The Impact of Brand Image, Perceived Price and Service Quality Toward Customer Satisfaction

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Abstract— It has often been argued that customer satisfaction can contribute significantly to a company's success in a variety of ways. This study aims to analyze the effect of brand image, perceived price and service quality on customer satisfaction. The method of data collection is convenience sampling. The samples of this research are collected from 109 respondents, who are the customers in one of the biggest service center in Jakarta. The technique of data analysis used in this study was regression analysis. The results is : the relationship between brand image, perceived price and service quality have a significant and positive impact toward customer satisfaction.

Keywords: brand image, perceived price, service quality, customer satisfaction

I. INTRODUCTION

The development of communication technology has gone through significant changes from each generation. As evidenced by the emergence of various kinds of telecommunications equipment with high-level technology. Smartphone is currently the trend in communication technology in the society. Smartphone manufacturers see a phenomenon that the importance of smartphones for each individual in Indonesia, making smartphone manufacturers compete to meet the needs of their customers. Therefore, customer satisfaction is an important thing to note. According to Han and Ryu [1] defined "Customer satisfaction is an overall judgment of the perceived discrepancy between prior expectation and actual consumption." When customers are satisfied, there will be a harmonious relationship between company and consumers, creating a good foundation that can benefit a company.

Customer satisfaction is influenced by brand image, perceived price and service quality, this is in line with the research that conducted by Sayed [2] which states that customers will be satisfied with good service, friendly workers and a comfortable place, to form a brand image that embedded in the mind of the customer. Adi and Tjokorda [3] in their research suggest that there is an influence given by perceived price to customer satisfaction. This shows that the better the price perception perceived by the customer then the customer satisfaction will increase. Research conducted by Lai, Griffin and Babin [4] suggests that service quality has a significant and strong influence on customersatisfaction

The purpose of this study is to determine the effect of a) brand image, b) price perception, c) service quality on customer satisfaction. The results of this study are expected to provide information to service center X in decision making to improve customer satisfaction by using brand image factors, perceived price and service quality..

II. LITERATURE REVIEW AND HYPOTHESES

Brand Image

Hawkins and Mothersbaugh [5] defined brand image as "Brand image refers to the schematic memory of a brand. It contains the target market's interpretation of the product attributes, benefits, usage situations, users, and manufacturers / marketer characteristics". Hsieh and Lindrige [6] also defined that brand image is "A set of perceptions about a brand as reflected by the brand associations held in consumers memory," while Fandy Tjiptono [7] defines brand image as a description of association and consumer confidence in certain brands.

Based on the theories above brand image could be defined a set of brand associations that are formed and attached to the minds of consumers. Consumers who are accustomed to using certain brands tend to have consistency with the brand image.

Perceived Price

Schiffman [8] defined perceived price as "Perceived

price is a customer perceived price - as high, as low, or as fair." Meanwhile according to Freddy Rangkuti "Perception of price is the relative cost that the costumers must spend to get the goods or services he wants." Meanwhile according to H-W. Kim et al. [10] "Perceived price is considered to be the perceived level of monetary price in one vendor in comparison with prices of other vendors." Based on the theories above perceived price could be defined as the consumer's perception of the price that must be spent to obtain an itemor service.

Service Quality

Parasuraman, Zeithaml and Berry [11] define service quality as "service quality a comparison between what customers consider the service and their perceptions about the performance offered by the service provider." Meanwhile, according to Palmer [12] defines "service quality is a highly abstract construct, in contrast to goods where technical aspect of quality predominate*."* Zeithaml [13] describes service quality as "the consumer's judgment about the overall excellence or superiorty of a service." Based on some of the definitions above, it can be concluded that service quality is a presentation of products or services that are in accordance with a company standards and strived to deliver products and services similar to what customers expect or exceed customer expectations.

Customer satisfaction

Kotler and Keller [14] defined "Satisfaction is a person's feeling of pleasure or disappointment that results from comparing products perceived performance (or outcome) to their expectation " Han and Ryu [1] also stated "Customer satisfaction is overall judgment process of the perceived discrepancy between prior expectation and actual consumption." Furthermore Caruana [15] explains customer satisfaction as follows: "Customer satisfaction as an affective summary response from varying intensity, with a time-specific point of the determination of limited duration, directed toward the focal aspect of a product acquisition and / or consumption." Meanwhile Oliver [16] defines "satisfaction as the consumer's fulfillment response. It is judgment that a product / service features or product itself, provided there is a level of consumption-related fulfillment, including levels of under-or over fulfillment." Based on the description of several experts above, it can be concluded that customer satisfaction is a feeling produced by consumers for the assessment of the performance on the products or services in terms of features, services and fulfillment of service processes obtained.

