BRAND EQUITY AND BRAND LOYALTY INFLUENCE ON CONSUMER SATISFACTION  
(CASE STUDY: SAMSUNG SMARTPHONE USER AT KAWANGKOAN, MINAHASA)

PENGARUH EKUITAS MEREK DAN LOYALITAS MEREK TERHADAP KEPUASAN KONSUMEN  
(STUDI KASUS: PENGGUNA SMARTPHONE SAMSUNG DI KAWANGKOAN, MINAHASA)

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Abstract: Smartphone usage are notoriously known for its versatility in daily life. Starting from the usage for works, social media, entertainment, trading, and so many more. But there are some factors that the consumers may think of before choosing the right smartphone they use. This Research examines the Influence of Brand Equity, Brand loyalty to Consumer Satisfaction of Samsung Smartphone user in Kawangkoan, Minahasa. This Research are using Quantitative Research Method with 93 sample and using Questionnaire data collection technique, Brand Equity and Brand Loyalty simultaneously have a positive and significant effect toward the Consumer Satisfaction for the people who uses Samsung Smartphone in Kawangkoan, Minahasa. Samsung have to maintain their quality and performance they have built until now in order to maintain and even increase the consumer that are attracted for using Samsung brand.

Keywords: brand equity, brand loyalty, consumer satisfaction

INTRODUCTION

Research Background

A smartphone is a mobile device that combines the functions of cellular and cellular computing into a single unit. They are distinguished from feature phones with more powerful hardware capabilities and a broad mobile operating system, which facilitates more software, internet (including web browsing via mobile broadband), and multimedia functionality next to the core phone functions such as voice calls and text messages. Smartphones typically contain a number of metal-oxide-semiconductor (MOS) integrated circuit (IC) chips, including various software-useable sensors (such as magnetometers, proximity sensors, barometers, gyroscopes, or accelerometers), and support for wireless communication protocols (such as Bluetooth, Wi-Fi, or satellite...
navigation). In today's era, the use of smartphones greatly affects the daily lives of the Indonesian population. This can be seen from how people use smartphones as a multipurpose tool. For example; social media where smartphone users can interact with others without being limited by distance and time; using smartphones as project work aids where smartphones can store or even make lists needed when undergoing a project, the use of a smartphone as a trading tool where investors can directly notice fluctuations of the values and so many more examples of smartphone usage.

Samsung is a well-known brand whose main company is located in Samsung Town, Seoul, North Korea. Samsung is a multi-product electronics company that provides a wide range of electronic products, one of which is smartphones. The rows of smartphones offered by Samsung are very diverse and that consist of: Samsung Galaxy S Series which is the High-End smartphone as being Samsung’s flagship smartphones; Samsung Galaxy Note Series which has the same flagship hardware with Samsung Galaxy S but with more flexible accessibility because there is a stylus pen added on the Note series; and there is other series that fit the money people have which is Samsung Galaxy M, Samsung Galaxy A, etc. In Minahasa, North Kawangkoan, there are so many people uses smartphones. Their usage of smartphone so diverse since they use it for a lot of purpose and most of it are for style, photography, social media, online streaming, videos, transactions, and so many more. The smartphones really help people on North kawangkoan on their daily life. There are so many types of users based on how they use the potential usage of smartphone.

Research Objectives

The purpose of this research is:

1. To determine the effect of brand equity on consumer satisfaction
2. To determine the effect of brand loyalty on consumer satisfaction
3. To determine the effect of brand equity and brand loyalty on consumer satisfaction

THEORETICAL FRAMEWORK

Consumer Satisfaction

Satisfaction is the feeling of pleasure or disappointment of 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 the performance exceeds expectations, the customer is very satisfied or happy (Kotler, 2006).

Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Professionals who work in a corporation's marketing and promotion departments seek to get the attention of key potential audiences through advertising. Promotions are targeted to certain audiences and may involve celebrity endorsements, catchy phrases or slogans, memorable packaging or graphic designs and overall media exposure (American Marketing Association, 2017).

