

The Effect of Price on Customer Satisfaction Mediated by Brand Image

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Abstract

The purpose of this study was to determine the effect of price on brand image and its impact on Go-Jek customer satisfaction via Go-Ride services. This type of research is explanatory research with a quantitative approach. The population in this study was UMM students with a sample of UMM students from the Faculty of Economics and Business, Management Department. 100 students were selected by the purposive sampling method while data were collected using a questionnaire and then analyzed with SmartPLS 3.0. The results of this study show that price has no significant effect on consumer satisfaction. Price affects the brand image and brand image affects consumer satisfaction. Indirectly, the price has a significant effect on consumer satisfaction through brand image.

Keywords— Price, Brand Image, Customer Satisfaction

Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui pengaruh harga terhadap citra merek dan dampaknya terhadap kepuasan pelanggan Go-Jek layanan Go-Ride. Jenis penelitian ini adalah explanatory research dengan pendekatan kuantitatif. Populasi dalam penelitian ini adalah mahasiswa UMM dengan sampel mahasiswa UMM Fakultas Ekonomi dan Bisnis Jurusan Manajemen angkatan 2017 sebanyak 100 mahasiswa yang dipilih dengan metode purposive sampling sedangkan data dikumpulkan dengan menggunakan angket kemudian dianalisis dengan SmartPLS 3.0. Hasil penelitian ini menunjukkan bahwa harga tidak berpengaruh signifikan terhadap kepuasan konsumen. Harga berpengaruh terhadap citra merek dan citra merek berpengaruh terhadap kepuasan konsumen. Secara tidak langsung, harga berpengaruh signifikan terhadap kepuasan konsumen melalui citra merek.

Kata kunci: Harga, Citra Merek, Kepuasan Pelanggan.

INTRODUCTION

Rapid technological developments occur in various business fields, especially for companies whose activities are supported by the sophistication of a technology system or in other words, have been fully digitized. Go-Jek is an online motorcycle taxi transportation service company, where Go-Jek has used the sophistication of a digital technology system in all its services. Go-Jek is a brand or service of PT. The Karya Anak Bangsa application where the Go-Jek Company can be said to be a company that is growing very rapidly or advancing because this company has various kinds of online services that are continuously developed every year.

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Companies that are categorized as advanced cannot be separated from customer satisfaction that accompanies the company. Go-Jek as a service company is required to be able to provide good service so that customers can feel more value related to the level of satisfaction they feel. Therefore, customer satisfaction is the main factor that can be a reference for good service in a company as well as a reference for service improvements that must be done (Singh, 2006). Companies must look at the needs and desires of their customers or their market because customer satisfaction can be measured in a company through an assessment that can be observed in buying and selling transactions whereas a customer and consumer can compare expectations related to the product or service that has been consumed. It is through this comparison that a company has data to research and evaluate and the data is intended or used as a basis for improving the performance or service of a company so that the satisfaction that can be felt by customers will continue to increase along with service improvements (Tjiptono, 2008).

Price has a value that must be sacrificed by a customer or consumer to obtain a product or service that can form perceptions so that prices participate in influencing brand image in a company in the long term. In practice, the price of a product or service marketed by a company forms a perception that is inherent in the minds of customers or consumers because the company markets or sells products or services that have exchange rates that can be traded and are directly in contact with the market. Thus, customers or consumers can directly feel or imagine the level of good or bad related to their brand image (Schiffman & Kanuk, 2007). On the other hand, the price is a manifestation of service by the Company that can be measured and the price becomes a separate plus value for a customer to get a combination. Nugraha (2015) explains that price perception has a very significant influence on brand image. So, it can be concluded that, the better the price perception, the higher the brand image. In other words, the pricing policy needs to pay attention to the demands and needs of customers or consumers which aims to maintain the brand image of a company and maintain a sense of customer satisfaction or even increase a sense of satisfaction with the services provided by the company (Praharjo 2020). Increased satisfaction in customers can be generated through brand image. Therefore, the Company is required to be able to improve the orientation of its brand image because a sense of customer satisfaction can be created through the brand image of its customers. Thus, the better the customer's assessment and image, the higher the level of satisfaction that can be felt by the customer because a good trust has been formed (Tjiptono & Anastasia, 2016).

A survey from an institution, namely the Indonesian Consumers Foundation (YLKI) which has been carried out or carried out on approximately 4.600 consumers of online motorcycle taxi transportation services which discusses the influence of services on satisfaction provided by online motorcycle taxi service providers. As a result, it was found that 41% of a total of approximately 4,600 consumers of online motorcycle taxi transportation services had been disappointed with those provided by Go-Jek. This is also a problem that must be considered because this is directly related to a person's sense of satisfaction (YLKI, 2017). Based on the phenomena that occur, this research is expected to be able to close the gap, especially in online motorcycle taxi transportation services (Go-Ride) for the Go-Jek Company.

