product or service in the future despite situational influences and marketing actions or efforts to switch. Peter & Olson (2014) define customer loyalty as not just referring to reuse but rather having a cognitive commitment to the brand. For customers, there must be a range of meanings, so that customers do not use it because it is only convenient or a certain offer, but rather the brand represents themselves. According to Priansa (2017), consumer loyalty also means a long-term commitment from consumers, which is reflected in loyal behavior and attitudes toward the company and its products. This loyal attitude is proven through regular and sustainable consumption, so the company and its products become an important part of the consumption process.

C. Satisfaction

According to Kotler and Keller (2016), consumer satisfaction is a person's feeling of happiness or disappointment that arises after comparing the results of the product they are thinking about with the expected results. Consumer satisfaction is one of the main goals for business activities, is seen as one of the best indicators for achieving profits in the future, and is a trigger for efforts to increase consumer satisfaction. Bahrudin, M., and Zuhro, S. (2016), stated that customer satisfaction is an evaluation of choices caused by certain purchasing decisions and experiences in using or consuming goods or services. Tjiptono (2016) revealed that customer satisfaction is a feeling that emerges as an output assessment of the experience of using a product or service.

D. Product Quality

According to Kotler and Keller (2016), product quality is the product's ability to carry out its functions, which includes durability, reliability, and accuracy, which is obtained by the product as a whole. Companies must always improve the quality of their products or services because improving product quality can make customers feel satisfied with the products or services provided and will influence customers to buy the product again.

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image

According to Tjiptono (2016), the conventional definition of quality is performance as a direct depiction of a product, reliability, ease of use, aesthetics, etc. In a strategic sense, quality is anything that can meet consumer needs by following what consumers want. Arumsari (2012) stated that product quality is the factors contained in an item or result that cause the item or result to be suitable for the item being produced. According to Ernawati (2019), product quality is an important factor that influences every customer's decision to buy a product. The better the quality of the product, the greater the interest of consumers who want to buy the product.

E. Brand Image

According to Keller (2016), brand image is consumer responses to a brand based on the good and bad qualities of the brand that consumers remember. Brand image is a belief formed in the minds of consumers about the product object that they have experienced. According to Tjiptono (2016), brand image is A description of consumer associations and beliefs towards a particular brand. Brand image is the observations and beliefs held by consumers, as reflected in associations or consumer memories. Setiadi (2013) states that brand Image represents the overall perception of the brand and is formed from information and past experiences with the brand. Brand image is related to attitudes in the form of beliefs and preferences towards a brand. Consumers who have a positive image of a brand are more likely to make a purchase.

III. METHOD

This study uses quantitative research by examining factors influencing Bebelac customer loyalty in South Denpasar Regency. The population of this research is mothers in the South Denpasar area, totaling 100 mothers. Sampling technique: The sampling technique used in this study was the purposive sample method, where several criteria were used in this research.

The data analysis technique used is descriptive analysis for each variable and a requirements analysis test for further hypothesis testing using multiple regression and path analysis. The analysis requirements tests performed were the normality, multicollinearity, and heteroscedasticity tests. Hypothesis testing using multiple regression analysis was carried out to determine whether the independent variables partially influence the dependent variable and to determine the linear regression equation. Path analysis was carried out to determine whether the mediating variable can mediate the independent variables on the dependent variable. Analysis of needs testing, hypothesis testing, and multiple linear regression analysis equations using the help of IBM SPSS Statistics version 26 software.

IV. RESULT AND DISCUSSION

A. Result

1. Partial test (t-test)

The basis for decision-making in this partial test is that if the significance value t is < 0.05 , H_a is accepted, whereas if the significance value t is > 0.05 , H_a is rejected. Partial test results (t-test) are presented in the table 1 and 2:

Table 1. Partial Test Results Model 1

Model	Unstandardized Coefficients	Standardized Coefficients	Beta	t	Sig.
	B	Std. Error			
Constant	0,484	0,193		2,507	0,014
Product Quality (X_1)	0,313	0,101	0,323	3,095	0,003
Brand Image (X_2)	0,576	0,100	0,600	5,752	0,000

The product quality variable (X_1) obtained a positive t-count of 3,095 with a sig. of 0,003 $< 0,05$. So, the product quality variable positively and significantly affects the customer satisfaction variable. It shows that hypothesis 1, which is that product quality positively and significantly affects customer satisfaction, is accepted.

