

THE INFLUENCE OF PRODUCT QUALITY, PRICE, AND BRAND IMAGE ON CONSUMER LOYALTY MEDIATED BY CONSUMER SATISFACTION (EMPIRICAL STUDY: CONSUMERS OF TWO RABBIT SKIN NUTS IN JAKARTA)

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ABSTRACT: This research aims to determine how product quality, price, and brand image influence consumer loyalty in consuming Kacang kulit Dua Kelinci, mediated by Consumer Satisfaction. This research uses a quantitative approach. The survey was conducted on 180 respondents who had consumed the Kacang kulit Dua Kelinci in the province of DKI Jakarta. Data analysis was performed using the Structural Equation Model (SEM) AMOS. The research results show that the price of Kacang kulit Dua Kelinci has a strong relationship and a significant influence on consumer loyalty in consuming Kacang kulit Dua Kelinci in DKI Jakarta province. Different from product quality and brand image, which do not have a strong relationship and significant influence on consumer loyalty in consuming Kacang kulit Dua Kelinci. However, product quality, price, and brand image significantly influence consumer loyalty when mediated by consumer satisfaction. The research results also show that, in total, price is the most significant contributor to consumer loyalty, followed by product quality as the second largest contributor, then brand image as the most minor contributor. This conclusion shows that the Kacang kulit Dua Kelinci industry can maximally increase consumer loyalty by increasing consumer satisfaction so that consumers become loyal to continue consuming Kacang kulit Dua Kelinci. The limitation of the research is that the respondents collected only live in DKI Jakarta and focused on one product from the Dua Kelinci brand, Peanut Shell. The implications of this research provide recommendations that companies can increase consumer loyalty by improving product quality, price, brand image, and consumer satisfaction so that consumers can become loyal to consuming Kacang kulit Dua Kelinci.

Keywords: Product Quality; Price; Brand Image; Consumer Satisfaction; Consumer Loyalty

INTRODUCTION

Indonesia is known as a country with a wealth of diverse traditional foods, rich in spices, and typical spices. One snack that is very liked by the people of Indonesia is peanut skin. In addition to having a delicious and savory taste, peanut skin is also considered to have health benefits due to its fiber and protein content. The snack food industry in Indonesia, including the production of peanut shells, has experienced rapid development in recent years. This is reflected in the increase in the number of manufacturers of shell nuts and the variety of brands available on the market. One brand that has been very well known and popular among the people of Indonesia, especially in Jakarta, is Dua Kelinci skin peanuts. In today's business era, competition is getting tighter, encouraging business people to improve their company's performance in order to compete in the

global market. In this effort, the company must understand the needs and desires of its consumers. Retaining customers is an achievement in itself that reflects the company's reliability in maintaining the quality of their products and services. In the ever-growing food industry, peanut shelling is becoming one of the products that are in high demand in Indonesia, especially in big cities such as Jakarta. In the competition of the leather peanut industry, factors such as product quality, price, and brand image become very important for producers in influencing consumers' decisions to buy and stay true to their brand. Therefore, manufacturers of Two Rabbit skin nuts need to understand well the factors that influence consumer decisions and the efforts that can be made to maintain consumer loyalty to their brand, skin nuts are also known as one of the foods that are quite affordable for consumption.



Figure 1. Kacang Kulit Dua Kelinci

Source: Google

Consumer satisfaction is one of the benchmarks for the company's success which will have an impact on the level of sales. When consumers are satisfied, it is likely that customers will stick with the product being marketed and will create consumer loyalty. When consumers are satisfied with a product obtained by consumers, consumers will

tend to make repeat purchases that cause consumer loyalty (Thungasal & Siagian, 2019).

Thus, research on the effect of product quality, price, and brand image on consumer loyalty mediated by consumer satisfaction in Dua Kelinci skin nut consumers in Jakarta is very

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important and relevant. This research can provide benefits for Dua Kelinci skin peanut companies, the snack industry in Indonesia, and the academic field. In

THEORETICAL STUDIES

Product Quality

According to Kotler & Armstrong (2017), "Product quality is the characteristics of a product or service that bear on its ability to satisfy stated or implied customer needs". That is, product quality is a characteristic of a product or service that depends on its ability to meet real or implied customer needs.

In the journal Moch. Zaky Naufal & Yosi Afandi (2018), Product quality is the ability of a product to carry out / carry out its functions, including reliability, durability, accuracy, ease of operation and product repair and other valuable attributes.