LITERATURE REVIEW

According to Kotler & Keller (2009) satisfaction is a feeling of pleasure or disappointment in a person that arises because of a comparison of the imagined performance of the product or service that has been expected against their expectations. According to Nasution (2010) there are 4 important factors that can affect customer expectations, namely (1) customer wants and needs when transactions, (2) past experience, (3) experience from surrounding environment or friendship, and (4) communication

through advertising and marketing affects perception. According to Umar (2005) in measuring the level of customer satisfaction, five important factors must be considered, namely (1) product or service quality, (2) service quality, (3) emotional factor, (4) product or service price, and (5) cost and ease of getting products or services. Kotler & Keller (2009) describes retaining customers is a very important thing and must be measured to position the company's products or services. There are 5 dimensions in measuring customer satisfaction, including (1) repurchase (2) saying positive things about the company, (3) tend to be indifferent to the brands and advertisements of competitors' products, (4) purchase other products or services produced by the same company, and (5) recommending the company's products or services to others.

Price is the amount of money charged for a product or service (Kotler & Keller, 2016) and another definition is the price as many values that can be exchanged to benefit customers or consumers in having or using a product or service that is possible in a product or service. The company earns a fair profit by being paid for the customer value it creates. Price has several dimensions namely price affordability, price conformity with product or service quality, benefits, and competitiveness. Based on the explanation of previous theoretical studies and research, the following hypotheses were obtained:

H1: There is an influence between the price and customer satisfaction of Go-Jek Go-Ride services.

H2: There is an influence between the price and the Go-Jek brand image of the Go-Ride service.

H3: There is an influence between Go-Jek's brand image and customer satisfaction with Go-Ride services.

H4: There is an influence of price mediated by brand image on Go-Jek Go-Ride customer satisfaction.

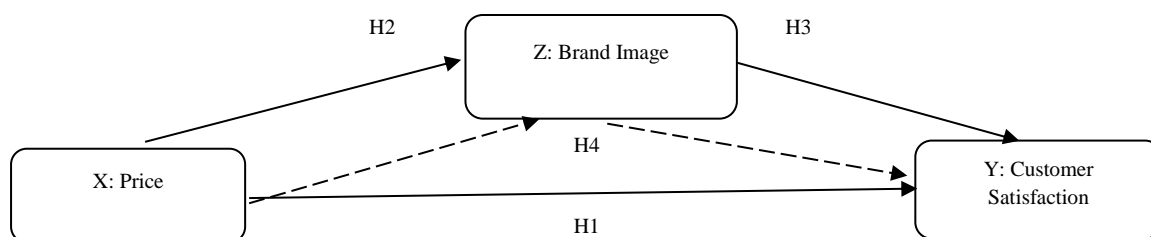


Figure 1. Conceptual Framework

RESEARCH METHOD

This type of research is a quantitative descriptive study. The nature of this research is descriptive explanatory research. The population in this study are students of University of Muhammadiyah Malang who use to the Go-Ride service. The samples taken were students of the University of Muhammadiyah Malang at the department of management with purposive sampling technique. The data measurement technique used is the likert scale, where this scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena (Sugiyono, 2013). The data analysis technique used is Partial Least Square (PLS) with the help of SmartPLS software.

RESULT AND DISCUSSION

In the outer model, there is a validity test used in the research, namely convergent validity and discriminant validity which are processed using SmartPLS.

Table 1. Outer Loading

	Price	Brand Image	Customer Satisfaction
X1	0.752		
X2	0.877		
X3	0.740		
X4	0.804		
Z1		0.772	
Z2		0.779	
Z3		0.799	
Z4		0.711	
Z6		0.824	
Y4			0.881
Y5			0.911

Source: Processed SmartPLS 3.0

The next testing stage is to know the value of the Average Variance Extract (AVE). Which variable can be declared valid if > 0.5 .

Table 2. Average Variance Extract (AVE)

Variable	AVE	Information
Price (X)	0.632	Valid
Brand Image (Z)	0.605	Valid
Customer Satisfaction (Y)	0.803	Valid

Source: Processed SmartPLS 3.0

Based on the table above, it can be explained that the variables price, brand image, and customer satisfaction have an Average Variance Extracted (AVE) value of more than 0.5 so that the indicators can be said to be valid. The next testing stage is to find out the composite reliability value.

Table 3. Composite Reliability

Variable	Composite Reliability	Information
Price (X)	0.872	Reliable
Brand Image (Z)	0.884	Reliable
Customer Satisfaction (Y)	0.891	Reliable

Source: Processed SmartPLS 3.0

Based on the table above, it can be explained that all variables have a value of more than 0.7, then all variables can be said to be reliable. The next testing stage is to find out the Cronbach's Alpha value which is used to measure the reliability of all indicators in the model. The measurement value can be said to be reliable if it is more than 0.6.

Table 4. Cronbach's Alpha

Variable	Cronbach's Alpha	Information
Price (X)	0.804	Reliable
Brand Image (Z)	0.836	Reliable
Customer Satisfaction (Y)	0.756	Reliable

Source: Processed SmartPLS 3.0

The goodness of Fit Model is used to determine the diversity in exogenous and endogenous variables and to determine the amount of ability of exogenous variables in explaining the diversity of endogenous variables.

