



## Factors That Affect Customer Satisfaction and Brand Loyalty for The Apple Brand in Indonesia

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Received:023-07-2023 | Revision: 17-08-2023| Accepted:20-09-2023

To cite this document:

Amellia & Berlianto, MP., (2023) "Factors That Affect Customer Satisfaction and Brand Loyalty for The Apple Brand in Indonesia", *Manajemen Bisnis*, Vol. 13, No. 2, pp.09-24, <https://ejournal.umm.ac.id/index.php/jmb/article/view/23040/13595>

### ABSTRACT

*Currently the existing business competition is very tight, so companies are required to continue to maintain their quality and innovate on goods and services. As is the case in the electronic product business, where companies must continue to consider what things can affect customer satisfaction and brand loyalty. In this case, the subjects and objects in this study are brand trust, brand identification, brand experience, location and environment, lifestyle congruence, perceived value of cost, perceived quality that affect customer satisfaction and brand loyalty. This study was shown to determine how big the influence between the dimensions of brand trust, brand identification, brand experience, location and environment, lifestyle congruence, perceived value of cost, perceived quality on customer satisfaction and brand loyalty. This research is a causal research using a descriptive quantitative approach. The population used in this study were Apple customers, while the sample taken was 200 people. This research is sourced from primary data obtained through questionnaires. The data analysis technique used in this research is Structural Equation Modeling (SEM) analysis using Partial Least Square (PLS) program. The results of this study indicate that brand experience, location and environment have a positive effect on customer satisfaction, brand identification, brand trust, life style congruence, perceived quality, and perceived value of cost have no effect on customer satisfaction, customer satisfaction has a positive effect on Apple's brand loyalty. The contribution of this research is expected to be a consideration and input for Apple to consider the factors that influence Apple's customer satisfaction and brand loyalty.*

**Keywords:** *Perceived Quality; Perceived Value of Cost; Brand Identification; Brand Trust; Lifestyle Congruence; Location and Environment; Brand Experience; Customer Satisfaction; Brand Loyalty; Apple*

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## INTRODUCTION

Today, consumers are more interested in collecting memories than objects. According to eMarketer (2020), 65% of consumers are influenced by positive experiences throughout their buying journey. Thus, many brands are created to produce an unforgettable experience for customers, such as the Apple brand (Huang, 2017). For example, when a customer walks into an Apple store, he or she will immediately find outstanding customer service (Tailored Marketing, 2018). However, the Apple experience isn't limited to the store itself, every phase in the shopper's journey is consistent with the brand's aesthetic. Even when unboxing a new Apple product, customers are excited to open the crisp white lid to reveal a new phone that fits perfectly in its packaging. Therefore, when customers buy Apple, they are buying the total experience (Tailored Marketing, 2018). Brands have traditionally placed minimal focus on managing brand-customer touch points and emotional attributes (Iglesias et al., 2011). However, differentiating competing brands relies heavily on their ability to develop customer touch points based on experiences, such as being visually warm, pleasing, appealing to different senses and inspiring (Brakus et al., 2009; Iglesias et al., 2011). These distinctive experiences arise from the brand environment, communication, identity, servicescape, elements, etc. (Ong et al., 2018; Brakus, et al., 2009). Smartphones are a new form of mobile internet device that combines the traditional features of a telephone and a Personal Digital Assistant (PDA). Another important definition of a Smartphone is that it is a phone that offers more advanced computing and connectivity capabilities than today's basic cell phones. They weren't the first to invent personal computers, portable audio players, notebooks, smartphones, music downloading apps, or set-top boxes, to name a few. Apple has built a loyal fan base of the brand like no other, with huge revenue, market share, and profitability to back it up. Apple is focused on insight into customer behavior. Regarding the fact that Steve Jobs and Apple did not use customer analysis in the original production of their brands, consumer behavior plays an important role in their marketing and, ultimately, the growth of the company. Once a consumer purchases a product or downloads iTunes, Apple has access to the data that the company uses. Apple uses this information to gain significant insight into consumers and what drives their buying behavior. Consumer segmentation research will reveal a lot about a person's tastes. Skreli & Imami (2012), for example, found that apple consumers in Tirana, Albania, can be divided into four classes. Important qualities such as fruit origin, variety, scale, and price are assessed differently by each class. Another analysis of apple consumers in Europe found that they could be divided into six groups and further classified into two supergroups, each with different characteristics, based on similarities in attribute importance. As a result, different participants in the fruit supply chain, such as breeders, producers and retailers, benefit from a thorough understanding of the tastes of each market segment.