In the journal Ismatul Ummah *et al.*, (2019), A definition of product quality that states that customers will be satisfied if the results of their evaluation show that the product is

They use quality, which is in accordance with customer expectations and desires.

Based on several definitions of product quality put forward by experts, it can be concluded that the definition of product quality is the characteristics and business ability of a product to create value and satisfaction that is able to satisfy customer needs to meet customer desires or exceed customer expectations.

addition, this research can also provide a better understanding of consumer behavior and marketing strategies in a business context.

Product quality is a product characteristic that can meet consumer needs and expectations. According to Kotler and Keller (2016), product quality can be measured from several aspects, namely:

- Product features: the ability of the product to meet the needs and desires of consumers.
- Product performance: the ability of the product to perform as expected by consumers.
- Product reliability: the ability of a product to work properly without damage or failure.
- Product durability: the ability of the product to last for a long period of time.
- Ease of use of the product: ease of use of the product.
- After-sales service: the ability of manufacturers in providing after-sales service to consumers.

Price

According to Kotler & Armstrong (2017) Expressing price in a narrow sense is the amount charged for a product or service. More broadly, price is the sum of all the value provided by a customer to benefit from owning or using a product or service.

According to Kotler & Keller (2016) Price is the amount of money that must be paid by consumers to buy a product or service. Competitive prices can

increase consumer satisfaction and can affect consumer loyalty.

According to Rini Ardista & Arviana Wulandari (2020) Price is influenced by several factors including:

1. Analyze the demand for a product.
There are two steps to analyzing product demand, namely by analyzing the expected price and analyzing the difference in sales.
2. Competitor responses. Competitors are the components that cause price creation, especially the danger of expected competition

Based on several definitions of price put forward by experts, it can be concluded that the definition of price is the amount of money or value that must be paid by consumers to buy products or services. Price can also be affected by several factors, such as product demand and competitor response. Competitive prices can increase consumer satisfaction and can affect consumer loyalty.

Brand Image

According to Kotler & Armstrong (2017) Brand image is the assumption of consumers towards the products of a company. According to him, the image of a brand can always be remembered in the minds of customers in a fast time and through a media, the image of a brand must also be conveyed to customers through available communication means and disseminated on an ongoing basis because without a strong brand it is very difficult for a company to be able to attract new customers to buy products from the company and create loyalty from existing consumers.

Brand Image according to Kotler & Keller (2016) is a set of perceptions and beliefs that customers have in a brand that are reflected through associations that exist in customer memory. By referring to these opinions, the same brand for the same product from the same manufacturer can have different brand images for different consumers. If a product already has a good image in the memory of consumers, then consumers will easily make purchasing decisions on the desired product. According to Kotler & Keller (2016), Brand image consists of several dimensions, namely:

- Product quality: consumer perception of the quality of products produced by brands.
- Product performance: consumer perception of the product's ability to perform as expected.
- Brand association: consumer perception of brand attributes and characteristics that can be associated with the brand.
- Brand loyalty: the tendency of consumers to choose certain brands over others.

Based on several definitions of brand image put forward by experts, it can be concluded that the definition of brand image or brand image is consumer perception of the brand. A positive brand image can increase consumer satisfaction and can affect consumer loyalty.

Consumer Loyalty

According to Kotler & Keller (2016), Customer loyalty is a deeply held commitment to purchase or resubscribe

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to a preferred product or service in the future despite situational influences and marketing efforts that have the potential to lead to behavior change.

In the journal Fitria Ika Agustina (2020), Loyalty is defined as nonrandom purchases expressed over time by multiple decision-making units. That is, loyalty refers more to the form of behavior (behavior) of decision-making units to make continuous purchases of goods / services from a selected company.

In the journal Sumadi *et al.*, (2021) Consumer loyalty is every consumer who continues to use the products offered, if consumers are satisfied with a product then the behavior where consumers are expected to be loyal if a product they buy or the services they get from sellers are able to provide the highest satisfaction then these consumers will not switch to other products or brands.

Based on the expert opinions above, it can be concluded that customer loyalty is a positive and loyal buying behavior of customers towards products from certain brands where customers consistently and repeatedly over a long period of time to buy products or services from the same seller or company.

Customer Satisfaction

According to Kotler & Keller (2016) Consumer satisfaction is a positive feeling that arises after consumers compare product performance with the expectations they have.