Table 5. The goodness of Fit Model

Variable	R Square (R ²)
Brand Image	0.279
Customer Satisfaction	0.340

$$Q^2 = 1 - (1 - R_1) * (1 - R_2)$$

$$Q^2 = 1 - (1 - 0.279) * (1 - 0.340)$$

$$Q^2 = 1 - (0.721) * (0.66)$$

$$Q^2 = 1 - 0.475$$

$$Q^2 = 0.525$$

Source: Processed SmartPLS 3.0

It can be explained that the Q-Square Predictive Relevance (Q²) value has a result of 0.525 or 52.5%, which means that the diversity of variables that can be explained is 52.5%, while 47.5% is the contribution of other variables not discussed in this study or influenced by other variables outside this research model.

Table 6. Direct Effect

Exogenous Variable	Endogenous Variables	Original Sample (O)	Sample Mean (M)	Std Deviation	t Statistic	P Values	Information
Price	Customer satisfaction	0.202	0.202	0.123	1.637	0.102	Not significant
Price	Brand Image	0.528	0.550	0.092	5.723	0.000	Significant
Brand Image	Customer satisfaction	0.451	0.452	0.123	3.656	0.000	Significant

Source: Processed SmartPLS 3.0

Table 8. Indirect Effect

Exogenous Variable	Mediator	Endogenous Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation	t Statistic	P Values	Information
Price	Brand Image	Customer satisfaction	0.238	0.247	0.076	3.143	0.002	Significant

Source: Processed SmartPLS 3.0

Based on the results of the study, can be described that price is an important variable with the nature of its affordability which is proven to affect the brand image of Go-Jek (Go-Ride). The results of the characteristics of the customer satisfaction variable illustrate that customers are satisfied with Go-Ride's services so they want to use their services repeatedly. Go-Jek customers pay attention to the Go-Jek brand image (Go-Ride) which is in a good category can affect customer satisfaction. The better the Go-Jek brand image (Go-Ride), the higher the satisfaction for Go-Jek customers. The second hypothesis, the results of this study Go-Jek customers tend to pay attention to the Go-Jek brand image (Go-Ride) which in either category can affect customer satisfaction. The better the Go-Jek brand image (Go-Ride), the higher the satisfaction for Go-Jek customers. It can be concluded that the more affordable the price will affect the better Go-Jek (Go-Ride) brand image and the Go-Jek (Go-Ride)

brand image can increase customer satisfaction or the price will affect satisfaction through the Go-Jek brand image (Go-Ride).

The third hypothesis, the results of this study examined whether the price has a significant effect on brand image. Based on the test results of the second hypothesis obtained the results that there is a significant influence between price on brand image. It can be interpreted that the more affordable the price of Go-Jek (Go-Ride) is, the better the Go-Jek (Go-Ride) brand image will be because customers perceive that the affordability of Go-Jek (Go-Ride) prices is an advantage (favorable) on Go-Jek (Go-Ride). The fourth hypothesis, the results of this study whether the brand image has a significant effect on customer satisfaction. Based on the test results of the third hypothesis obtained the results that there is a significant influence between the brand image on customer satisfaction. It can be interpreted that the better the Go-Jek brand image (Go-Ride) can affect Go-Jek (Go-Ride) customer satisfaction, therefore the Go-Jek Company is very concerned about the superiority (favorable) of the Go-Jek brand image (Go-Ride) so that customer satisfaction continues to increase. The fifth hypothesis, the results of this study examined whether the price has a significant effect on customer satisfaction through brand image. Based on the test results of the third hypothesis obtained the results that there is a significant influence between the brand image on customer satisfaction. It can be interpreted that the affordability of Go-Jek (Go-Ride) prices can affect the satisfaction of Go-Jek (Go-Ride) customers through the good Go-Jek (Go-Ride) brand image seen by Go-Jek (Go-Ride) customers. rides). It can be concluded that the more affordable the price, the better the brand image of Go-Jek (Go-Ride), and the satisfaction of Go-Jek (Go-Ride) customers can continue to increase.

CONCLUSION

The goal of this study was to see how price affects brand image and how that affects Go-Jek customer happiness via Go-Ride services. According to the findings of the study, pricing is an essential variable with the nature of its affordability that has been shown to effect Go-brand Jek's image (Go-Ride). Customers of Go-Jek pay attention to the Go-Jek brand image (Go-Ride), which might influence customer happiness. Customers are more satisfied with Go-Jek when the brand image (Go-Ride) is better. The second hypothesis, based on the findings of this study, is that Go-Jek customers pay attention to the Go-Jek brand image (Go-Ride), which can affect customer satisfaction in either category. Customers are more satisfied with Go-Jek when the brand image (Go-Ride) is better. The third hypothesis, the results of this study examined whether the price has a significant effect on brand image. The results of this study examined whether the price has a significant effect on customer satisfaction through brand image.

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