The impact of Brand image on Customer satisfaction

Previous research conducted by Sayed [2] found that customers will be satisfied with good service, friendly workers and a comfortable place that form a brand image that is embedded in the minds of customers. This is supported by research conducted by Chao Chan Wu [17] explaining that there is a positive influence of brand image on customer satisfaction. A positive brand image is a major factor in increasing customer satisfaction. Stan, Caemmere and Jallet [18] also stated that there is an effect of brand image on customer satisfaction. Customers who consume products, both goods and services with a good brand image will get more satisfaction. Based on the results of previous studies stated above, author formulated the first hypothesis (H1) as follows:

H1 : Brand image had a positive impact on Customer Satisfaction

The impact of perceived price toward Customer Satisfaction

Previous research conducted by Adi and Tjokorda [3] found that there is an influence given by perceived price to customer satisfaction. This shows that the better the price perceived by the customer, the more customer satisfaction will increase. The same thing was stated by Widagdo [19] where the perceived price proved to have a positive influence on customer satisfaction. This means that if the perceived price increases then customer satisfaction will also increase. Han & Ryu [1] in their research also found a significant and positive effect of perceived price on customer satisfaction. Based on the results of previous studies stated above, author formulated the first hypothesis (H2) as follows:

H2 : Perceived price had a positive impact on Customer Satisfaction

The impact of perceived price toward Customer Satisfaction

Previous research conducted by Khairani (2016) found that there is an impact between service quality and customer satisfaction. The results found that perceived value for money, service quality, and e-service quality had a positive value and significant impact on customer satisfaction. Previous research conducted by Lai, Griffin and Babin [4] also found that service quality has a significant and strong influence on customer satisfaction.The study explained that if the service quality provided is high or in accordance with customer expectations it will increase customer satisfaction. This supports the research of Mariam Fasih (2014), the results of research conducted in Pakistan showing the influence of

the service quality provided by local governments on customer satisfaction, the better the quality of services provided, the higher customer satisfaction.
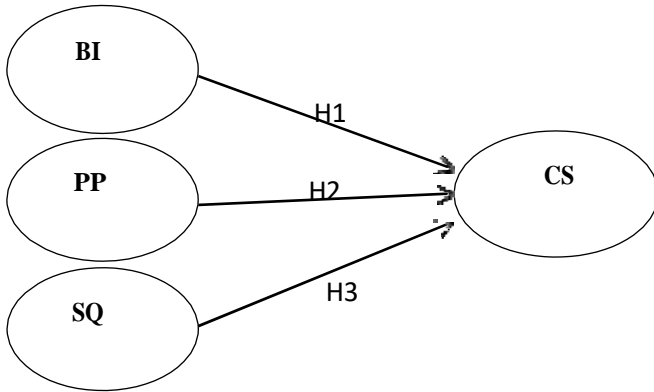

Figure 1. Research Model

III. RESEARCH METHODOLOGY

This type of research is descriptive research, where, the type of descriptive research in this study is a cross-sectional study. Sekaran and Bougie [24] suggest that cross-sectional research is a type of research where the data used is collected at one time, where data collection can take place from a few days to several months. The research period in this study was for 1 years, where this research was conducted from may 2018 to may 2019. In this study, researchers used primary data sources (primary data), where researchers directly took to the field to obtain data from respondents. Next, in this study, researchers used a survey method to collect data needed in this study. Furthermore, this study uses the instrument questionnaire to collect data. The questionnaire that has been prepared will then be distributed to respondents personally (personally administered) and electronically google form.

Next, the sample of this study was customers of one the biggest smartphone service center in Jakarta. The method of sampling in this study used the convenience sampling method. Malhotra [23] suggest that convenience sampling is a technique of non-probability sampling that seeks to obtain samples based on the ease of the right elements. Convenience sampling is a sampling technique that is most widely used by researchers because it makes it easier for researchers to collect large amounts of data in a short time, where this type of sampling allows researchers to obtain data from members of the available population. Furthermore, related to the sample size, Aritonang [22] suggested that the number of samples that were most appropriate for a study ranged from 100 to 200 is included as good enough for most

purposes, especially if the subject is homogeneous and the variables are not to many.Next, related to the variables and indicators used in the questionnaire, there are 3 independent variables and 1 dependent variable, where the variable brand image, perceived price and service quality are independent variables and the Customer Satisfaction variable acts as the dependent variable. To measure this variable, a number of instruments were adapted from previous research studies. The measurement scale used was a 5-point Likert Scale with 1 indicating "strongly disagree" and 5 indicating "strongly agree". From the results of validity and reliability, it shows that all variables used in this study are valid and reliable. This table below shows the measurement of each variable and its source:

Table 1. Variable and Indicators

Variable	Number of indicators	Source
Independent Variable		
1. Brand image	4	Davis *et al.* (2009)
2. Perceived Price	4	Han dan Ryu (2009), Herrmann *et al.* (2007)
3. Service Quality		
Tangible	4	Gro¨nroos, (1984), Parasuraman, et al.(1988)
Realibility	3	
Responsiveness	4	
Assurance	4	
Emphaty	4	
Dependent Variable	5	McDougall *et al.* (2000), Esteban *et al.* (2007)

Source: Data Analysis

The data analysis method used is multiple regression analysis. Furthermore for the assumptions tests such as normality tests, multicollinearity tests and heteroscedasticity tests have been done before and the results show all assumption tests have been fulfilled. The test in this study used the SPSS program and the significance level used in this study is 0.10.

IV. RESULTS AND DISCUSSION

A total of 109 questionnaires were distributed to respondents who participated in this study, where, out of 109 questionnaires, all questionnaires were filled out completely by respondents. Thus, it can be stated that all

collected data is declared valid and ready to be used at the data processing stage. Regarding the profile of respondents, the majority of respondents characteristics in this study were men (66%), 20-39 years old (75%), the majority live in Jakarta west (40%), with the last education the majority were S1 (62%) who earned an average of Rp 1,000,000-3,000,000 (44%).

Table 2.
Hypotheses Testing Result

Hipotessis		B	Sig	Conculsion
H₁:	*Brand image* had a positive impact on Customer Satisfaction	0,206	0,007	H1 Supported
H₂:	Perceived price had a positive impact on Customer Satisfaction	0,148	0,083	H2 Supported
H₃:	Service quality had a positive impact on Customer Satisfaction	0,189	0,054	H3 Supported

Source: Data Analysis

Based on the results of testing the hypothesis in Table 2, it can be concluded that brand image, price perception, and service quality have a positive effect on customer satisfaction. The first hypothesis is that brand image has a positive effect on customer satisfaction. The results obtained from the research can support this hypothesis because brand image significantly influences customer satisfaction. The first hypothesis test has similar things to the research conducted by Sayed [2] in which one of the independent variables studied were brand image, has a positive effect on customer satisfaction. In his research, he explained that customers will be satisfied with a good service, a friendly workers and a comfortable place to form a Brand image that is embedded in the customer's mind. Likewise Chao- Chan Wu [17] where his research in Taiwan can prove that brand image has an influence on customer satisfaction. Customers who consume products, both goods and services with a good brand image will feel more satisfied.

The second hypothesis, the perceived prices has a positive effect on customer satisfaction. The results obtained from the research can support this hypothesis because the perceived prices significantly influences customer satisfaction. The results of this hypothesis test are in line with the results of research conducted by Adi and Tjokorda [3] where price perceptions influence customer satisfaction. This shows that the better the perceived price felt by the service center customers, the customer satisfaction will increase. Widagdo [19] in his research

also stated that price perception has a positive effect on customer satisfaction. Likewise Han and Ryu [1] where the results of his research show that the perception of prices positively increases the level of customer satisfaction. Therefore the service center management must also pay attention to a reasonable and appropriate service prices in its business activities, because the more reasonable and the right price is perceived by the customer, customer satisfaction will increase as well.

The Third hypothesis, service quality has a positive effect on customer satisfaction. As in the first and second hypotheses, the results obtained from the study support the third hypothesis because the quality of service affects customer satisfaction. The results of this hypothesis test are similar to the results of research conducted by Khairani [20] which one of the independent variables that she's studied service quality, has a significant impact on customer satisfaction. According to Lai, Griffin and Babin [4] service quality also has a significant and strong influence on customer satisfaction. Likewise with the research conducted by Mariam Fasih [21] which states that service quality has positive results on customer satisfaction. Therefore high and good service quality can be a value that can increase customer satisfaction.

V. CONCLUSION

In doing any business, the business owner expect the business to last long. One important factor in making it happen is keeping customers satisfied with the services provided. Brand Image, perceived price, service quality is also a significant thing that can affect business continuity. In this study found that brand image, perceived price, service quality has a strong influence on customer satisfaction. If customers get a good perception of a brand and price, it will lead to customer satisfaction. Likewise, if the store can provide better service / service quality, it will make customers feel valued so that customers will be satisfied.

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