

## **BRAND IMAGE, PRICE PERCEPTION AND QUALITY OF KECAP ABC PRODUCTS INFLUENCE ON CUSTOMER LOYALTY THROUGH CUSTOMER SATISFACTION IN GIANT KEDUNGSARI SURABAYA**

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### **Abstract**

This study aims to determine whether there is an influence between the variables of Brand Image, Price Perception, Product Quality on Customer Loyalty through Customer Satisfaction at Giant Surabaya. This research method is explanatory research with hypothesis testing. The population in this study are the visitors who shop for Giant Kedungsari Surabaya, with sample of 100 computed by Slovin formula. Data collected by using a survey method with questionnaire as instrument. The analysis technique used is multiple linear regression analysis and t-test for test the hypothesis. The results of the study show that brand Image has a significant influence on Customer Satisfaction, Brand Image has no significant influence on Customer Loyalty, Price perception has a significant effect on customer satisfaction and loyalty, Product quality has a significant influence on customer satisfaction, but has no significant effect on customer loyalty, Customer Satisfaction has a significant influence on Customer Loyalty. This indicates that to increase customer satisfaction and loyalty, a good brand image, low price perception, good product quality, is needed.

**Keywords: Brand Image, Price Perception, Product Quality, Customer Satisfaction, and Customer Loyalty**

### **INTRODUCTION**

The current phenomenon of competition between products requires companies to design and establish an appropriate competitive strategy to seize market share (Market Share) amid the increasing number and variety of products circulating in the market. One of the competitive strategies the company uses is by building a strong brand. The brand strategy is very important for the company in winning the tough competition, especially in producing new or existing products in the market. Kotler and

Keller (2007: 333) states that a brand signifies a certain level of quality so that satisfied buyers can more easily choose products. Branding involves creating mental structures and helping consumers to organize their knowledge of products and services by clarifying decision making and in the process providing value to the company. For branding to be successful and brand value created, consumers must be convinced that there are major differences between brands in a particular product or service category.

Price perception becomes a consumer's assessment of the comparison of the amount of sacrifice with what will be obtained from products and services (Zeithaml in Kusdyah, 2012). According to Schiffman and Kanuk (2011: 137) perception is a process of an individual in selecting, organizing, and translating the incoming information stimulus into a comprehensive picture, price perception is how consumers see prices as high, low, and fair prices. This has a strong influence on both purchase interest and satisfaction in purchases. Price perception is related to how price information is fully understood and provides deep meaning to consumers.

From the product side, soy sauce is one of the most popular seasonings. Especially in Indonesia, housewives or cooks in restaurants and restaurants, the use of sweet soy sauce is very popular and important for the taste of the food they need. According to Kotler (2012: 283), product quality is the ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease of operation, and product repair.

Satisfaction is a feeling of pleasure or disappointment for someone who appears after comparing the performance (result) of the product thought against the expected performance (or outcome). If the performance is below expectations then the customer is dissatisfied. If the performance meets expectations, the customer is satisfied. If performance exceeds expectations, the customer is very satisfied or happy (Kotler 2006: 177). So, satisfaction is a function of perceptions or impressions of performance and expectations. If the performance is below expectations, the customer is not satisfied. If the performance meets expectations, the customer will be satisfied. If the

performance exceeds expectations, the customer will be very satisfied or happy.

At present, many modern market developments such as Indomaret, Alfamart, supermarkets, and various other supermarkets have cornered traditional markets in urban areas, especially in Surabaya. The modern lifestyle of today's society also demands that they fulfill their needs by shopping for products that are in high demand, found in modern markets or commonly known as supermarkets. Where there are many different types of products that are sold with the advantage that we can choose and pick up what items are needed with more guaranteed completeness and cleanliness. And equipped with many facilities that make it easier for us to be longer and more comfortable when shopping with family or relatives.