Satisfaction

Satisfaction is a feeling of pleasure or disappointment for someone that arises from comparing the perceived performance of the product (or results) against their expectations. If performance fails to meet expectations, customers will be dissatisfied. If the performance is as expected, the customer will be satisfied. If the performance exceeds expectations, the customer will be very satisfied or happy. Satisfaction is the level of a person's feelings after comparing the performance (or results) that are felt compared to expectations. Thus, the level of satisfaction and a function of the difference between perceived performance and expectations. Full test participant satisfaction can be differentiated at three levels, namely:

1. The first level: meets the needs of the test participant
2. The second level: fulfills the expectations of the test participant in the same way can keep them coming back for more.
3. Third level: doing more than what is expected competency test participants (Kotler and Keller, 2015)

**Brand**

Branding is endowing products and services with the power of a brand” Branding is the process of giving a meaning to specific organization, company, products or services by creating and shaping a brand in consumers’ minds. It is a strategy designed by organizations to help people to quickly identify and experience their brand, and give them a reason to choose their products over the competition’s, by clarifying what this particular brand is and is not. The objective is to attract and retain loyal customers and other stakeholders by delivering a product that is always aligned with what the brand promises (Kotler and Keller, 2015).

**Brand Equity**

Brand equity can provide value for the company. The following is the value of brand equity for the company:

a. Strong brand equity can help a company in its endeavors attract potential customers and efforts to establish good relationship with consumers and can eliminates consumer doubts about the quality of the brand.

b. All elements of brand equity can influence decisions consumer purchases due to strong brand equity will reduce consumer desire to switch to another brand.

c. Consumers who have high loyalty to a brand, it won’t be easy to switch to competing brands, though competitors have made product innovations.

d. Brand association will be useful for companies to do evaluation of brand extension strategy decisions.

e. Companies that have strong brand equity can determine the premium price and reduce dependency company against promotion.

f. Companies that have strong brand equity can save costs when the company decides to do brand expansion.

g. Strong brand equity will create channel loyalty distribution which will increase the number of company sales.

h. The four core elements of brand equity (brand awareness, brand association, perceived quality, and brand loyalty) can be strong increase the strength of other brand equity elements such as consumer trust, and others (Durianto, Sugiarto, and Sitinjak, 2004).

**Brand Loyalty**

Brand loyalty is a measure of the attachment that a customer has a brand. Brand loyalty shows a bond between customers and a particular brand and this is often marked by repeat purchases from customers (Aaker, 2010).

**Previous Research**

Nam, Ekinci, and Whyatt (2011) investigated the mediating effects of consumer satisfaction on the relationship between consumer-based brand equity and brand loyalty in the hotel and restaurant industry. Based on a sample of 378 customers and using structural equation modelling approach, the five dimensions of brand equity—physical quality, staff behaviour, ideal self-congruence, brand identification and lifestyle-congruence—are found to have positive effects on consumer satisfaction. The findings of the study suggest that consumer satisfaction partially mediates the effects of staff behaviour, ideal self-congruence and brand identification on brand loyalty. The effects of physical quality and lifestyle-congruence on brand loyalty are fully mediated by consumer satisfaction.

Torres and Tribó (2011) examined the interaction between shareholder value and customer satisfaction, as well as the impact on a firm's brand equity. Customer satisfaction may have a positive effect on brand equity, except when managers show excessive customer orientation, in which case the effect is negative because of reductions in shareholder value. The empirical analysis uses incomplete panel data pertaining to 69 firms from 11 nations during the period 2002–2005 and supports the theoretical contentions. This result warns of the perverse effect on brand equity of implementing policies focused exclusively on satisfying customers at the expense of shareholders' interests.

Sriyani (2019) aimed about the activities carried out by PT Bank ICB Bumiputera, Tbk. in the use of brand strategy and service marketing mix by looking at its effect on customer loyalty through customer
satisfaction. Data processing was done by using path analysis, this research is quantitative with the number of respondents as many as 100 respondents. The results of the first study showed that there is a significant influence between brand equity and marketing mix on customer satisfaction. The results of the second study show that there is a significant influence of brand quantity, service marketing mix and customer satisfaction on customer loyalty.

