The Influences of Brand Image and Perceived Value on Satisfaction to Improve Customer Loyalty

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Abstract: The Intense competition among cosmetics industry requires companies to adopt appropriate marketing strategies to compete with competitors and win the market. This research was conducted to explain the effect of brand image and perceived value on satisfaction to increase customer loyalty both and explain differences in the level of satisfaction and loyalty of cosmetic users based on religious segments. This research was conducted in Denpasar City and Badung Regency. The number of sample was 160 respondents. Purposive sampling was selected as sampling method. Data collection was obtained from the results of questionnaires using a five-point Likert scale that was used to measure 16 indicators using the PLS analysis method. The results showed that there was a significant positive effect on brand image and perceived value on satisfaction to increase customer loyalty, customer satisfaction mediated the influence of brand image and perceived value on customer loyalty, and there were differences in the level of satisfaction and loyalty of cosmetic users based on religious segments. The theoretical implication of this research is the results of this study can enrich references to consumer behavior in marketing, especially on the perception of increasing customer loyalty. Brand image, perceived value and customer satisfaction directly and positively and significantly influence customer loyalty. Customer satisfaction also plays a role as a mediating variable in the relationship of the influence of brand image and perceived value on customer loyalty. In addition, the results of this study also strengthen the results of previous studies related to Wardah cosmetics. The practical implication of this research is that this research can be used as a model for evaluating strategies at PT. Paragon Technology and Innovation as a company that manufactures Wardah on brand image, perceived value, satisfaction and customer loyalty.

Keywords: Brand Image, Perceived Value, Customer Satisfaction, And Customer Loyalty.

I. INTRODUCTION

Women are regarded as creatures who love beauty. The tendency of women who want to look beautiful every day and become the center of attention, makes women happy to beautify themselves by using good cosmetics with powder on the face to lipstick on the lips. The use of lipstick are considered the most important for most women because the lips are also a center of attention. This is used as an opportunity for cosmetics manufacturers to develop their business opportunities. The world's population is now beginning to focus on the halal make up trend, especially Indonesia, which can be said to be the majority of the population is Muslim. The halal cosmetics phenomenon is something new. The easiest understanding of this trend is beauty products that are in accordance with Islamic law in the production process or its contents. The best known, the product does not contain pork and pork oil which is usually used in lipstick. Some quotes from the official website of Wardah Cosmetics (www.wardahkosmetik.com) state that Wardah Products are pure and safe products, they contain safe and halal raw materials, created to create a sense of security for its users, Wardah unites the latest technological concepts by promoting quality, safe, and natural raw materials. Supervised carefully and continuously by experts in the field of cosmetics in the production process. Before a Wardah product is sold in the market, an experiment called a blind test is conducted to ensure that the product being sold is safe. Wardah also claims that his company is a beauty expert.
Wardah, which is quite popular in Indonesia, has succeeded in becoming a halal brand pioneer, where it has become natural for a cosmetic brand to have a prominent or iconic product, the product is a Lipstick product. Wardah Lipstick is a matte textured lipstick product is a cosmetic product that is phenomenal and has become a trend that is followed by women, especially teenagers. In the face of competition, customer loyalty is certainly very important for Wardah to maintain its existence from year to year. According to [19] loyal customers will make repeated purchases periodically, buy other products offered by the same manufacturer, and recommend those products or services to others. Loyalty is defined as a firmly held commitment to buy or subscribe to certain products or services in the future despite the influence of the situation and marketing efforts that have the potential to cause consumers to switch [29]. In this era of increasingly fierce competition, one of Wardah's ways to get loyal customers is by satisfying customer needs consistently from time to time. Many ways can be used to satisfy customer needs. One way to achieve competitive advantage in maintaining customer loyalty is to establish a good brand image in the eyes of customers and also the perceived value of their products, so it is expected that customer satisfaction will increase if the product purchased is in accordance with what which is expected. Often companies are competing to strengthen the brand image (brand image) of their products, or are increasingly looking for ways that the use value of a product with a perceived price becomes balanced (perceived value) which ultimately affects the purchasing decisions.

Achieving customer satisfaction, either by increasing the brand image of its products, or by increasing the perception of the value of a product, then of course customer loyalty is the goal of a company will be easily achieved. This is supported by previous researcher [20] who stated that there was a significant positive relationship between customer satisfaction and customer loyalty. In line with that, [26] which states that there is a significant positive relationship between customer satisfaction and customer loyalty. However, some of the results of these studies differ from the results of research from [31] which states there is no significant influence of customer satisfaction on customer loyalty. The inconsistency of the results of this previous study makes it one of the gap elements of this study.