The purpose of this study is to identify the factors that can affect customer satisfaction and brand loyalty on Apple products. Based on (Sonia Katarina & Vinod Saini, 2019) perceived quality, perceived value of cost, brand identification, brand trust, lifestyle congruence have a positive effect on customer satisfaction, and customer satisfaction has a positive effect on brand loyalty in the oral care industry in India. Based on (Rania B. Mostafa & Tamara Kasamani, 2020) brand experience does not have a positive effect on customer satisfaction in the smartphone industry in Lebanon. Based on

(Mohammed Belal Uddin, 2019) location and environment do not have a positive effect on customer satisfaction in the fast food restaurant industry in Bangladesh. This study tries to analyze these factors. Thus, the researcher chose several factors to study which will be proven to have an effect or not on Apple's customer satisfaction and brand loyalty.

## **LITERATURE REVIEW**

### **1. Customer Satisfaction**

Satisfaction is happy or disappointed someone who compares the perception, performance or results of a product's performance with his expectations. As explained in the definition, satisfaction is a function of the perception or impression of performance and expectations. If performance is below expectations, consumers will be disappointed. If performance matches expectations, consumers will be satisfied. If performance exceeds expectations, consumers will be very happy or very satisfied (Kotler, 2002). Consumer satisfaction is the goal of all marketing strategies, so that customers become loyal to the products purchased. According to Gerson (2004) customer satisfaction is the consumer's perception that his expectations have been met or exceeded. Satisfied customers will do more and more business with you. The more satisfied consumers are, the more money they spend. Usually the more profit they make, they will buy more all the time and they will buy more often.

### **2. Perceived Quality**

Perceived quality is another dimension of brand value that is very important for consumers to choose the goods and services to buy (Aaker 1991). It is important to note that product quality is an important company resource to achieve competitive advantage (Aaker 1989). Perceived quality is defined by Zeithaml (1988) as a consumer's assessment (perception) of the superiority of a product as a whole. Compared to its successor. From this definition, it is known that perceived quality is the ability of a product to be accepted in providing satisfaction when compared to the available alternatives. High perceived quality indicates that consumers have found differences and advantages of the product with similar products after going through a long period of time. Zeithaml stated that perceived quality is a component of brand value, therefore high perceived quality will encourage consumers to prefer the brand over competitors. Previous research (Sonia Katarina & Vinod Saini, 2019) found that perceived quality has a positive effect on customer satisfaction in the oral care industry in India. Based on the description above, then:

H1: Perceived quality has a positive effect on customer satisfaction.

### **3. Perceived Value of Cost**

Perceived Value, namely this approach looks at quality in terms of value and price. By considering the trade-off between performance and price, quality is defined as affordable excellence. Quality in this perspective is relative so that the most valuable products are the best-to-buy goods and services. According to Kotler (2003), perceived value is a set of benefits that customers are expected to get from a particular product or service. Customers who consume enjoy the company's services so they are the ones who determine the quality of services. According to Kotler 1994 (in Tjiptono 2000: 54) perceived value is the customer's assessment of the quality of goods and services as a whole on the superiority of a service or product which is often inconsistent so that customers use intrinsic cues (output and service delivery) and

extrinsic cues (complementary elements), services as a reference. Previous research (Sonia Katarina & Vinod Saini, 2019) found that perceived value of cost had a positive effect on customer satisfaction in the oral care industry in India. Based on the description above then:

H2: Perceived value of cost has a positive effect on customer satisfaction.

#### 4. Brand Identification

Gelder (2005) argues that brand identity is a set of aspects that build brand representation, brand background, brand principles, goals and ambitions of the brand itself. Another opinion by Gelder (2005) which means that brand identity is what is sent by the company to the market, where this is within the control of the company and the company determines the values and expectations of the brand itself. Susanto and Wijanarko (2004), brand identity can be interpreted as an arrangement of words, impressions, and a set of forms and a number of consumer perceptions about the brand. Crainer and Dearlove (2003) argue that brand identity is the basic concept used for various theories about brands. It is very important for the company to continue to strengthen the popularity and existence of the brand itself and this can be done with the aim of making a strong relationship between the brand and the customer to be maintained. According to Kotler and Pfoertsch (2008), brand elements include visual efforts and even physical efforts that act to identify and differentiate a product or service in the company. Previous research (Sonia Katarina & Vinod Saini, 2019) found that brand identification has a positive effect on customer satisfaction in the oral care industry in India. Based on the description above then:

H3: Brand identification has a positive effect on customer satisfaction.

#### 5. Brand Trust

Brand trust is the ability of a brand to be trusted (brand reliability), which is based on consumer confidence that the product is able to fulfill the promised value and good brand intentions (brand intention) which is based on consumer confidence that the brand is able to prioritize the interests of consumers (Delgado and Manuera, 2007). 2001). The definition of brand trust is an assessment of reliability from the customer's point of view or leads to a transaction or interaction stage characterized by the fulfillment of product performance expectations and the achievement of satisfaction. So that the context of trust in the brand, the entity that is trusted is not a person, but a symbol of the product. Ferrinadewi (2008) also states that the process of creating trust in a brand is based on their experience with the brand. Experience is a source for consumers to create a sense of trust in the brand. Previous research (Sonia Katarina & Vinod Saini, 2019) found that brand trust has a positive effect on customer satisfaction in the oral care industry in India. Based on the description above then:

H4: Brand trust has a positive effect on customer satisfaction.