Including Giant, Giant is a network hypermarket that has many branches in Indonesia. Giant is a supermarket or supermarket that sells daily necessities including soy sauce and other cooking spices. In its segmentation using the concept of selling products that are more complete and managed more professionally, the emergence of Giant as a shopping center has become the main choice for certain people in meeting their daily needs. Because there is a more complete inventory of goods or products to offer to consumers. And Giant Kedungsari Surabaya sells a wide variety of product variants Heinz ABC includes ABC Soy Sauce which has many loyal customers to ABC Soy Sauce from various consumer segmentations of the product.

## LITERATURE REVIEW

Brand image according to Kotler and Keller (2016) is a consumer's perception of

a brand as a reflection of the associations that exist in the minds of consumers. Brand image is an association that appears in the minds of consumers when they remember a particular brand.

According to Kotler & Keller (2016: 330), the definition of brand image is as follows: brand image describes the extrinsic properties of the product or service, including how the brand attempts to meet customers' psychological or social needs. This means explaining the extrinsic nature of a product or service including how the brand tries to meet the psychological or social needs of customers.

Campbell in Cockril and Goode (2010: 368) states that price perception is a psychological factor from various aspects that has an important influence on consumer reactions to prices. That is why the perception of price is the reason why someone decides to buy. Xia et al. in Lee and Lawson-Body (2011: 532) argues that price perception is a consumer judgment and an associated emotional form regarding whether the price offered by the seller and the price compared to other parties is reasonable, acceptable, or justifiable. Meanwhile, This is also conveyed by Kristiawati et.al (2019) that price perceptions greatly influence consumer decisions to buy a product.

Kotler & Keller, translated by Bob Sabran (2012: 145), defines product quality as follows: "Product quality is the ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease of operation, and product repair as well as other product attributes".

Product quality is defined as a customer assessment of the overall

superiority of the product or superiority (Bei and Chioa 2001 in Sanjaya, et al. 2016). Quality of product is a collection of features and Sharpbrad product characteristics which have a contribution to the ability to fulfill specified demand (Garvin 2007 at Halim, et all 2014).

The definition of customer satisfaction according to Kotler (2014: 150) is Feelings of pleasure or disappointment that arise after comparing the performance (results) of the product that are thought of against the expected performance (or results). According to Lovelock and Wirtz (2011: 74) "Satisfaction is an attitude that is decided based on the experience gained. Satisfaction is an assessment of the characteristics or features of a product or service, or the product itself, which provides a level of pleasure consumers are concerned with meeting the consumption needs of consumers. Customer satisfaction can be created through quality, service, and value. The key to generating customer loyalty is providing high customer value. According to Kotler & Armstrong (2012: 36), customer value is the comparison of customers between all profits and all costs that must be incurred to receive a given offer.

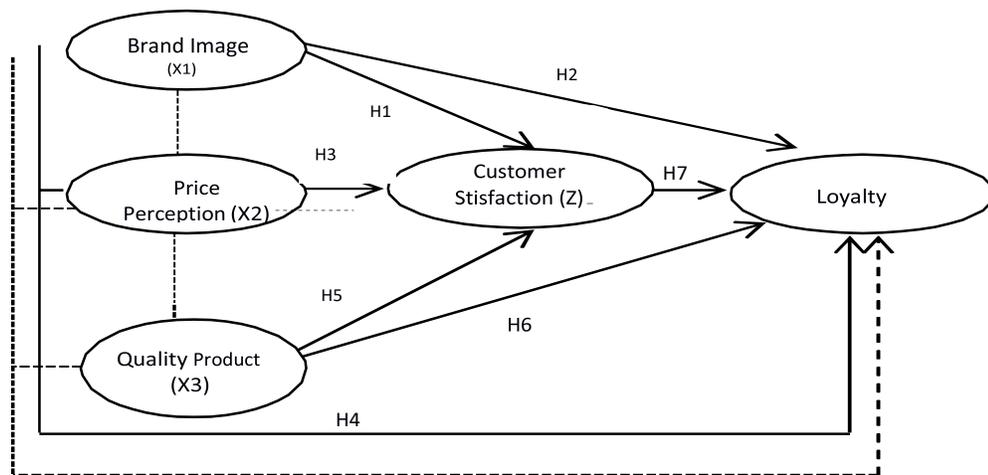
According to Oliver (in Sangadji and Sopiah, 2013), customer loyalty is a deep enduring customer commitment to re-subscribe or to consistently repurchase selected products or services in the future, despite the influence of situations and efforts.marketing has the potential to cause behavior change. Meanwhile, according to Morais (in Sangadji and Sopiah, 2013), customer loyalty is a customer commitment to a store brand, or supplier, based on a very positive attitude and is reflected in consistent repeat

purchases.