Reference 28 explains brand image as one of the stages in the hierarchy of brand communication (hierarchy of branding), brand image plays an important role in the development of a brand because brand image concerns the reputation and credibility of the brand which then becomes a "guideline" for consumers to try or using a product so that it gives rise to certain experiences (brand experience) that will determine whether the consumer will be satisfied and loyal or just an opportunist (easily moved to another brand).

This is in line with previous research by [7] which says there is a positive and significant influence of brand image on customer satisfaction that leads to customer loyalty. Likewise with [1] which states that brand image affects customer satisfaction and customer loyalty, customer satisfaction also affects customer loyalty. However, the statements of several researchers above are different from the results of research from [10] which states that brand image variables have no significant effect on variables customer satisfaction. Likewise with [15] in their research also stated that brand image does not significantly influence customer loyalty. Based on the inconsistency of the results of these studies makes one of the gap elements in this study.

Wardah in maintaining customer satisfaction and loyalty also does not forget in calculating the perception of value (perceived value) on its products, especially lipstick. According to [50] the perceived value is the result or benefit received by the customer in relation to the total cost (including the price paid plus other costs associated with the purchase). Products are said to have a high value if it is in accordance with the needs, desires, and demands of customers [29]. The higher the value of a product felt by consumers, the easier it will be to reach the level of customer satisfaction. This is supported by [40] which states that perceived value (perceived value) has a significant positive effect on increasing customer satisfaction. [9] also states that the perceived value of a product has a significant positive effect on customer satisfaction and loyalty. In line with that [23] which states the functional value of a product is a major consideration to satisfy customers. However, some of the results of the above research are different from research from [8] which states there is no significant relationship between perceived value of customer satisfaction. Likewise, [41] stated that value perception has an indirect effect on customer loyalty. Based on the inconsistency of the results of these studies makes one of the gap elements in this study. Wardah cosmetics, which has been a halal brand in Indonesia since 1999, has made this product loved by Muslim women, especially Indonesian women. By cooperating with artists who wear hijab in their advertisements, they will certainly attract Muslim women's interest in using Wardah cosmetic products. However, observations in the field show that this cosmetic product is also used by non-Muslim women in Bali. That means users of this cosmetic brand are women outside the target market segment. From the perspective of consumer behavior, different market segments show different behaviors which ultimately also require different strategies for
marketers of these products. The introduction of paper contains the nature of research work, purpose of work, and the contribution of this paper. It contains the references of the previous work done. This template is in Word document, provides authors with most of the formatting specifications required by the author for preparation of their research paper.

II. HYPOTHESIS

H₁: Brand image has a significant positive effect on customer satisfaction.
H₂: Brand image has a significant positive effect on customer loyalty.
H₃: Perceived value has a significant positive effect on customer satisfaction.
H₄: Value perception has a significant positive effect on customer loyalty.
H₅: Customer satisfaction has a significant positive effect on customer loyalty.
H₆a: There are differences in the level of customer satisfaction between cosmetics users in the Muslim and non-Muslim segments.
H₆b: There is a difference in the level of customer loyalty between Muslim and non-Muslim cosmetic users.

III. RESEARCH METHOD

This research uses a quantitative approach and is associative research. This research was conducted in the Province of Bali, represented by the Denpasar City area and also the Badung Regency. These two locations were chosen based on the population, especially the number of women in the city of Denpasar and Badung Regency occupying the most positions. The population of this research is the customer of Wardah brand lipstick products domiciled in Denpasar City and Badung Regency, with infinite population that is the population whose number is not known with certainty. The determination of the sample in this study refers to the opinion of [16] which states that the sample size depends on the number of indicators multiplied by 5 to 10. The total number of indicators used in this study is 16 indicators multiplied by 10 to 160 respondents. To conduct a comparative study based on religious segments, the researcher will divide the total sample in Denpasar City and Badung Regency by 80 respondents in each region. Respondents in each region will be divided evenly based on their religious segments, namely 40 respondents for Muslims, and another 40 respondents for non-Muslims. So in Badung Regency and Denpasar City, a total of 80 respondents will be Muslim, and 80 respondents will be non-Muslim.