#### 6. Lifestyle Congruence

Lifestyle in its broadest form includes not only demographic characteristics but also attitudes towards life, beliefs and aspirations (Brassington & Pettitt, 2003). Lifestyle broadly refers to a person's unique lifestyle which is expressed by activities, interests, and opinions, all of which show differences between individuals (Solomon, 2002). Lifestyle is a person's pattern of life which is expressed in his activities, interests and opinions (Kotler, 2016). There are two main factors forming a lifestyle, namely

demographic (education level, age, income level and gender) and psychographic (consumer characteristics). The different lifestyles of each individual give rise to different perspectives. In conformity with the lifestyle, consumers use the concept of self and social groups as a standard of comparison. In the case of lifestyle conformity, comparison standards are associated with consumer consumption goals, activities, interests, and opinions which may be related to different social and personal values that are not captured by self-concept and social identity. Previous research (Sonia Katarina & Vinod Saini, 2019) found that lifestyle congruence has a positive effect on customer satisfaction in the oral care industry in India. Based on the description above then:

H5: Lifestyle congruence has a positive effect on customer satisfaction.

#### 7. Location and Environment

According to Utami (2012: 89) location is the physical structure of a business which is the main component that is seen in forming the impression of a business carried out by the company in placing its business and activities in providing service channels needed by consumers. This decision is highly dependent on the potential for economic growth and stability as well as competition and the political climate (Utami, 2012:93). According to Nitisemito (2000: 183) the definition of the work environment is everything that is around workers, which can affect a worker in carrying out the tasks given. In the context of the work environment, it can be defined as elements that exist around employees, which have a direct and indirect impact on employee performance. The definition of the corporate environment according to Swastha and Sukotjo (2004:26-27) which states that the corporate environment can be interpreted as a whole of external factors that affect the organization and its activities. Previous research (Mohammed Belal Uddin, 2019) found that location and environment did not have a positive effect on customer satisfaction in the fast food restaurant industry in Bangladesh. Based on the description above then:

H6: Location and environment have a positive effect on customer satisfaction.

#### 8. Brand Experience

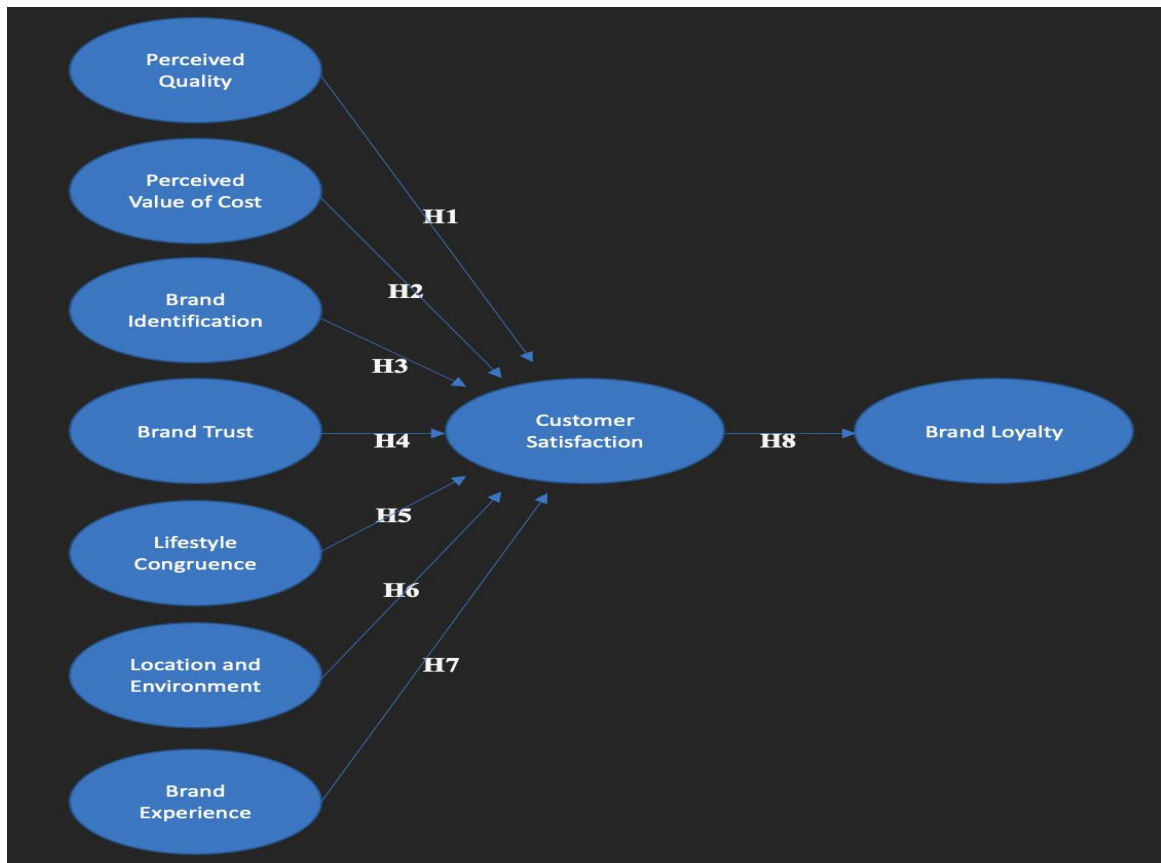
Lamb (2001) says a brand is a name, term, symbol, design or a combination of the four that identifies the seller's product and distinguishes it from competitors' products. According to Brakus et al in Yohanes Surya (2014) brand experience is defined as the sensations, feelings, cognitions and consumer responses evoked by the brand, related to the stimuli generated by the brand design, brand identity, marketing communications, people and the environment the brand is marketed. To be able to further define the brand experience, Brakus et al. in Yohanes Surya (2014) started the research by looking at the consumer's point of view by examining the experiences of consumers themselves and how those experiences produce opinions, attitudes, and other aspects of consumer behavior. Brand experience begins when consumers search for products, buy, receive services and consume products. Brand experience can be felt directly or indirectly when consumers see advertisements or also when marketers communicate products through websites. Previous research (Rania B. Mostafa & Tamara Kasamani, 2020) found that brand experience did not have a positive effect on customer satisfaction in the smartphone industry in Lebanon. Based on the description above then:

H7: Brand experience has a positive effect on customer satisfaction.

## 9. Brand Loyalty

According to Aaker (2011) consumer brand loyalty is the core of brand equity. Brand loyalty is a measure of consumer attachment to a brand. This measure is able to provide an overview of the possibility of a customer switching to another brand, especially a brand with a more attractive price or other attribute. Meanwhile, according to Schiffman and Kanuk (2007) brand loyalty is a consumer preference consistently to make purchases at the same brand on a specific product or service category. Previous research (Sonia Katarina & Vinod Saini, 2019) found that customer satisfaction has a positive effect on brand loyalty in the oral care industry in India. Based on the description above then:

H8: Customer satisfaction has a positive effect on brand loyalty.



**Figure 1.** Conceptual Framework of the Customer Satisfaction and Brand Loyalty of Apple Product

## RESEARCH METHOD

The research object used as the independent variable in this research is Customer Satisfaction and Brand Loyalty. While the object of research which is the dependent variable in this study is Perceived Quality, Perceived Value of Cost, Brand Identification,

Brand Trust, Lifestyle Congruence, Location and Environment, and Brand Experience.

The number of samples in this study was determined based on the opinion (Hair et al., 2010) that the number of samples as respondents must be adjusted to the number of question indicators that will be used in the questionnaire. Assuming  $n \times 5$  to  $n \times 10$ ,  $n$  is the observed variable (indicator). In this study there are 35 indicators so that if with a multiplication of 5 the number is 175, so it can be determined that this study uses a minimum of 175 samples, but in this study 200 samples were used to increase research precision and reduce research error standards from errors.

This study uses primary data and secondary data. The primary data in this study were obtained directly from respondents who filled out a questionnaire via google form regarding the effect of perceived quality, perceived value of cost, brand identification, brand trust, brand experience, lifestyle congruence, location and environment on customer satisfaction and brand loyalty. Respondents in this study were Apple consumers in Indonesia. As for the secondary data in this study sourced from books, journals, and various articles accessed via the internet.

Brand loyalty consists of six indicators adopted from (Chauduri & Holbrook, 2001); Customer satisfaction consists of four indicators adopted from (Spreng et al, 1996); Brand trust which consists of four indicators adopted from (Chauduri & Holbrook, 2001); Perceived value of cost consists of three indicators adopted from (Walsh et al, 2014); Perceived quality consists of five indicators adopted from (Yoo et al, 2000); Brand identification consists of three indicators adopted from (Mael & Ashforth, 1992); Lifestyle congruence consists of three indicators adopted from (Johnson et al, 2006); Location and Environment consists of three indicators adopted from (Baker & Wakefield, 2012) and (Levy Weitz, 2015); Brand experience consists of four indicators adopted from (Baron & Kenny, 1986).

The data collected in this study were analyzed using the Partial Least Square Method with SmartPLS software. So it is necessary to test the validity and reliability of the data to be used in the analysis. Referring to Holmes-Smith (2001), an indicator is declared valid if the t-statistic value is  $> 1.65$ . The criterion for this test is the outer loading coefficient, or the loading factor of each item must be greater than or equal to 0.700 (Hair, Hopkins, & Kuppelwieser, 2014). An instrument is said to be reliable if it has composite reliability and the Cronbach Alpha value is greater than or equal to 0.700. And the AVE value must be greater than or equal to 0.500 (Hair et al., 2014). Questionnaire instrument is shown and it is known that all questionnaire instruments are valid.