Furthermore, Parasuraman (in Sangadji and Sopiah, 2013) defines customer loyalty in the context of service marketing as a response that is closely related to the pledge or promise to uphold the commitment that underlies the continuity of the relationship and is usually reflected

in the continuous purchase of the same service provider based on dedication and pragmatic constraints.

From the literature review discussed above, the following conceptual framework can be presented:



Based on the elaboration of the problem formulation, the theoretical basis, and the conceptual framework, the hypotheses proposed in this study are:

- H1: There is a significant influence of Brand Image on Customer Satisfaction
- H2: There is a significant influence of Brand Image on Customer Loyalty
- H3: There is a significant effect of Price Perception on Customer Satisfaction
- H4: There is a significant effect of Price Perception on Customer Loyalty
- H5: There is a significant effect of Product Quality on Customer Satisfaction
- H6: There is a significant effect of Product Quality on Customer Loyalty
- H7: There is a partially significant effect of Customer Satisfaction on

## Customer Loyalty

### RESEARCH METHODS

This research method is explanatory research with hypothesis testing. The population in this study are the visitors who shop for Giant Kedungsari Surabaya, with sample of 100 computed by Slovin formula. Data collected by using a survey method with questionnaire as instrument. The analysis technique used is multiple linear regression analysis and t-test and F-test for test the hypothesis. This study Using primary data sources (questionnaires). The survey technique is in the form of a questionnaire using a Likert scale

### RESEARCH RESULT AND DISCUSSION

The results of this study are based on the results of statistical analysis carried out using SPSS through regression analysis techniques to determine the magnitude of the influence between research variables, while to test the hypothesis carried out with the F test and t-test.

The results of multiple regression analysis showing the influence between Image Variables Brand Perception Price and Quality Product to customer satisfaction can be shown in Table 1.

**Table 1**

Multiple Linear Regression Analysis of Sub-Path

Variable	Coefficient Regression	Std. Error	Correlation Partial	
			R	r2
Constant	0.132	0.042		
Image Brand (CM)	0.336	0.055	0.532	0.283
Perception Price (PH)	0.453	0.047	0.705	0.497
Quality Product (KP)	0.227	0.052	0.406	0.165

Based on the table 1, the multiple linear regression equation is obtained as follows:

$$Y = 0.132 + 0.336X_1 + 0.453X_2 + 0.227X_3$$

From the above equation, it can be explained as follows:

- a. The multiple linear regression equation shows a value of 0 (constant) of 0.132 and has a positive value. This value means that if the independent variables of Brand Image, Price Perception, and Product Quality are equal to 0

(zero) or constant, then Customer Satisfaction is 0.132.

- b. Brand Image regression coefficient (CM) = 0.336. The positive regression coefficient value for Brand Image shows a unidirectional relationship to Customer Satisfaction, meaning that if the Brand Image is added by one unit, then Customer Satisfaction will increase by 0.336. Partial r<sup>2</sup> value for the Brand Image variable 0.283 means that the Brand Image variable can explain the Customer Satisfaction variable by 28.3%.
- c. Perceived Price (PH) regression coefficient = 0.453. The positive regression coefficient value of Price Perception indicates a unidirectional relationship to Customer Satisfaction, meaning that if the Price Perception is an addition of one unit then Customer Satisfaction will increase by 0.453. The value of r<sup>2</sup> partial for the Price Perception variable of 0.497 means that The price perception variable can explain the customer satisfaction variable of 49.7%.
- d. Product Quality regression coefficient (KP) = 0.227. The positive value of the Product Quality regression coefficient indicates a unidirectional relationship to Customer Satisfaction, meaning that if the Product Quality is added one unit then Customer Satisfaction will increase by 0.227. The partial r<sup>2</sup> value for the Product Quality variable is 0.165, which means that the Product Quality variable can explain the Customer Satisfaction variable by 16.5%.

