

THE ROLE OF CUSTOMER SATISFACTION IN MEDIATING BRAND IMAGE AND PERCEIVED VALUE ON BRAND LOYALTY FOR TRI PROVIDERS IN BALI

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ABSTRACT

This research aims to determine the role of customer satisfaction in mediating brand image and perceived value on brand loyalty at Tri providers in Bali. This research uses a quantitative approach, in this quantitative approach the research is pre-determining, analyzing statistical data and interpreting statistical data. This research was carried out in the Municipality of Denpasar. The subjects in this research were all Tri provider customers in Bali. The objects of this research are Brand Image (X1) and Perceived Value (X2), Brand Loyalty (Y) as the dependent variable, through and Customer Satisfaction (M) as mediation. The sample selection in this research used a non-probability sampling method. This research uses Structural Equation Model (SEM) analysis based on Partial Least Square (PLS). The results of this research show that brand image has an influence on brand loyalty. However, perceived value has no influence on brand loyalty. Likewise, brand image and perceived value have an influence on customer satisfaction, and customer satisfaction has an influence on brand royalties. In the indirect effect, there is an influence between brand image and brand royalty through customer satisfaction, whereas perceived value has no effect on brand royalty through customer satisfaction. Whether or not the relationship between these variables is influential is caused by consumers having limited ability to choose purchasing decisions so that companies provide many alternative products and service options which then become the basis for customers in making purchasing decisions. The diversity of products offered ranges from types and competitive prices, to the services provided, so that under these conditions the company not only differentiates itself in products but also in competitive price variants and other aspects.

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1. INTRODUCTION

In Indonesia, information technology has begun to develop, and internet access has even begun to be reached by the public quite easily. Since the emergence of the internet network in Indonesia, thirty years have passed, the number of internet users has also increased significantly from year to year (Roy & Ndoen, 2019). Based on research conducted by the Indonesian Internet Service Providers Association in 2022, the percentage of internet use by Indonesian people is classified as high in accessing social media, reaching 51.5%. Communication via instant messaging is the next highest internet user with a percentage of 32.9%. There is internet usage in online games which reached 5.2%. As many as 2.9% of Indonesian people spend their time on goods/services information services. Indonesian people use the internet for online shopping and accessing educational information services at 1.3%. The rest use the internet for other activities (Nasution, 2020)

One of the internet provider companies in Indonesia is PT Indosat Ooredoo Hutchison Tbk or in this case the Tri starter card which is used by the public to access internet/roaming needs. One proof that PT Indosat Ooredoo Hutchison Tbk is serious about increasing customer satisfaction is by offering various advantages of their products that cannot be obtained from other cellular operators, for example access to 11 popular sites without credit or quota, Tri cards cannot be expired, and Tri also provides cheap rates for telephone, SMS and internet. In Bali, the Tri card is present in Singaraja, Tabanan, Denpasar, Gianyar and East Bali. Compared to XL and Telkomsel provider cards, Tri has advantages that

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other provider cards don't have, such as prices that are relatively affordable for everyone, aggressive 4G LTE network expansion, and also Tri taking bold action to become the first operator in Indonesia to provides freedom of speech to all destination numbers in Indonesia and even to people around the world without credit or quota. Therefore, Tri provider cards are much sought after by people in Bali.

Table 1. Initial Observation Results of Tri Provider Card Users in Bali

No.	Indicator	Satisfied		Not satisfied		Total
		Amount	%	Amount	%	
1	Brand Image	15	100%	0	0%	100%
2	Perceived Value	13	87%	2	13%	100%
3	Customer satisfa	14	93%	1	75%	100%
4	Brand Loyalty	11	73%	4	27%	100%

Source: primary data (Processed), 2023

Based on the results of initial observations with a total of 15 first respondents that the author obtained randomly from several places in Bali, it shows that all respondents acknowledged that the Tri provider card brand has a good image in the eyes of its users, and in this research the perception of value was measured by assessing the value obtained, the benefits obtained from Tri provider card services, the majority of Tri provider users admit that the services provided by Tri providers are felt by customers both in terms of the benefits obtained when using Tri provider services, as well as the strong network strength that is able to generate a sense of satisfaction for its users, therefore at this initial observation stage 93% of users felt satisfied. And finally, 73% of users feel brand loyalty from the Tri provider.