## **RESULT AND DISCUSSION**

### **Respondent Profile**

Researchers managed to collect 200 respondents online. Table 1 shows the profile of respondents in this study, namely there are 200 respondents (100%) who have used Apple products and 0 respondents (0%) who have never used Apple products. Age of respondents were 9 respondents (4.5%) aged  $<17$  years, 29 respondents (14.5%) aged 17-21 years, 121 respondents (60.5%) aged 22-35 years, and 41 respondents (20, 5%) aged  $>35$  years. Monthly income of respondents as many as 4 respondents (2%) with income  $<1,500,000$ , 13 respondents (6.5%) with income 1,500,000-2,999,000, 56 respondents (28%) with income 3,000,000-5,999,000, 93 respondents (46.5%) have an income of

6,000,000-10,000,000, and 34 respondents (17%) have an income >10,000,000.



**Table 1. Respondent Profile**

| Statement                           | Score | Percentage (%) |
|-------------------------------------|-------|----------------|
| Have you ever used an Apple product |       |                |
| • Yes                               | 200   | 100%           |
| • No                                | 0     | 0%             |
| Age                                 |       |                |
| • <17 years old                     | 9     | 4,5%           |
| • 17-21 years old                   | 29    | 14.5%          |
| • 22-35 years old                   | 121   | 60,5%          |
| • >35 years old                     | 41    | 20,5%          |
| Monthly income                      |       |                |
| • <1.500.000                        | 4     | 2%             |
| • 1.5000.000-2.999.000              | 13    | 6,5%           |
| • 3.000.000-5.999.000               | 56    | 28%            |
| • 6.000.000-10.000.000              | 93    | 46,5%          |
| • >10.000.000                       | 34    | 17%            |

Source: Google form

**Validity and Reliability Testing**

The first step is to test the convergent validity of the measurement model which is assessed based on the loading factor indicator value of each construct. In this study, a loading factor limit of 0.40 will be used. If the loading factor value 0.40 then convergent validity is met, and if the loading factor value is <0.40 then the indicator must be dropped from the analysis. From data processing using PLS, the following results were obtained:

**Table 2. The Loading Factor Value of Each Indicator and the Results**

| Indikator   | Loading Factor |
|---|----------------|
| <b>Brand Experience (CR=0.882 ; AVE=0.711)</b>  |                |
| BE1: Apple is part of my daily life   | 0.736          |
| BE2: Apple engage in a lot of thinking when I encounter this brand                                    | 0.803          |
| BE3: Apple makes a stong impression on my visual sense  | 0.853          |
| BE4: Apple is exciting in a sensory way   | 0.835          |
| <b>Brand Identification (CR=0.878 ; AVE=0.663)</b>  |                |
| BI1: While talking about my current Apple brand I prefer to use "we" rather than they.                | 0.834          |
| BI2: I would be embarrassed if media criticises Apple brand   | 0.935          |
| BI3: I felt like a personal insult when others criticise Apple brand                                  | 0.751          |
| <b>Brand Loyalty (CR=0.921 ; AVE=0.721)</b>   |                |
| BL1: I will purchase Apple brand next time I purchase from this product category                      | 0.693          |
| BL2: I plan to continue purchasing Apple brand  | 0.899          |
| BL3: I am believe the quality of Apple brand is superior to other                                     | 0.843          |
| BL4: I am willing to pay a higher price for Apple brand regardless of similar quality from competitor | 0.778          |