And the results of multiple regression analysis showing the influence between Image variables Brand Perception Price and Quality Product to customer Loyalty can be shown in Table 2.

**Table 2**  
 Multiple Linear Regression Analysis of Sub-Path

Variable	Coefficient Regression	Std. Error	Correlation Partial	
			R	r <sup>2</sup>
Constant	0.248	0.094		
Image Brand (CM)	0.142	0.138	0.105	0.011
Perception Price (PH)	0.506	0.141	0.346	0.120
Quality Product (KP)	0.096	0.122	0.080	0.006
Satisfaction Customers n (KPE)	1,416	0.219	0.553	0.306

Table 2 show the multiple linear regression equation is obtained as follows:

$$Y = 0.248 + 0.142X_1 + 0.506 X_2 + 0.096X_3 + 1.416Z$$

From the above equation, it can be explained as follows:

- The multiple linear regression equation shows a value of o (constant) of 0.248 and has a positive value. This value means that if the independent variables Brand Image, Price Perception, Product Quality, and Customer Satisfaction are equal to 0 (zero) or constant, then Customer Loyalty is 0.248.
- Brand Image regression coefficient (CM) =0.142. The positive regression coefficient value for Brand Image shows a unidirectional relationship with Customer Loyalty, meaning that if the Brand Image is added by one unit, then Customer Loyalty will increase by 0.142. The partial r<sup>2</sup> value for the Brand Image variable is 0.011 which means

that the Brand Image variable can explain the Customer Loyalty variable by 1.1%.

- Perceived Price (PH) regression coefficient =0.506. The positive regression coefficient value of Price Perception indicates a unidirectional relationship with Customer Loyalty, meaning that if the Price Perception increases one unit then Customer Loyalty will increase by 0.506. The value of r partial for the Price
- Product Quality regression coefficient (KP) = 0.096. The positive value of the Product Quality regression coefficient indicates a unidirectional relationship with Customer Loyalty, meaning that if the Product Quality increases by one unit then Customer Loyalty will increase by 0.096. The partial r<sup>2</sup> value for the Product Quality variable is 0.006, which means that the Product Quality variable can explain the Customer Loyalty variable by 0.6%.
- Customer Satisfaction (KPE) regression coefficient = 1,416. The positive regression coefficient value of Customer Satisfaction indicates a unidirectional relationship with Customer Loyalty, meaning that if there is one additional unit of Customer Satisfaction, Customer Loyalty will increase by 1,416. The partial r<sup>2</sup> value for the Customer Satisfaction variable is 0.306 which means that the customer satisfaction variable can explain the customer loyalty variable by 30,6%.

### Hypothesis Test

Tabel 3 menunjukkan hasil analisis uji-hipotesis secara partial antar variable yang dianalisis dalam penelitian ini.

**Table 3**  
 Result of Analysis of Variance Relationship

Testing	Variable	T	Sig.	Result
Sub-Line Structure 1	Brand Image (CM) → Satisfaction Customer	6,164	0,000	Significant
	Percepti on Price → Satisfaction Customer	9,731	0,000	Significant
	Quality Products → Satisfaction Customer	4,354	0,000	Significan
Sub-Line Structure 2	Brand Image → Customer Loyalty	1,027	0.307	Not Significant
	Perception Price → Customer Loyalty	3,598	0.001	Significant
	Quality Products → Loyalty Customer	0.787	0.433	Not Significant
	Customer Satisfaction → Customer Loyalty	5.474	0.000	Significant

Partially

Source: Processed data (Attachment 8)

**1. Partial Influence of Brand Image on Customer Satisfaction**

Based on calculations using SPSS, the significant level value is 0.000, where the significant level is smaller than the alpha level of 0.05, so it can be concluded that the Brand Image variable is partially influential. significant to Customer Satisfaction.