IV. RESULT AND DISCUSSION

Hypothesis testing is done by bootstrapping resampling method. The statistical test used is the t statistic or the t test, when a t-statistic value is obtained > t table. T table is obtained through the t table with a significance of 0.05 and df (degrees of freedom) = n - 2 or 80 - 2 = 78, so the t table value is 1.664, it can be concluded that the results are significant.
TABLE 1: TEST RESULTS OF DIRECT EFFECT

| Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistic (|O/STDEV|) | P Values |
|---------------------|-----------------|---------------------------|--------------------------|----------|
| Brand Image (X₁) → Customer Satisfaction (Y₁) | 0,078 | 0,069 | 0,098 | 4,533 | 0,000 |
| Perceived value (X₂) → Customer Satisfaction (Y₁) | 0,780 | 0,781 | 0,092 | 8,461 | 0,000 |
| Brand Image (X₁) → Customer Loyalty (Y₂) | 0,026 | 0,030 | 0,102 | 7,219 | 0,000 |
| Perceived value (X₂) → Customer Loyalty (Y₂) | 0,011 | 0,044 | 0,171 | 4,424 | 0,000 |
| Customer Satisfaction (Y₁) → Customer Loyalty (Y₂) | 0,805 | 0,827 | 0,156 | 5,164 | 0,000 |

TABEL 2: TEST RESULTS OF INDIRECT EFFECT

| Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistic (|O/STDEV|) | P Values |
|---------------------|-----------------|---------------------------|--------------------------|----------|
| Brand Image (X₁) → Costumer Satisfaction (Y₁) → Customer Loyalty (Y₂) | 0,063 | 0,061 | 0,086 | 4,730 | 0,000 |
| Perceived value (X₂) → Customer Satisfaction (Y₂) → Customer Loyalty (Y₂) | 0,628 | 0,647 | 0,148 | 4,247 | 0,000 |

TABLE 3: TEST RESULT OF DETERMINATION (R²) 1ST SUB STRUCTURAL

<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>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0,655</td>
<td>0,507</td>
<td>0,390</td>
<td>1,426</td>
<td>Muslim</td>
</tr>
<tr>
<td>2</td>
<td>0,173</td>
<td>0,105</td>
<td>0,020</td>
<td>1,754</td>
<td>Non-Muslim</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perceived value (X₂), Brand Image(X₁)
b. Dependent Variable: Customer Satisfaction (Y₁)

A. The Influence Of Brand Image on Customer Satisfaction

The results of hypothesis testing prove that brand image has a positive and significant effect on customer satisfaction. The higher the brand image of Wardah brand lipstick products, the customer satisfaction will increase. This is evidenced by the brand image owned by Wardah where Wardah is still a pioneer for labeled cosmetics and halal certified cosmetics which are loved by not only Muslim women but also non-Muslims. Wardah matte lipstick which until now also occupies the first position of the Top Brand Index of lipstick cosmetics in Indonesia, also makes Wardah more fans. This positive brand image seems to increasingly make customers of Wardah brand lipstick products even more satisfied with the product. This is supported by previous research from [13] which states that the higher the brand image, the higher the customer satisfaction will be. Correspondingly, [15] states that there is a significant influence between brand image and customer satisfaction. Likewise, [28] also explains brand image as one of the stages in the hierarchy of brand communication (hierarchy of branding), brand image plays an important role in the development of a brand because brand image concerns the reputation and credibility of the brand which then becomes a "guideline" for consumer audiences to try or use a product so that it gives rise to certain experiences (brand experience) that will determine whether the consumer will be loyal or just an opportunist (easily moved to another brand).

B. The Influence Of Brand Image On Customer Loyalty

The results of hypothesis testing prove that brand image has a positive and significant effect on customer loyalty. The higher the brand image of Wardah brand lipstick products, the customer loyalty to the brand will also increase. This is supported by the survival of Wardah brand lipstick which became the Top Brand Index (TBI) from 2015 to 2018. By looking at the ranking of the Top Brand Wardah lipstick brand from year to year it can be interpreted that the level of...
sales of Wardah brand lipstick products has experienced sales which continues to increase from 2015-2018. This can also mean that the level of recognition of Wardah brand lipstick products by the public from 2015-2018 is indeed higher. This means that consumers from year to year are increasingly loyal to Wardah brand lipstick which is certainly supported by the increasingly positive brand image of Wardah itself. The results of this study are certainly supported by several previous studies namely [57] in his research found that a company's brand image significantly affects customer loyalty, therefore companies must build long-term and mutually beneficial relationships with customers and create loyalty as a competitive advantage in the market. Similarly, [47] states that brand image has a positive and significant influence on customer loyalty. Positive satisfaction and brand image that collectively influences customer loyalty to maintain sustainable growth [13].