|  |       |
|--|-------|
| BL5: I will prescribe Apple brand to my acquaintance   | 0.906 |
| BL6: When asked about this product category, the name of Apple brand comes to mind immediately                                 | 0.744 |
| <b>Brand Trust (CR=0.893 ; AVE=0.653)</b>  |       |
| BT1: Apple brand enjoys my trust   | 0.775 |
| BT2: I can rely on Apple brand as it is mainly concerned with consumer's interest  | 0.890 |
| BT3: I consider Apple brand as honest brand  | 0.804 |
| BT4: I consider Apple brand as safe for consumption  | 0.815 |
| <b>Customer Satisfaction (CR=0.862 ; AVE=0.677)</b>  |       |
| CS1: Apple brand is a good as I expected   | 0.815 |
| CS2: Apple brand is worth the price I paid for it  | 0.780 |
| CS3: My needs are entirely fulfilled by Apple brand  | 0.801 |
| CS4: My expectations are generally met by Apple brand  | 0.716 |
| <b>Lifestyle Congruence (CR=0.874 ; AVE=0.676)</b>   |       |
| LC1: My personal lifestyle is reflected by Apple brand   | 0.894 |
| LC2: My lifestyle is in congruence with Apple brand  | 0.825 |
| LC3: My current lifestyle is well supported by Apple brand   | 0.788 |
| <b>Location and Environment (CR=0.863 ; AVE=0.607)</b>   |       |
| LE1: Price of Apple brand is competitive   | 0.810 |
| LE2: Apple brand is decorated attractively   | 0.850 |
| LE3: Apple brand situated in good location   | 0.807 |
| <b>Perceived Value (CR=0.861 ; AVE=0.700)</b>  |       |
| PQ1: Apple brand I use is of consistently high quality   | 0.733 |
| PQ2: Apple brand is likely to have an extremely high   | 0.646 |
| PQ3: The likelihood of functionality of Apple brand brand is quite high  | 0.791 |
| PQ4: The likelihood of reliability of Apple brand is quite high  | 0.748 |
| PQ5: Apple brand must be of very good quality  | 0.793 |
| <b>Perceived Value of Cost (CR=0.844 ; AVE=0.554)</b>  |       |
| PVC1: Apple brand brand charges brand offers attractives cost of product in comparison with alternative options                | 0.838 |
| PVC2: Apple brand charges justly in comparison with similar brand  | 0.837 |
| PVC3: Apple brand delivers me good value for money in comparison with what I paid and might get from other alternative brands. | 0.736 |

Source: (Smart-PLS output, 2022)

Based on the table, all indicators have a loading factor value of 0.50, meaning that all indicators in the initial model have met convergent validity.

### Discriminant Validity Test

The next step is to test discriminant validity to ensure that each concept of each latent variable is different from other variables. The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with other loading

values on other latent variables. The results of the discriminant validity test can be seen in the following table.

**Table 3. Discriminant Validity of Cross Loadings and Results**

|      | BE    | BI    | BL    | BT    | CS    | LC    | LE    | PQ    | PV    |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| BE1  | 0.727 | 0.568 | 0.627 | 0.621 | 0.476 | 0.76  | 0.496 | 0.542 | 0.448 |
| BE2  | 0.799 | 0.512 | 0.56  | 0.65  | 0.499 | 0.644 | 0.61  | 0.629 | 0.506 |
| BE3  | 0.853 | 0.6   | 0.582 | 0.632 | 0.653 | 0.584 | 0.533 | 0.657 | 0.535 |
| BE4  | 0.845 | 0.458 | 0.572 | 0.682 | 0.74  | 0.6   | 0.642 | 0.5   | 0.414 |
| BI1  | 0.488 | 0.849 | 0.376 | 0.531 | 0.486 | 0.562 | 0.333 | 0.436 | 0.47  |
| BI2  | 0.623 | 0.928 | 0.422 | 0.619 | 0.334 | 0.773 | 0.272 | 0.454 | 0.582 |
| BI3  | 0.572 | 0.734 | 0.289 | 0.548 | 0.278 | 0.645 | 0.21  | 0.343 | 0.449 |
| BL2  | 0.44  | 0.069 | 0.693 | 0.342 | 0.629 | 0.327 | 0.682 | 0.533 | 0.438 |
| BL3  | 0.626 | 0.493 | 0.901 | 0.567 | 0.711 | 0.637 | 0.709 | 0.601 | 0.639 |
| BL4  | 0.664 | 0.364 | 0.842 | 0.46  | 0.536 | 0.529 | 0.583 | 0.716 | 0.626 |
| BL5  | 0.712 | 0.564 | 0.772 | 0.7   | 0.59  | 0.731 | 0.621 | 0.533 | 0.574 |
| BL6  | 0.628 | 0.323 | 0.906 | 0.495 | 0.694 | 0.511 | 0.57  | 0.669 | 0.558 |
| BT1  | 0.436 | 0.315 | 0.749 | 0.348 | 0.607 | 0.419 | 0.563 | 0.47  | 0.525 |
| BT2  | 0.478 | 0.533 | 0.314 | 0.782 | 0.49  | 0.491 | 0.419 | 0.41  | 0.397 |
| BT3  | 0.686 | 0.581 | 0.541 | 0.888 | 0.584 | 0.686 | 0.547 | 0.512 | 0.506 |
| BT4  | 0.736 | 0.512 | 0.487 | 0.801 | 0.499 | 0.649 | 0.453 | 0.549 | 0.474 |
| CS1  | 0.707 | 0.56  | 0.588 | 0.813 | 0.637 | 0.666 | 0.659 | 0.567 | 0.627 |
| CS2  | 0.664 | 0.473 | 0.664 | 0.557 | 0.85  | 0.535 | 0.611 | 0.4   | 0.391 |
| CS3  | 0.643 | 0.252 | 0.676 | 0.565 | 0.797 | 0.435 | 0.65  | 0.589 | 0.492 |
| LC1  | 0.542 | 0.409 | 0.574 | 0.552 | 0.819 | 0.542 | 0.678 | 0.432 | 0.501 |
| LC2  | 0.616 | 0.608 | 0.505 | 0.637 | 0.507 | 0.892 | 0.547 | 0.39  | 0.736 |
| LC3  | 0.674 | 0.664 | 0.587 | 0.657 | 0.573 | 0.834 | 0.567 | 0.425 | 0.535 |
| LE1  | 0.678 | 0.653 | 0.523 | 0.62  | 0.439 | 0.779 | 0.443 | 0.468 | 0.514 |
| LE2  | 0.627 | 0.33  | 0.561 | 0.583 | 0.57  | 0.584 | 0.793 | 0.485 | 0.592 |
| LE3  | 0.635 | 0.249 | 0.643 | 0.582 | 0.731 | 0.555 | 0.849 | 0.5   | 0.512 |
| PQ1  | 0.483 | 0.261 | 0.684 | 0.422 | 0.621 | 0.41  | 0.827 | 0.549 | 0.539 |
| PQ3  | 0.447 | 0.162 | 0.569 | 0.337 | 0.44  | 0.249 | 0.568 | 0.754 | 0.449 |
| PQ4  | 0.498 | 0.346 | 0.288 | 0.419 | 0.338 | 0.378 | 0.33  | 0.642 | 0.327 |
| PQ5  | 0.602 | 0.47  | 0.523 | 0.611 | 0.471 | 0.475 | 0.498 | 0.771 | 0.472 |
| PVC1 | 0.432 | 0.199 | 0.635 | 0.328 | 0.399 | 0.274 | 0.529 | 0.757 | 0.571 |
| PVC2 | 0.651 | 0.624 | 0.629 | 0.593 | 0.483 | 0.499 | 0.376 | 0.791 | 0.585 |
| PVC3 | 0.4   | 0.572 | 0.534 | 0.456 | 0.346 | 0.59  | 0.439 | 0.521 | 0.827 |