Competition between providers is believed to be so tight that providers can survive and continue to develop. The most important thing that companies must do is continue to develop existing customers and attract potential new customers so that old customers do not move to other providers. This is important to do to create brand loyalty for Tri users. Brand loyalty is very important because it is an inseparable part of a brand. Brand image is important to pay attention to because it will have a big impact on the growth of the organization or company.

There are many factors that can influence brand loyalty. Sinta Kurnia Illahi (2022) states that brand loyalty has a significant effect on brand image and brand awareness. Azmil Chusnaini, et al (2022) stated that brand loyalty influences perceived quality, corporate image and perceived value. However, research conducted by (Dea Millennia, 2022) states that brand image has no effect on brand loyalty, but is influenced by brand awareness and brand trust. Issalillah, 2021) observing loyalty is important because brand loyalty is assessed as a measure of the extent to which customers are loyal to a particular brand over a certain period of time, which emphasizes consistent repeat purchases of the same brand. The development and maintenance of brand loyalty is placed in the main position of the company's marketing plan, especially to face a highly competitive market with increasing uncertainty and decreasing product differentiation. (Khasanah, 2021) brand loyalty is defined as a form of customer intrinsic commitment to carrying out repeated purchasing activities of a brand.

A positive brand image is able to gain or maintain customer satisfaction. . (Apriliani, 2020) states that without a strong and positive brand image, it is not easy for companies to attract new customers and retain existing ones. With a strong brand image, customers can feel confident in using the products they have purchased and show feelings of joy because they are satisfied with the products they have, thereby increasing loyalty. (Kasamira, DA, 2023) states that customers who are confused about their choices will ultimately be more likely to choose a better known brand or choose to buy a product that they have bought before, thereby forming loyalty. If a brand has created pleasant feelings and meets expectations, it allows customers to have a good image of the brand.

Apart from brand image, perceived value is one of the factors that forms customer satisfaction. Perceived value is a factor that forms overall satisfaction which will ultimately increase customer loyalty and commitment (Haeruddin & Seri, 2022) . Perceived value has the most important role in building a brand. In many contexts the perceived quality of a brand can be an important reason for purchase as well as which brand a customer will consider which in turn will influence the customer in deciding which brand to purchase (Li & Shang, 2020) .

Problems related to the level of satisfaction and complaints from Tri provider users in Bali become a problem by comparing the advantages and disadvantages of the provider itself. By paying attention to these things, evaluation and improvements are needed to be able to improve and increase the quality of

service and/or be able to provide solutions if something happens that disrupts the quality of service. The better the service provided to customers or users, the greater the level of loyalty of users or customers in choosing services. Through the background description above, researchers are very interested in conducting research with the title "The Role of Customer Satisfaction in Mediating Brand Image and Perceived Value of Brand Loyalty in Tri Provider in Bali."

2. METHOD

This study uses a quantitative approach. The object of research is Tri Provider card users or customers in Bali and the implementation of this research is in Denpasar. The number of samples used in this research was 110 respondents. The variables used consist of the independent variable (X1) which is the brand image variable, (X2) which is the perceived value variable and the dependent variable is brand loyalty (Y) and there is a mediating variable, namely customer satisfaction (M). Meanwhile, data collection uses questionnaire techniques, interviews and documentation. To test the influence of the independent variable on the dependent variable, Structural Equation Model (SEM) analysis based on Partial Least Square (PLS) was used as a data analysis technique. The following research hypotheses that will be tested include:

- H1 : Brand image has a positive and significant effect on brand loyalty
- H2 : Perceived value has a positive and significant effect on brand loyalty
- H3 : Customer satisfaction has a positive and significant effect on brand loyalty
- H4 : Brand image has a positive and significant effect on customer satisfaction.
- H5 : Perceived value has a positive and significant effect on customer satisfaction
- H6 : Customer satisfaction acts as a mediator between brand image and brand loyalty.
- H7 : Customer satisfaction acts as a mediator of perceived value for the brand loyalty.