C. The Influence Of Perceived Value On Customer Satisfaction

The results of hypothesis testing prove that perceived value has a positive and significant effect on customer satisfaction. The higher the perceived value of Wardah brand lipstick products, the higher customer satisfaction with the product. This is indicated by the results of the respondents who most answered strongly agree on the statement about the perceived value that Wardah brand lipstick products make their appearance more confident. This means that the value generated from a product can increase customer satisfaction. The results of this study are supported by several previous studies namely [41] which states that the perception of value has a significant positive effect on increasing customer satisfaction. In line with that [23] which states the functional value of a product is a major consideration to satisfy customers. Products are said to have a high value if it is in accordance with the needs, desires, and demands of customers [29].

D. The Influence Of Perceived Value On Customer Satisfaction

The results of hypothesis testing prove that the perception of value has a significant positive effect on customer loyalty. The higher the perception of the value of Wardah brand lipstick products in the eyes of customers, the level of customer loyalty will certainly increase. This is indicated by the number of respondents who responded strongly agreed to the statement of perceived value that the costs incurred to purchase Wardah brand lipstick products in accordance with the quality produced. According to [32] perceived value is the result or benefit received by the customer in relation to the total costs (including the price paid plus other costs associated with the purchase). The perception of customer value can also mean the customer's business comparing products/services of certain companies with competing companies in terms of benefits, quality, price. This means that the match between the cost and the quality produced, makes customers more loyal. The results of this study are of course also supported by several previous studies namely [24] which states that there is a significant positive effect between perceived value on customer loyalty. Likewise with [3] and also [20] which states that to increase customer loyalty, marketers must focus on increasing the perception of customer value for a product first. Correspondingly, [5] states that there is a significant influence between perceived value of customer loyalty to a product.

E. The Influence Of Customer Satisfaction On Customer Loyalty

Hypothesis testing results prove that customer satisfaction has a significant positive effect on customer loyalty. The higher the level of customer satisfaction with Wardah brand lipstick products, the more loyal the customer will be to the brand. This is indicated by the large level of suitability of Wardah brand lipstick products that are purchased with customer expectations of these products so that makes customers become more satisfied and loyal to these products. Most studies confirm that satisfied clients have more possibilities to repurchase and communicate positively to an organization [6]. The results of this study are certainly supported by several previous studies namely [12], [56] showing that customer loyalty can be increased by satisfaction as one of the most influential factors. Reference [57] in their research also states that there is a significant positive relationship between customer satisfaction and customer loyalty.

F. The Influence Of Brand Image On Customer Loyalty Is Mediated By Customer Satisfaction

Hypothesis test results prove that customer satisfaction partially mediates the influence of brand image on customer loyalty. This means that the better the brand image of Wardah brand lipstick products in the eyes of customers, the higher the customer loyalty to the product. Customer loyalty will increase even more if the brand image of Wardah brand lipstick products can increase customer satisfaction. A company that continually promotes and displays a good brand image will be very profitable. This can provide a better position in the market, sustainable competitive advantage, and increase market share or performance. As a result it will increase the likelihood that consumers will buy the brand that is being
desired [47]. This is supported by previous research which states that brand image affects customer satisfaction and customer loyalty, customer satisfaction also affects customer loyalty [1]. Similarly, [12], [56] show that customer loyalty can be increased by satisfaction as one of the most influential factors.

G. The Influence Of Perceived Value On Customer Loyalty Is Mediated By Customer Satisfaction

Hypothesis test results prove that customer satisfaction partially mediates the effect of perceived value on customer loyalty. This means that the better the perceived value of customers from Wardah brand lipstick products in the eyes of customers, the higher the customer loyalty to the product. Customer loyalty will increase again if the perceived value of customers from Wardah brand lipstick products can increase customer satisfaction. Products are said to have a high value if it is in accordance with the needs, desires, and demands of customers [29]. The higher the perceived value of a product, then of course it will lead to consumer loyalty to a product. When a product is able to meet the needs of its customers, then that's when satisfaction arises. Satisfaction is a feeling of pleasure or disappointment someone obtained from comparing the performance or results felt on a product or service with expectations expected [29]. This is in line with [11] which states that to increase consumer loyalty, marketers must focus on increasing the perception of customer value of a product first. Loyalty will certainly be created when satisfaction is felt by customers. Satisfied clients have more possibilities to repurchase and communicate positively to an organization [6].