Based on the table above, it can be seen that the cross loading value for all indicators of each latent variable is greater than the cross loading value if it is associated with other latent variables. So it can be concluded that overall the estimated latent variables meet good discriminant validity.

### Hypothesis Test Results

**Table 4. Hypothesis Result Test**

| Hipotesis  | Original Sample (O) | T Statistics ( O/STDEV ) | P Values | Result   |
|--|---------------------|--------------------------|----------|----------|
| <b>H1</b> : Perceived quality has a positive effect on customer satisfaction         | -0.094              | 1.155                    | 0.248    | REJECTED |
| <b>H2</b> : Perceived value of cost has a positive effect on customer satisfaction   | 0.016               | 0.182                    | 0.856    | REJECTED |
| <b>H3</b> : Brand identification has a positive effect on customer satisfaction      | 0.119               | 1.860                    | 0.390    | REJECTED |
| <b>H4</b> : Brand trust has a positive effect on customer satisfaction               | 0.129               | 1.414                    | 0.158    | REJECTED |
| <b>H5</b> : Lifestyle congruence has a positive effect on customer satisfaction      | -0.193              | 1.173                    | 0.241    | REJECTED |
| <b>H6</b> : Location and environment have a positive effect on customer satisfaction | 0.557               | 4.799                    | 0.000    | ACCEPTED |
| <b>H7</b> : Brand experience has a positive effect on customer satisfaction          | 0.386               | 2.837                    | 0.005    | ACCEPTED |
| <b>H8</b> : Customer satisfaction has a positive effect on brand loyalty             | 0.778               | 20.109                   | 0.000    | ACCEPTED |

Source: (Smart-PLS output, 2022)

Hypothesis 1 states that perceived quality affects customer satisfaction. However, the result of this study do not support this hypothesis. This show that high perceived quality does not affect the customer satisfaction of the Apple brand in Indonesia. Consumers pay attention to other things outside of perceived quality in the customer satisfaction of the Apple brand in Indonesia such as price, brand passion, and others.

Hypothesis 2 states that perceived value of cost affects customer satisfaction. However, the result of this study do not support this hypothesis. This show that high perceived value of cost does not affect the customer satisfaction of the Apple brand in Indonesia. Consumer pay attention to other things outside of perceived value of cost in the customer satisfaction of the Apple brand in Indonesia such as price, brand passion, and others.

Hypothesis 3 states that brand identification affects customer satisfaction. However, the result of this study do not support this hypothesis. This show that high brand identification does not affect the customer satisfaction of the Apple brand in Indonesia. Consumer pay attention to other things outside of brand identification in the customer satisfaction of the Apple brand in Indonesia such as price, brand passion, and others.

Hypothesis 4 states that brand trust affects customer satisfaction. However, the result of this study do not support this hypothesis. This show that high brand trust does not affect the customer satisfaction of the Apple brand in Indonesia. Consumer pay

attention to other things outside of brand trust in the customer satisfaction of the Apple brand in Indonesia such as price, brand passion, and others.