3. RESULTS AND DISCUSSION

Results

In testing this hypothesis, the significant parameters estimated are able to provide useful information for the relationship between variables in this study. By testing this hypothesis by looking at the T-statistic value, both influence indirectly through the mediating variable. By using the Path Analysis approach via Partian Least Square (PLS), the following model analysis results can be seen as follows:

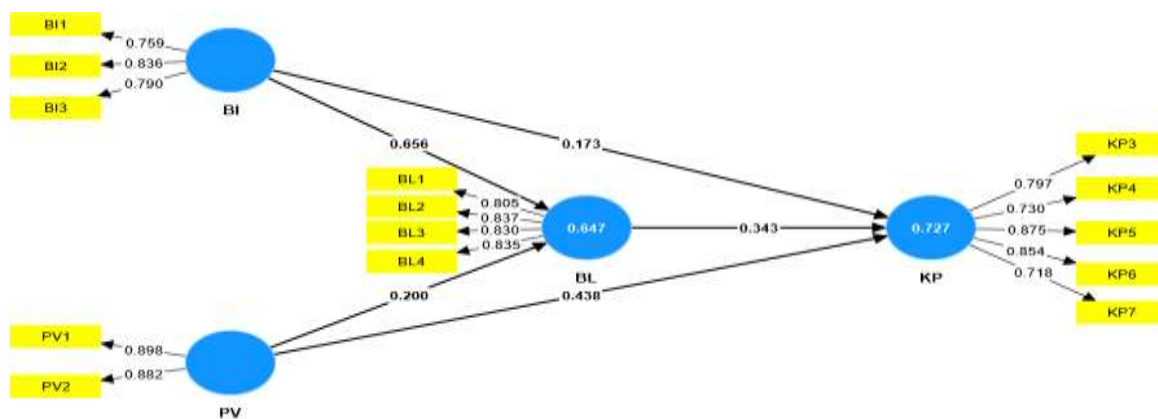


Figure 1. Outer PLS Model

Source: processed primary data, 2023

In the picture above it can be seen that brand image has a direct influence on brand loyalty with a coefficient of 0.656, brand image has a direct influence on customer satisfaction with a coefficient of 0.173. Customer satisfaction has a direct effect on brand loyalty with a coefficient of 0.343. perceived value has a direct effect on brand loyalty with a coefficient of 0.200, perceived value has a direct effect on customer satisfaction with a coefficient of 0.438.

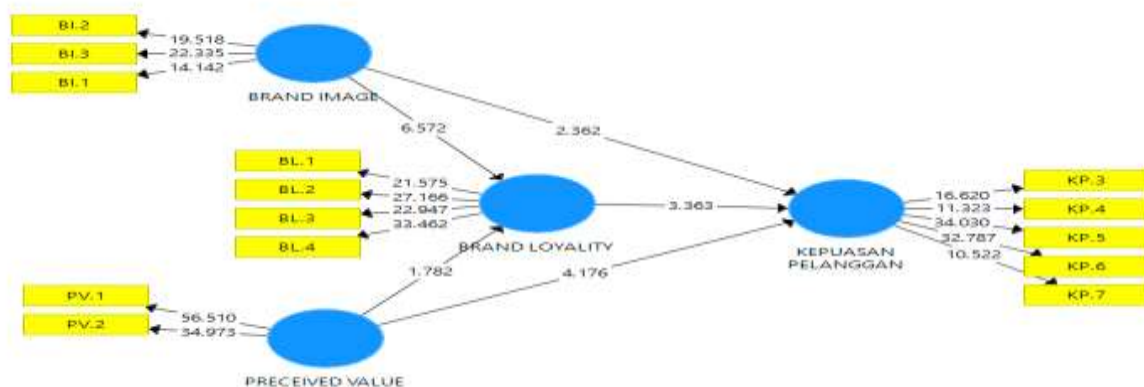


Figure 2. Outer Model

Source: processed primary data, 2023

This research uses a Partial Least Square (PLS) analysis approach to test the research hypothesis that was stated previously. The results of the empirical model analysis of research carried out using PLS analysis can be seen in Figure 2 below.