**2. Partial effect of price perceptions on customer satisfaction**

Based on calculations using SPSS, the significant level value is 0.000, where the significance level is smaller from the alpha level of 0.05, so it can be concluded that the variable Price perception is partial has a significant effect on customer satisfaction.

**3. Partially Influence Product Quality on Customer Satisfaction**

Based on calculations using SPSS, the significant level value is 0.000, where the significant level is smaller than the alpha level of 0.05, so it can be concluded that the Product Quality variable is partially influential. significant to Customer Satisfaction.

**4. Partial Influence of Brand Image on Customer Loyalty**

Based on calculations using SPSS, the significant level value is 0.307, where the significant level is greater than the alpha level of 0.05, so it can be concluded that the Brand Image variable partially does not affect significant to Customer Loyalty.

**5. Partial effect of price perceptions on customer loyalty**

Based on calculations using SPSS, a significant level of 0.001 is obtained, where the significant level is smaller than the alpha level of 0.05, so it can be concluded that the Price Perception variable is partially influential. significant to Customer Loyalty.

**6. Partially Influence Product Quality on Customer Loyalty**

Based on calculations using SPSS, the significant level value is 0.433, where the significant level is greater than the alpha level of 0.05, so it can be concluded that the Product Quality variable does not affect partially significant to Customer Loyalty.

**7. Partially Influence Customer Satisfaction on Customer Loyalty**

Based on calculations using SPSS, the significant level value is 0.034, where the significance level is smaller from the alpha level of 0.05, so it can be concluded that the customer satisfaction variable is partially has a significant effect on customer loyalty.

### Simultaneous Test (F)

To determine the relationship or influence of the influence between Brand Image, Perception Price, and Quality Product to customer satisfaction as simultaneously, the F test was used, and the result can be seen on table 4.

**Table 4**  
 Results of Simultaneous Influence  
 Analysis Sub- Structure Path 1  
**ANOVA**

Model	Sum Of Square	df	Mean Square	F	Sig.
Regression	8,814	3	2,938	2667,431	,000b
Residual	,106	96	,001		
Total	8,920	99			

a. Dependent Variable: KPE  
 b. Predictors: (Constant), KP, PH, CM

To determine the relationship or influence of the influence between Brand Image, Perception Price, Quality Product and customer satisfaction on Customer Loyalty as simultaneously, the F test was used, and the result can be seen on table 5.

Based on calculations using SPSS, a significant level of 0.000 is obtained, where the significant level is less than the alpha level of 0.05, so the variables Brand Image, Price Perception, and Product Quality simultaneously have a significant effect on satisfaction. Customer.

**Table 5:** Result of Simultaneous Influence  
 Analysis of Path Sub-Structure 2

### ANOVA<sup>a</sup>

a. Dependent Variable: LP  
 b. Predictors: (Constant),

Based on calculations using SPSS, a significant level value is obtained of 0.000, where the significant level is less than the alpha level of 0.05, so the variables of Brand Image, Price Perception, Product Quality, and Customer Satisfaction simultaneously have a significant influence on Customer Loyalty.

### CONCLUSION

The results of the study shows that brand Image has a significant influence on Customer Satisfaction, Brand Image has no significant influence on Customer Loyalty, Price perception has a significant effect on customer satisfaction, Price perception has a significant effect on customer, loyalty Product quality has a significant influence on customer satisfaction, Product quality does not have a significant effect on customer loyalty, Customer Satisfaction has a significant influence on Customer Loyalty, Brand Image, Price Perception, Product Quality. This indicates that to increase customer satisfaction and loyalty, a good brand image, low price perception, good product quality, is needed.

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Model	Squares	df	Mean Square	F	Sig.
Regression	8,326	4	2,081	5,000b	,000
Residual	,481	95	,005		
Total	8,806	99			

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