Conceptual Framework

![Conceptual Framework](source: Data Processed (2021))

RESEARCH METHOD

Research Approach

This study in terms of its type is a survey study, and in terms of the analytical approach it is classified into quantitative methods. Research or quantitative research is a deep exploration of a part of an event (it can be a problem) and its relationship in a systematic and structured way. The main mission of quantitative research is to solve, develop and use mathematical methods, concepts, and hypotheses related to events / problems to solve. According to Sudjana and Ibrahim (2001), the definition of quantitative research is research that is based on assumptions, then variables are determined, and then analyzed using valid research methods, especially in quantitative research.

Population, Sample Size, and Sampling Technique

The population in this study are the peoples of North Sulawesi, Minahasa, Kawangkoan who use smartphones as support or as gadgets for daily needs. The sample in this study is 93 respondents (users) who uses Samsung Smartphones in, Kawangkoan Minahasa. The sampling method or sampling technique in this study uses non-probability sampling (purposive sampling), namely only for those who use Samsung smartphone in Kawangkoan Minahasa.

Data Collection Method

The method used in this study is based on questionnaire. The use of questionnaires is intended to obtain primary data from respondents namely the smartphone users from Kawangkoan Minahasa, regarding the variables to be measured. According to Sugiyono (2008), primary sources are sources that can provide valuable information directly. In other words, the primary source is to provide important data related to research problems. For primary sources, researchers used the results of interviews and questionnaires. In qualitative research, the results of interviews can be used as the strongest source of information. The data obtained is objective data because it takes directly from the data source. Secondary data is an additional source to obtain the data. Given (2008) suggests that Secondary data sources are pre-existing sources that have been collected for different purposes or by someone other than the researcher. Secondary data sources are complementary data sources that function to complete the data required by primary data.

Operational Definition of Research Variable

1. Brand equity, is the value of the brand itself - that is, the social value of a well-known brand name. Owners of well-known brand names can generate more revenue from brand recognition alone, because consumers perceive products from well known brands to be better than products from less well-known brands
2. Brand loyalty is a condition where customers who make repeated purchases of your brand, build trust in your brand and consistently use your brand and don't care about anything offered by competitors
3. Customer satisfaction is defined as a measure that determines how happy customers are with the company's
products, services and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how best to improve or change its products and services.

**Data Analysis Method**

**Validity and Reliability Test**

Validity comes from the word validity which means the extent to which the accuracy and accuracy of a measuring instrument in carrying out its size function (Azwar, 1986). In addition, validity is a measure that shows that the variable being measured is really the variable that the researcher wants to study (Cooper and Schindler, 2006). Reliability comes from the word reliability. What is meant by reliability is the consistency of measurement (Walizer, 1987). Sugiaro and Situnjak (2006) state that reliability refers to the understanding that the instruments used in research to obtain information used can be trusted as a data collection tool and are able to reveal actual information in the field. Ghozali (2009) states that reliability is a tool to measure a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if someone's answer to the statement is consistent or stable from time to time. Test reliability refers to the level of stability, consistency, predictability, and accuracy. Measurements that have high reliability are measurements that can produce reliable data. A reliable instrument is an instrument that when used multiple times to measure the same object will produce the same data. Measurement of reliability using Cronbach's Alpha because reliability less than 0.6 is not good and reliability is more than 0.6 is good (Ghozali, 2009).

- If reliability > alpha then the statement is invalid
- If reliability < alpha then the statement is valid

**Multiple Linear Regression**

The data analysis in this study uses multiple linear regression analysis. According to Sugiyono (2010: 407-408), the general form of multiple linear regression mathematically is as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e \]

\( Y \) = Customer Satisfaction
\( X_1 \) = Brand Equity
\( X_2 \) = Brand Loyalty
\( \beta_0 \) = Constant
\( \beta_1 \) and \( \beta_2 \) = The regression coefficient of each variable
\( e \) = Error

**RESULT AND DISCUSSION**

**Validity and Reliability Test**

Validity test are used to measure whether or not a questionnaire is valid. A questionnaire said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali 2009). And the reliability test is if a scale or instrument measuring data and the resulting data is called reliable or reliable if the instrument consistently produces the same results every time a measurement is produced (Ferdinand, 2011:263). Brand Equity variable is \( X_{1.1} \) which is 0.635, Brand Loyalty are \( X_{2.2} \) which is 0.755. The last variable, Customer satisfaction correlation is \( Y_2 \), which is 0.655. It can be confirmed that the total items of all variables in the table up above are reliable. This can be proven by looking at the Cronbach Alpha value of each variable. Both dependent and independent variable came with a reliable value. Brand equity have a value of 0.824, Brand Loyalty came with the value of 0.821, and the last one which is Customer Satisfaction came with the value of 0.756. By looking at the Alpha Cronbach, value at each variable are greater than 0.60, so it can be said that the variables are reliable.