The brand image variable (X_2) obtained a positive t-count of 5,752 with a sig. of 0,000 $< 0,05$. So, the brand image is positive and significantly affects the customer satisfaction variable. It shows that hypothesis 2, which is that the brand image positively and significantly affects customer satisfaction, is accepted.

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image

Table 2. Partial Test Results Model 2

Model	Unstandardised Coefficients	Standardized Coefficients	Beta	t	Sig.
	B	Std. Error			
Constant	0,266	0,176		1,513	0.133
Product Quality (X ₁)	0,244	0,092	0,244	2,659	0,009
Brand Image (X ₂)	0,693	0,091	0,698	7,605	0,000
Customer Satisfaction (Y ₁)	0,933	0,026	0,964	35,765	0,000

The product quality variable (X₁) obtained a positive t-count of 2,659 with a sig. of 0,009 < 0,05. So, the product quality variable positively and significantly affects the customer loyalty variable. It shows that hypothesis 3, which is that customer loyalty has a positive and significant effect on employee performance, is accepted.

The brand image variable (X₂) obtained a positive t-count of 7,605 with a sig of 0,000 < 0,05. So, the brand image variable positively and significantly affects customer loyalty. It shows that hypothesis 4 is accepted, which is that brand image positively and substantially affects customer loyalty.

The customer satisfaction (Y₁) obtained a positive t-count of 35,765 with a sig. of 0.000 < 0.05. So, the customer satisfaction variable positively and significantly affects the customer loyalty. It shows that hypothesis 5, which is that customer satisfaction positively and significantly affects customer loyalty, is accepted.

2. Path Analysis

The basis for decision-making in this path analysis is if the indirect effect is more than the direct effect. Path analysis results are presented in Table 3.

Table 3. Path Analysis Results

Variable	Direct Effect	Indirect Effect	Total Effect	Information
Product Quality (X ₁) – Customer Satisfaction (Y ₁) – Customer Loyalty (Y ₂)	0,244	0,323 x 0,964 = 0,311	0,244 + 0,311 = 0,555	Indirect effect > direct effect, 0,311 > 0,244
Brand Image (X ₂) – Customer Satisfaction (Y ₁) – Customer Loyalty (Y ₂)	0,698	0,6 x 0,964 = 0,578	0,698 + 0,578 = 1,276	Indirect effect < direct effect, 0,578 < 0,698

The indirect effect of product quality on the customer loyalty variable through the customer satisfaction variable is 0,311 > direct 0,244. This means that the customer satisfaction variable can become a perfect mediating variable for the product quality variable on the customer loyalty.

The indirect effect of brand image on the customer loyalty variable through the customer satisfaction variable is 0,578 < direct effect 0,698. This means that the customer satisfaction variable can become an imperfect mediating variable for the brand image variable on the customer loyalty variable.

B. DISCUSSION

1. The Influence of Product Quality and Brand Image on Customer Satisfaction

Product quality and brand image influence customer satisfaction; this shows that values and culture have a positive influence on customer satisfaction; this shows the suitability of expectations, interest in buying or reusing, and willingness to recommend. This is following research conducted by Putra (2022) which shows that product quality has a positive and significant effect on consumer satisfaction in Tinelo IKM, Gorontalo Regency. The Influence of Customer Satisfaction on Bebelac Product Loyalty in South Denpasar District.

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image

2. The Influence of Product Quality and Brand Image on Customer Loyalty

Product quality and brand image influence customer loyalty for Bebelaca products; this shows that product features and promised conformity quality have a positive influence on customer loyalty. Bebelac sees the influence of product quality as having the nutrition toddlers need. Bebelac products are suitable as the nutrition of choice for mothers. The quality of Bebelac is following what is promised to consumers. The Bebelac producers prioritise product quality. This follows research conducted by Lestari (2023), which shows that Brand Trust and Product Quality influence customer loyalty through customer involvement among Toyota car users in Medan City.

3. The Influence of Customer Satisfaction on Customer Loyalty

The influence of customer loyalty on customer satisfaction. Loyalty to product purchases, resistance to adverse influences regarding the company's loyalty to product purchases, conformity to expectations, and interest in buying or reusing will influence customer loyalty. This follows research conducted by Sinta (2023), which shows the Impact of Brand Image and Perceived Quality on Loyalty in Mediating Customer Satisfaction: Case Study of Kenangan Coffee Consumers in Medan City.