In the journal Purnomo Setyo (2017) Explaining that consumer satisfaction is one of the important elements in improving marketing

performance in a company. The satisfaction felt by customers can increase the intensity of buying from these customers. With the creation of an optimal level of customer satisfaction, it encourages the creation of loyalty in the minds of customers.

In the journal Lesmana (2017) Customer satisfaction is the absence of a difference between the expectations they have and the performance they actually receive. If expectations are high, while performance is mediocre, satisfaction will not be achieved. Conversely, if performance exceeds expectations, satisfaction increases.

Based on the expert opinions above, it can be concluded that consumer satisfaction is a person's feeling of pleasure or disappointment that arises after comparing the estimated performance (results) of the product against the expected performance or results.

RESEARCH METHODS

The type of research used is hypothesis testing or hypothesis testing. Study results are generally aimed at testing hypotheses that explain the characteristics of certain relationships or differences between groups or the independence of two or more factors in a situation Sekaran & Bougie (2016). This type of research is quantitative research. This type of research is survey research. According to Sugiyono (2019), Survey research is research used on large or small populations, and the data studied is data from samples taken from that population to look for relationships between variables. Hypothesis testing is

casual in nature which aims to test whether a variable will cause.

Other variables change or not or aim to analyze the interaction between one variable and another variable or how one variable affects other variables Sekaran & Bougie (2016). The research time dimension is cross-sectional. The required research data sources consist of primary and secondary data sources. The primary data source is taken from the questionnaire. Secondary data is taken from a literature review. There are five variables in this study, namely product quality, price, brand image, consumer satisfaction, and consumer loyalty.

because the data is collected only once, collected in daily, weekly, and monthly periods in order to answer the research Sekaran & Bougie (2016). June - August 2023. The unit of analysis of this study was consumers of Dua Kelinci skin nuts in Jakarta as respondents

RESULTS AND DISCUSSION

Characteristics of Respondents

The initial stage of research is to conduct descriptive statistics of respondent profiles, consisting of four classifications, namely gender, age, occupation, and the last education which can be seen in Table 4.1.

Table 1. Characteristics of Respondents

No		Characteristics	Frequency	Percentage
1	Gender	Man	63	35%
		Woman	117	65%
2	Age	< 17 Year	4	2,2%
		18 - 25 Year	73	40,6%
		26 - 40 Year	79	43,9%
		> 40 Year	24	13,3%
3	Work	Student	39	21,7%
		Karyawan	99	55%
		Entrepreneur	19	10,6%
		Housewives	15	8,3%
		Other	8	4,4%
4	Recent Education	Student (SD/SMP/SMA)	33	18,3%
		Diploma (D1/D2/D3/D4)	9	5%
		Sarjana (S1)	122	67,8%
		Pascasarjana (S2/S3)	16	8,9%

Source: Data Processing Results (2023)

Test instrument: validity dan Reability

endogenous (dependent) variables using the AMOS program.

Figure 1 shows the CFA assay for exogenous (independent) and

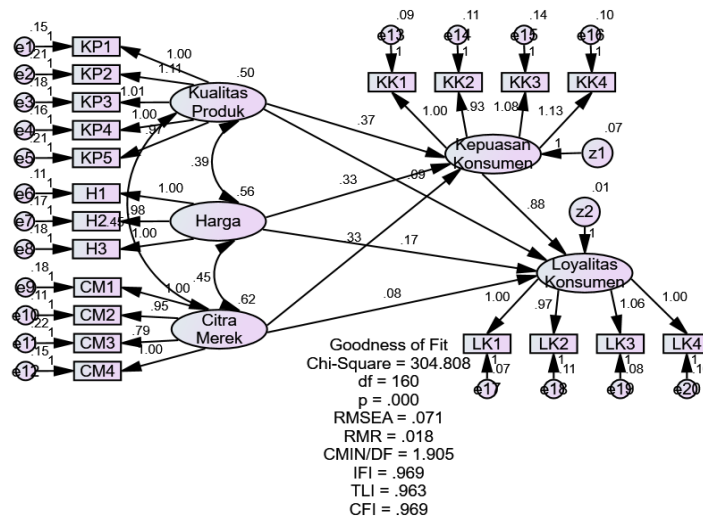


Figure 2. Complete AMOS SEM Model
Source: Data Processing Results (2023)