**Classical Assumption Test**

**Normality Test**

From the figure below, the data spreads on the diagonal line and the distribution line follows the diagonal line direction. It can be concluded that the P-Plot graph used in this research meets the assumption of normality.
Heteroscedasticity

The scatterplot graph below is the graph displayed for the heteroscedasticity test showing the points of distribution randomly and not in a clear pattern and the points spread above and below the number 0 on the Y axis. This indicates that this regression model does not occur heteroscedasticity in the model.

Multicollinearity Test

Table 1. Multicollinearity

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>.164</td>
<td>1.684</td>
</tr>
<tr>
<td>1 Brand Equity</td>
<td></td>
<td>.017</td>
<td>1.681</td>
</tr>
</tbody>
</table>

Source: Data Processed SPSS (2021)

Based on the results in table 4.10 above, it can be concluded that the Brand Image and Customer Perceived Value variables do not occur multicollinearity because the Tolerance value is more than 0.1 (>0.1) and the Variance Inflation Factor value is less than 10 (<10).

Multiple Linear Regression

Table 2. Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>8.269</td>
<td>1.424</td>
<td>5.808</td>
<td>.000</td>
</tr>
<tr>
<td>1 Brand Equity</td>
<td>.206</td>
<td>.103</td>
<td>.224</td>
<td>1.993</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>.155</td>
<td>.077</td>
<td>.225</td>
<td>2.009</td>
</tr>
</tbody>
</table>

Source: Data Processed SPSS (2021)
The equation of the multiple linear regression line for the smallest method obtained based on table above is: \( Y = a + b1X1 + b2X2 \), which is \( Y = 8.269 + 0.206X1 + 0.155X2 \)

**Explanation:**
1. Value of the Constant is 8.269. The value means if the X1 and X2 variable are not zero, then Consumer Satisfaction is 8.269
2. Regression coefficient of variable X1 which is Brand equity are Positive. This proves that variable X1 which is Brand Equity have a positive influence on the Consumer Satisfaction, this means that each increase or addition of 1 unit of Brand Equity will increase the Consumer Satisfaction by 0.206
3. The regression coefficient of variable X2 which is Brand Loyalty are Positive. This proves that Variable X2 which is Brand Loyalty have a positive influence on the Consumer Satisfaction. This means that each increase or addition of 1 unit of Brand Loyalty will increase the Consumer Satisfaction by 0.155

**R and R2**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.842*</td>
<td>.710</td>
<td>.703</td>
<td>.17343</td>
<td>1.360</td>
</tr>
</tbody>
</table>

*Source: Data Processed SPSS (2021)*

In the table above, it shows that the value of R is 0.842 and R2 value is 0.710. The values can predict the model where in this research, which is the contribution of the variables in this research model, namely X1 (Brand Equity) and X2 (Brand Loyalty) is 0.842 or 84.2% for the R value and 0.710 or 71% for R2 value. There are 15.8% (100% - 84.2% = 15.8%) for the value of R and 29% (100% - 71% = 29%) for the R2 Value explained by other variables or other causes outside the research model

**Hypothesis Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>6.620</td>
<td>2</td>
<td>3.310</td>
<td>111.060</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>2.707</td>
<td>90</td>
<td>.030</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.327</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Data Processed SPSS (2021)*

Based on the table above, through ANOVA analysis, significant test result (Sig.) of X1 (Brand Equity) and X2 (Brand Loyalty) are 0.000 or less than 0.05 (>5%). It shows that the independent variables have effect on Consumer Satisfaction. By determining by the result above, the conclusion of the hypothesis statement which is Brand Equity and Brand Loyalty have a significant and positive effect on consumer satisfaction.