H. The Comparative Level Of User Satisfaction

The results of hypothesis testing prove that there are differences in the level of customer satisfaction between cosmetics users of Muslim and non-Muslim segments. Based on sub-structural 1 determinant test results (R2) it is shown that the level of customer satisfaction using Wardah brand lipstick products for the Muslim segment is 50.7% and for the non-Muslim segment is 10.5%. This means that the level of customer satisfaction of the Muslim segment towards Wardah brand lipstick products is greater than that of the non-Muslim segment. This is certainly supported by the brand image of Wardah, which until now is still a pioneer for halal-labeled cosmetics brands. In addition Wardah also uses a lot of hijab models in promoting its products including lipstick. This certainly strengthens the brand image of Wardah itself. Besides news shows such as Liputan6.com, also stated that about 97 percent of Indonesian women aged 15-35 years agreed to agree on the importance of halal certificates and the number of the Food and Drug Supervisory Agency (BPOM) in a beauty product. Halal is perceived as a beauty product that contains natural ingredients, so it can be chosen for long-term use. Not only that, the definition of Halal is perceived as having a quality product that is maintained from upstream to downstream, not only does not contain things that are forbidden according to Islamic Sharia alone, but is also healthy. Based on this, naturally Indonesian women who are dominated by Muslims will be more interested and have their own satisfaction when using Wardah brand lipstick products that are halal certified, although it does not rule out the possibility for non-Muslim women to feel satisfied with this Wardah brand lipstick products.

I. Comparison of User Loyalty Levels

The results of hypothesis testing prove that there are differences in the level of customer loyalty between Muslim and non-Muslim cosmetic users. Based on the results of the sub-structural determinant test (R2) 2, it is shown that the level of customer loyalty using Wardah brand lipstick products for the Muslim segment is 74.2% and for the non-Muslim segment is 12.5%. This means that the customer loyalty level of the Muslim segment towards Wardah brand lipstick products is greater than that of the non-Muslim segment. This is certainly related to the brand image of Wardah which is indeed the number one cosmetic brand pioneer to date which is halal certified, Wardah has also become the Top Brand Index for lipstick in Indonesia until now, where the percentage is increasing every year, indicating that the level of fame and popularity sales of Wardah brand lipstick products are indeed increasing. With halal certification will certainly increasingly make Indonesian women, especially from the Muslim segment, believe that the ingredients contained in cosmetics are certainly safe and in accordance with Islamic law. This certainly can be said the level of customer loyalty to Wardah brand lipstick is getting higher especially for Indonesian women who in terms of numbers are dominated by Muslims, although it does not rule out also that non-Muslim women believe the same thing but indeed in terms of the percentage of Muslim women more dominates than non-Muslim women.

V. CONCLUSION

Based on the results of research and analysis that has been done and discussions that have been described in the previous chapter, it can be concluded that the brand image variable has a significant positive effect on customer satisfaction Wardah brand lipstick products, which means that the higher brand image of Wardah brand lipstick products, customers
will be more satisfied with the product. The brand image variable has a positive and significant effect on customer loyalty of Wardah brand lipstick products, which means that the higher the brand image of Wardah brand lipstick products, the more loyal the customer will be to the product. The perceived value variable has a significant positive effect on customer satisfaction of Wardah brand lipstick products, which means that the higher the perceived value of Wardah brand lipstick products felt by the customer, the customer will be more satisfied with the product. The perceived value variable has a significant positive effect on customer loyalty of Wardah brand lipstick products, which means that the higher the perceived value of Wardah brand lipstick products felt by the customer, the more loyal the customer will be to the product. The customer satisfaction variable has a significant positive effect on customer loyalty of Wardah brand lipstick products, which means that the more satisfied the customer is with Wardah brand lipstick products, the more loyal the customer will be to the product. Variable customer satisfaction is able to mediate the influence of brand image and perceived value of Wardah brand lipstick products on customer loyalty, which means that if a good brand image and perceived value of customers can make customers feel satisfied, then it will certainly increase customer loyalty to Wardah brand lipstick products. There are differences in the level of satisfaction and level of customer loyalty between cosmetic users of Muslim and non-Muslim segments, where the level of satisfaction and customer loyalty level of cosmetic users from the Muslim segment is greater than the non-Muslim segment.

The advice that can be given is customer loyalty is the goal for every company, to create loyal customers of course customer satisfaction must be met. Overall, the response from customers of Wardah brand lipstick products in every statement regarding variable brand image, perceived value, customer satisfaction, and customer loyalty has been very good. So it is important for companies to increase efforts to maintain customer loyalty, so that customers not only make repeat purchases, but recommend the product to others who will certainly expand their market. The results of this study also indicate that the level of satisfaction and loyalty of Muslim women is higher than non-Muslim women for Wardah brand lipstick products, from this Wardah should better reconsider how the strategy to increase satisfaction and loyalty of women from non-Muslim segments towards Wardah brand lipstick in order to further expand the market and of course maintain the achievements that have been achieved to date.

REFERENCES