4. The Influence of Product Quality and Brand Image on Customer Loyalty Through Customer Satisfaction

Customer satisfaction plays a positive and significant role as a mediator in the influence of product quality and brand image on customers of Bebelac products in the South Denpasar District. This shows that customer satisfaction is influenced by the product quality of Bebelac products and the brand image that is well known in the community. This follows research conducted by Sinta (2023), which shows Brand Image and Perceived Quality on Loyalty in Mediating Customer Satisfaction: Case Study of Kenangan Coffee Consumers in Medan City.

V. CONCLUSIONS

The research results show that product quality and brand image can influence customer loyalty for Bebelac products in South Denpasar District. The research results show that product quality and brand image can influence customer satisfaction with Bebelac products in the South Denpasar District. The research results show the influence of product loyalty on Bebelac customer satisfaction in the South Denpasar District. The research results show that product quality and brand image can influence customer loyalty in South Denpasar District. The research results show that product quality and brand image can influence customer loyalty through customer satisfaction with Bebelac products in the South Denpasar District.

REFERENCES

- 1) Arumsari, D. (2012). Analisis pengaruh kualitas produk, harga dan promosi terhadap keputusan pembelian air minum dalam kemasan (AMDK) Merek Aqua (Studi pada Konsumen Toko Bhakti Mart KPRI Bhakti Praja Provinsi Jawa Tengah). Skripsi Fakultas Ekonomika dan Bisnis Universitas Diponegoro : Semarang.
- 2) Bahrudin, M. & Zuhro, S. (2016). Pengaruh Kepercayaan Dan Kepuasan Pelanggan Terhadap Loyalitas Pelanggan. *BISNIS: Jurnal Bisnis Dan Manajemen Islam*.
- 3) Elkhani, N. and Bakri, A. Bt. (2012). Review On Expectancy Disconfirmation Theory (EDT) Model In B2C E-Commerce. *Journal of Research and Innovation in Information Systems* 2.
- 4) Engel, F. J., Blackwell, D. R., & Miniard, W. P. (2010). *Perilaku Konsumen Alih Bahasa Budiayanto*. Jilid 1. Jakarta: Binarupa.
- 5) Kotler, Phillip dan Keller, L. Kevin. (2016). *Manajemen Pemasaran edisi 12 Jilid 1 & 2*. Jakarta: PT Indeks.
- 6) Lestari, I. (2023). Pengaruh Kepercayaan Merk dan Kualitas Produk terhadap Loyalitas Pelanggan Melalui Keterlibatan Pelanggan di Pengguna Mobil Toyota di Kota Medan. 1st Proceeding of The International Conference on Business and Economics Vol. 1, No. 2.
- 7) Maulinda, L. N. (2020). Pengaruh Brand Image Terhadap Loyalitas Pelanggan Pasta Gigi Ciptadent Melalui Keputusan Pembelian. *JCA Ekonomi Vol. 1 No. 2*.
- 8) Peter, J Paul dan Olson, J.C. (2014). *Perilaku Konsumen dan Strategi Pemasaran*. Salemba Empat.
- 9) Priansa, D. (2017). *Manajemen Pelayanan Prima*. Bandung: Alfabeta.
- 10) Putra, A. P. (2022). Pengaruh Kualitas Produk Terhadap Loyalitas Konsumen dengan Variabel Kepuasan Konsumen sebagai Variabel Intervening. *Jambura Vol. 5. No. 2*.
- 11) Setiadi. (2013). *Konsep dan praktek penulisan riset keperawatan (Ed.2)* Yogyakarta: Graha Ilmu.
- 12) Sinta, F. (2023). Dampak Kepercayaan Merek dan Perceived Quality Terhadap Merek Loyalitas dalam Mediasi Kepuasan Pelanggan. *International Journal of Educational Review, Law and Social Sciences. Vol. 3, No. 5*.

Customer Satisfaction in the South Denpasar Region as a Measure of Brand Loyalty and the Impact of Product Quality and Image

- 13) Tjiptono, F. (2016). *Service, Quality & Satisfaction*. Yogyakarta : Andi.
- 14) Tjiptono, F. (2019). *Perilaku Konsumen: Definisi, Domain, Determinan*. Strategi Pemasaran Dalam Perspektif Perilaku Konsumen.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.