Hypothesis 5 states that lifestyle congruence affects customer satisfaction. However, the result of this study do not support this hypothesis. This show that high lifestyle congruence does not affect the customer satisfaction of the Apple brand in Indonesia. Consumer pay attention to other things outside of lifestyle congruence in the customer satisfaction of the Apple brand in Indonesia such as price, brand passion, and others.

Hypotesis 6 states that location and environment have an effect on customer satisfaction (T-statistic of  $4.799 > 1.65$ ; p-value  $< 0.05$ . This means that the higher the location and environment, the higher the customer satisfaction. These result indicate that the management of Apple in Indonesia has succeeded in creating strategic store locations and environment so that consumer are comfortable shopping at Apple and others. This hypothesis is a accepted and not supported by previous research (Mohammed Belal Uddin, 2019)

Hypotesis 7 states that brand experience have an effect on customer satisfaction (T-statistic of  $2.837 > 1.65$ ; p-value  $< 0.05$ . This means that the higher the brand experience, the higher the customer satisfaction. These result indicate that the management of Apple in Indonesia has succeeded in creating to provide the best experience so that consumer are very familiar with Apple product clarity and others. This hypothesis is a accepted and not supported by previous research (Rania B. Mostafa & Tamara Kasamani, 2020)

Hypotesis 8 states that customer satisfaction have an effect on brand loyalty (T-statistic of  $20.109 > 1.65$ ; p-value  $< 0.05$ . This means that the higher the location and environment, the higher the brand loyalty. These result indicate that the management of Apple in Indonesia has succeeded in creating to provide the best service so that consumer are satisfied, comfortable shopping at Apple and others. This hypothesis is a accepted and supported by previous research (Sonia Katarina & Vinod Saini, 2019)

### R<sup>2</sup> Test Result

The R<sup>2</sup> test of the data processing output using SmartPLS is obtained by taking into account the values in the R Square table listed in the following table:

**Tabel 6. R-Square dan R Square Adjusted**

|                       | R Square | R Square Adjusted |
|-----------------------|----------|-------------------|
| Brand Loyalty         | 0.606    | 0.604             |
| Customer Satisfaction | 0.707    | 0.696             |

The R<sup>2</sup> value for the Brand Loyalty variable of 0.606 indicates a direct influence of the Perveived quality variable, Perceived value of cost, Brand identification, Brand trust, Lifestyle congruence, Location and environment, Brand experience, by 60.6%, while the rest is 44.5 % is influenced by other variables not discussed in this study. Meanwhile, the R<sup>2</sup> value for the Customer Satisfaction variable is 0.707 indicating a direct influence on the variables Perceived quality, Perceived value of cost, Brand identification, Brand trust, Lifestyle congruence, Location and environment, Brand experience of 70.7%, while

the rest is 29.3 % is influenced by other variables not discussed in this study.

## **CONCLUSION**

This study proves that perceived quality does not have a positive effect on customer satisfaction, perceived value of cost does not have a positive effect on customer satisfaction, brand identification does not have a positive effect on customer satisfaction, brand trust does not have a positive effect on customer satisfaction, lifestyle congruence does not have a positive effect on customer satisfaction. , location and environment have a positive effect on customer satisfaction, brand experience has a positive effect on customer satisfaction, and customer satisfaction has a positive effect on brand loyalty based on the data described above.

The theoretical implications of this research are based on the results of the analysis conducted in the study. This study modifies the research conducted by (Sonia Kartika & Vinod Saini 2019) and (Muhammad Belal Uddin 2019). Based on the analysis of this research, brand experience has a positive and significant effect on customer satisfaction, brand identification has a positive and insignificant effect on customer satisfaction, brand trust has a positive and insignificant effect on customer satisfaction, lifestyle congruence has no positive and insignificant effect on customers. Satisfaction, location and environment have a positive and significant effect on customer satisfaction, perceived quality has no positive and insignificant effect on customer satisfaction, perceived value has a positive and insignificant effect on customer satisfaction, customer satisfaction has a positive and significant effect on brand loyalty .

The managerial implication in this study is that customer satisfaction is also important for a company to ensure brand loyalty. Customer satisfaction in a company must be provided by providing existing facilities, the quality of services provided, prices and services provided are expected to provide positive value for the company concerned. Based on the results of this study, it shows that Apple customers agree that some of the factors above can affect brand loyalty. The results of this study are expected to be input to the Apple companies in dealing with issues or problems faced regarding customer satisfaction and loyalty. Companies can improve the forms of service that will be provided to customers and provide an understanding of the forms of service to customers so that customers can feel the value.

Research with the same variables on other electronic products to further prove or test this model. Further research can use other objects, which are not only engaged in the field of electronic products. In the future, the authors hope that the shortcomings contained in this study can be better addressed by further research so that the limitations of the current research can be resolved.

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