**Table 5. T-Test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>8.269</td>
<td>1.424</td>
<td></td>
<td>5.808</td>
</tr>
<tr>
<td>1</td>
<td>Brand Equity</td>
<td>.206</td>
<td>.103</td>
<td>.224</td>
</tr>
<tr>
<td></td>
<td>Brand Loyalty</td>
<td>.155</td>
<td>.077</td>
<td>.225</td>
</tr>
</tbody>
</table>

*Source: Data Processed SPSS (2021)*

Based on the Table above, T-test result is:
1. Partial significant test (sig.) of variable X1 which is Brand Equity to variable Y which is Consumer Satisfaction is 0.049 that means the regression coefficient of X1 to Y is significant with the value below 5% or <9.05. this proves that hypothesis 1 is accepted
2. Partial significant test (sig.) of variable X2 which is Brand Loyalty to variable Y which is Consumer Satisfaction is 0/048. It means that the regression coefficient of X2 to Y is significant with the value below 5% or <0.05. this proves that hypothesis 2 is accepted
Discussion

Brand Equity and Customer Satisfaction

With the result of Multiple Linear Regression and Hypothesis testing, partially Brand Equity have a significant and positive effect on Consumer Satisfaction for the people who uses Samsung Smartphones. Aaker (1991) reveals that brand equity creates value for both the company and the consumer. This statement has supported by several studies, including that conducted by Smith, Gradojevic, and Irwin (2007). which states that brand equity can become company considerations in conducting mergers or acquisitions. When a company has positive brand equity, customers are willing to pay a high price for its product, even though they can get the same thing from a competitor at a lower price. Customers, in effect, pay a premium price to do business with a company they know and admire. People will consider the equity of a brand and making a decision based on their perspective of a brand. And because of that, a lot of people are satisfied with the brand of Samsung in Minahasa, Kawangkoan. This research is in line with Nam, Ekinci, and Whyatt (2011) that the five dimensions of brand equity—physical quality, staff behaviour, ideal self-congruence, brand identification and lifestyle-congruence—are found to have positive effects on consumer satisfaction.

Brand Loyalty and Customer Satisfaction

According to Mowen and Minor (2002), brand loyalty is seen as the extent to which a customer shows a positive attitude towards a brand, have a commitment to a particular brand, and intend to continue buy it in the future. Brand Loyalty is one of consideration for consumer for choosing and holding to a certain brand and using the brand continuously. Consumer can gain the benefits they expected from the brand they choose and the consumer stays loyal to the brand because the brand gives the expectation and achieved the expectation to the consumer. This is why the consumer stay loyal to Samsung Brand at Kawangkoan Minahasa. This result is in line with Keya (2019) that customers loyal to the brand were likely to be more satisfied.

CONCLUSION AND RECOMMENDATION

Conclusion

After examining the findings and discussing the result, the conclusion based on this research founds the answer of the research problem:
1. Yes, Brand Equity and Brand Loyalty simultaneously have a positive and significant effect toward the Consumer Satisfaction for the people who uses Samsung Smartphone in Kawangkoan, Minahasa
2. Yes, Brand Equity partially have a positive and significant effect on Consumer Satisfaction for the people who uses Samsung Smartphone in Kawangkoan, Minahasa
3. Yes, Brand Loyalty partially have a positive and significant effect on Consumer Satisfaction for the people who uses Samsung Smartphone in Kawangkoan, Minahasa

Recommendation

1. Samsung have to maintain their quality and performance they have build until now in order to maintain and even increase the consumer that are attracted for using Samsung brand. Samsung also have to compete with other brands in Kawangkoan, Minahasa because there are so many other brands that is similar to Samsung
2. Samsung have to always support their customers by giving the best value out of the Samsung brand itself so the consumer will not flee to other brand and stay loyal to Samsung Brand
3. With the current major problem with Taiwanese company stripping semiconductor market share resulting in major fall in profit, samsung better reduce the production cost of their smartphones to balance with their profit fall in order to survive their current issue
4. This Thesis need support and will be developed further with the help of other similar research and another location with different size of samples and different variables so the result of this research can be compared and taken for references for other same type of research. This research is hoped to help other researcher in the future

REFERENCES