Table 2. Research Variable Reliability Test Results

No	Variable	Cronbach's Alpha	Results
1	Product quality	0,932	Highly Reliable
2	Price	0,900	Highly Reliable
3	Brand image	0,920	Highly Reliable
4	Consumer loyalty	0,969	Highly Reliable
5	Customer satisfaction	0,947	Highly Reliable

Source: Data Processing Results (2023)

In this study, the reliability test of each variable was measured using Cronbach's alpha. Cronbach Alpha is a reliability measure that ranges from zero to one Hair *et al* (2019). The results of reliability testing for each variable of this

study can be seen in Table 4.9 where five research variables have Cronbach's alpha value between 0.900 to 0.969 which means that all variables have very reliable reliability as a research instrument.

Table 3. Goodness of Fit Test Results

<i>Goodness of Fit</i>	<i>Cut off value</i>	Analysis Results	Model Evaluation
<i>Chi Square</i>	The smaller, the better $\geq 0,05$ < 2	304.808	<i>Good Fit</i>
<i>Degrees of freedom (dof)</i>		160	
<i>Probability</i>		0.000	
<i>CMIN/DF</i>		1.905	
CFI	$\geq 0,95$	0.969	<i>Good Fit</i>
IFI	$\geq 0,90$	0.969	<i>Good Fit</i>
TLI	$\geq 0,90$	0.963	<i>Good Fit</i>
RMR	£ 0,05	0.018	<i>Good Fit</i>
RMSEA	£ 0,08	0.071	<i>Good Fit</i>

Source: Data Processing Results (2023)

Based on the research model in Figure 4.1, the results of the Goodness of Fit assessment have been recapitulated in Table 4.10. Where this research model has had eight fit model evaluations, so it

can be concluded that the research model is fit and can be continued for the hypothesis analysis process.

Hypothesis Testing

Table 4. Hypothesis Test Results

	Description	Result
H1	Product Quality has a positive effect on Consumer Satisfaction.	Accepted
H2	Price has a positive effect on Consumer Satisfaction.	Accepted
H3	Brand Image has a positive effect on Consumer Satisfaction.	Accepted
H4	Consumer Satisfaction has a positive effect on Consumer Loyalty.	Accepted
H5	Product Quality has a positive effect on Consumer Loyalty.	Rejected
H6	Price has a positive effect on Consumer Loyalty.	Accepted
H7	Brand Image has a positive effect on Consumer Loyalty.	Rejected

Source: Data Processing Results (2023)

Table 5. Direct and Indirect Effects

<i>Path</i>	<i>Estimate</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
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Product Quality → Customer Satisfaction → Consumer Loyalty	0.346	4.248	0.000	Accepted
Price → Customer Satisfaction → Consumer Loyalty	0.317	4.391	0.000	Accepted
Brand Image → Customer Satisfaction → Consumer Loyalty	0.313	4.108	0.000	Accepted

Source: Data Processing Results (2023)

Based on Table 4.12, Consumer Satisfaction has a positive effect on Consumer Loyalty with a value of P-Value = *** or close to 0.000. With an estimated weight of 0.883 and compared to other estimated weighted values, it can be said that Consumer Satisfaction and Consumer Loyalty have the greatest variable relationship.

CONCLUSION

The results showed that the quality of the products studied had a strong relationship and a significant influence on consumer loyalty in the Two Rabbit Peanut industry. In contrast, the price and brand image studied did not have a strong relationship and significant influence on consumer loyalty within the same industry. However, when consumer satisfaction becomes an intermediary, product quality, price, and brand image show a more significant influence on consumer loyalty. This study identifies and analyzes the effect of product quality, price, and brand

image on consumer loyalty, with consumer satisfaction as a mediator. The results of the data analysis indicate several important findings. First, price has a major impact on consumer loyalty, where a price that matches the value of the product increases consumer satisfaction and in turn encourages consumer loyalty. Second, product quality has a positive influence on consumer loyalty through consumer satisfaction, because high-quality products create consumer satisfaction and encourage loyalty to the brand. Third, a strong brand image can increase brand recognition and influence consumer choices. A positive and consistent brand image can build a good reputation in the market, which contributes to brand loyalty. The importance of these aspects in increasing consumer loyalty and the strategies that can be taken by the Two Rabbit Skin Peanut company to maintain and expand market share and increase consumer loyalty.

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