Table 2. Hypothesis Test Results

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Influence
Brand Image -> Brand Loyalty	0.642	0.628	0.098	6,572	0,00	Significant
Brand Image -> Customer Satisfaction	0.194	0.198	0.082	2,362	0,019	Significant
Brand Loyalty -> Customer Satisfaction	0.322	0.341	0.096	3,363	0,001	Significant
Perceived Value -> Brand Loyalty	0.220	0.238	0.124	1,782	0,075	No Significant
Perceived Value -> Customer Satisfaction	0.433	0.414	0.104	4,176	0,000	Significant

Source: processed primary data, 2023

- Test the first hypothesis, namely that the relationship between brand image has a positive and significant influence on the brand loyalty variable, $0.000 < 0.05$, where the t-statistic value is $6,572 > 1.96$, so the first hypothesis (H1) is accepted.
- The second hypothesis test is that the perceived value relationship does not have a positive and significant influence on the brand loyalty variable with a significant value of $0.075 > 0.05$, where the t-statistic value is $1.782 < 1.96$. So the first hypothesis (H2) is rejected.
- The third hypothesis test is that the relationship between customer satisfaction has a positive and significant influence on the brand loyalty variable $0.001 < 0.05$ where the t-statistic value is $3,363 > 1.96$. So the third hypothesis (H3) is accepted.
- The fourth hypothesis test is that the relationship between brand image has a positive and significant influence on the customer satisfaction variable with a significant value of $0.019 > 0.05$, where the t-statistic value is $2.362 < 1.96$. So the fourth hypothesis (H4) is accepted.
- The fifth hypothesis is that the perceived value relationship has a positive and significant influence on the customer satisfaction variable $0.000 < 0.05$ where the t-statistic value is $4.176 > 1.96$. So the fourth hypothesis (H4) is accepted.

Next, to test the sixth and seventh hypotheses, testing of the mediating variables was carried out to determine the degree of intervention of the mediating variables, whether total, partial or not. Mediation is a concept used in data analysis to explain the relationship between two or more variables. Mediation is a process where exogenous variables influence endogenous variables through mediating variables. The following are the results of the mediation test which are explained in the table below.

Table 3 . Hypothesis Test Results total and indirect effects

	Hypothesis	Std value. Coefficient	T Statistics (O/STDEV)	P Values	Note.
H6	Brand Image -> Brand Loyalty -> Customer Satisfaction	0.207	3,772	0,000	Mediate
H7	Perceived Value -> Brand Loyalty -> Customer Satisfaction	0.071	1,206	0.228	Not Mediating

Source: processed primary data, 2023

- Brand image influences brand loyalty through customer satisfaction. This is based on the indirect effect test which obtained a P value of less than 0.05 ($0.000 < 0.05$).
- Perceived value has no effect on brand loyalty through customer satisfaction. This is based on the indirect effect test which obtained a P value of more than 0.05 ($0.228 > 0.05$).

Discussion

Based on the test results, it can be seen that brand image influences brand loyalty among Tri provider users in Denpasar City. It is proven by the results of calculations using SmartPLS software, a significance value of $0.000 < 0.05$ is obtained, which shows that brand image has a positive and significant influence on brand loyalty. This is because brand image is the main perception of a brand which is associated with the market's attitude which includes the level of liking and perceived benefits of using it later.

Perceived value influences brand loyalty among Tri provider users in Denpasar City. It is proven by the results of calculations using the help of SmartPLS software, a significance value of 0.086 is obtained, because the significance value is 0.05 ($0.086 < 0.05$) which indicates that perceived value does not have a positive and significant influence on brand loyalty. This is because the perceived value provided by customers is not the main driver in influencing a company's brand loyalty, but there are many other factors that are more important, for example improving the quality of products and brands to meet customer needs, and consistently providing the best service so as to motivate them to continue purchasing the same brand. in the future.

Brand loyalty influences customer satisfaction among Tri provider users in Denpasar City. It is proven by the results of calculations using SmartPLS software, a significance value of $0.000 < 0.05$ is obtained, which shows that customer satisfaction has a positive and significant influence on brand loyalty. This is because customer satisfaction has a higher and deeper level towards fulfilling their expectations. Where customer satisfaction contributes indirectly, for example increasing the sense of loyalty to a product from the company and even influencing the level of price elasticity. From this behavior, brand loyalty will be formed through a process where customers, through their experience, try to find the brand that is most suitable for them, meaning that products from that brand can provide satisfaction that meets their expectations and needs.

Brand image influences customer satisfaction among Tri provider users in Denpasar City. It is proven by the results of calculations using the help of SmartPLS software, a significance value of $0.029 < 0.05$ is obtained, which shows that brand image has a positive and significant influence on customer satisfaction. This is caused by the more a positive brand image sticks in the minds of customers, the more customer satisfaction increases. Likewise, vice versa, if a negative brand image is embedded in the minds of customers, customer satisfaction will also be lower. Customers' perceptions of a company's brand image can influence their perceptions of the company's products, as well as their level of satisfaction and even loyalty to these products. Building and maintaining a positive brand image will provide benefits for the company by increasing the number of customers who use the company's products, thereby creating a sense of customer satisfaction and loyalty towards the Tri brand.

Perceived value influences customer satisfaction among Tri provider users in Denpasar City. It is proven by the results of calculations using the help of SmartPLS software, a significance value of $0.000 < 0.05$ is obtained, indicating that perceived value has a positive and significant influence on customer

satisfaction. This is caused by the better the customer's perceived value, the higher the level of customer satisfaction. Value is a balance between what the customer gets and what the customer has spent. In this case, what the customer gets is the quality of the service and product and what the customer pays is the price of the product. Therefore, customers use extrinsic cues, price, benefit and sacrifice as references to evaluate the value received to reduce the risk perceived by customers. And perceived value (assessment) is also an important factor in knowing whether customers are fasting or not because the value taken can have a primary impact on decision making and customer intentions, and the perceived value also comes from personal suitability and newness of the product, and it was found that perceived value has strong positive impact on customer satisfaction.

Brand image influences brand loyalty through customer satisfaction for Tri provider users in Denpasar City. It is proven by the results of calculations using the help of SmartPLS software, a significance value of $0.000 < 0.05$ is obtained. which shows that brand image has a positive and significant influence on brand loyalty through customer satisfaction. This is because customer satisfaction is an important element that makes customers loyal to a brand's products. Customer satisfaction and customer loyalty are positive. Therefore, Tri card provider companies must consider their brand image, the strong perceived value of customers to increase brand satisfaction and loyalty. Thus, Tri provider card management who have loyal customers must protect them adequately because it can increase positive word of mouth and recommend the use of Tri provider products to other people. This study concentrates on how brand image, through customer satisfaction, influences brand loyalty, especially in Bali.

Perceived value has no effect on brand loyalty through customer satisfaction for Tri provider users in the city of Bali. It is proven by the results of calculations using SmartPLS software, a significance value of $0.199 > 0.05$ is obtained, which shows that perceived value does not have a positive and significant influence on brand loyalty through customer satisfaction. This is because perceived value does not affect satisfaction in research with the Tri provider card object due to the perceived value or value owned by PT. Hutchison 3 Indonesia is not the main reference in drawing a sense of satisfaction regarding the benefits received by customers in relation to the total costs incurred. Where customer satisfaction can be created through quality and service which are important elements in fostering a sense of customer loyalty to a brand. Quality has a close relationship with customer satisfaction. Quality will encourage customers to establish close relationships with the company and brand loyalty will also emerge when customers feel satisfied with their experience using Tri card provider service products. Customer service is not just answering customers' questions and complaints about a product or service that does not satisfy them, but is more than a solution that arises after purchase.

4. CONCLUSION

From the research conducted above, it can be concluded that brand image has an influence on brand loyalty. However, perceived value has no influence on brand loyalty. Likewise, brand image and perceived value influence customer satisfaction, and customer satisfaction influences brand loyalty. In terms of indirect influence, there is an influence between brand image and brand loyalty through customer satisfaction, whereas perceived value has no influence on brand loyalty through customer satisfaction.

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