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Product Quality, Brand Image and Pricing To Improve Satisfaction Impact on Customer Loyalty

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ABSTRACT

The purpose of this study is to know and analyze the influence of product quality, brand image, and price partially or simultaneously to customer satisfaction customer loyalty. The population of this research is the UMKM customer of EmpingMelinjo Industrial Sector in Banten Province. The research method used in this research is descriptive survey method and explanatory survey with sample size of 255 respondents, and data analysis method used is structural equation modeling. Based on result of research, that product quality, brand image, and price partially or simultaneously have positive and significant effect of customer satisfaction with contribution equal to 53% and equal to 47% influenced by other variable not examined. Partially product quality is the most dominant variable affecting customer satisfaction. Product quality, brand image, price, and customer satisfaction partially or jointly have a positive and significant effect on customer loyalty with contribution of 84% and 16% influenced by other variable not examined. Partial customer satisfaction is the most dominant variable affecting customer loyalty. The result of research also shows that customer satisfaction is partial intervening variable on the influence of product quality, brand image, and price to customer loyalty.

Keywords: Product Quality, Brand Image, Price, Customer Satisfaction, Customer Loyalty
JEL Classifications: M10, M21, M31

1. INTRODUCTION

Banten Province is one of the big enough industrial centers and significant role in the national economy. But since the economic crisis hit Indonesia until mid-2013 the performance of this sector tends to decline. The contribution to the industrial sector to the Banten economy which was originally 37.86% in 2014 decreased to 35.68% in 2015 and continued in 2016 to 34.70% (PDRB Banten 2013–2016. p. 32). If this continues, it will threaten the viability of Indonesia's industry and economy.

The food industry is now considered to be a potential Banten commodity and contributes substantially to total non-oil and gas exports. In 2016 the contribution to this commodity exports to total non-oil and gas exports in Banten amounted to 58.70%. The value of the Banten food industry until 2015 has increased although in 2016 a slight decline. This resulted in a decrease in the contribution to food industry commodities to total non-oil and gas exports of Banten at 7.89%. Food industry in Banten is more dominated by UMKM (Office of Industry and Trade of Banten, 2016. p. 37).

Sentra emping melinjo, Banten is a center in the relatively location not far from the capital of the State of Jakarta, which is about 90 km, which is a potential market for the center of small and medium industries in the vicinity, for it proper formulation of appropriate development policies through data collection about the existence and the potential of the center needs to be updated. On the other hand, SMEs in the food industry sector in Banten are relatively declining, especially emping Melinjo, in detail the value of Banten food from 2012 to 2016 is presented in Table 1.

2. THEORETICAL BACKGROUND

2.1. Product Quality

The definition of product quality by (Trentin et al., 2012) is the ability of a product to perform its function; itincludes the products of overall durability, reliability, precision, ease of operational

repair and other valued attributes. Product quality is the ability of a product to perform its function. It includes overall robustness, reliability, precision, easy to use and repair and the value of other attributes in a product.

Furthermore, (Sun, 2011) stated that product quality is the characteristic of a product or service that bear on its ability to satisfy stator implied customer needs. Product quality is a product or service characteristic that provides the ability to meet customer needs.

Product quality is defined as a product or service in its ability to satisfy the stated or implied customer requirements. Product quality is measured by eight dimensions, i.e., (McNally et al., 2011):

1. Performance, measured with product display indicators (melinjo), product hygiene (melinjo), and freshness of the product (melinjo).
2. Feature, measured by raw material quality indicator (melinjo) and product maturity (melinjo).
3. Reliability, measured by product safety indicators (melinjo) and product presentation appeal (melinjo).
4. Conformance, measured by product variation indicator (melinjo), conformity to product quality standards (melinjo), and product durability (melinjo).
5. Durability, measured by the indicator of conformity of the product taste (melinjo) and the suitability of the product (melinjo) with the specified standard.
6. Service ability, measured by indicators of employee friendliness and employee speed in delivering the product.
7. Aesthetics, measured by product scent indicator (melinjo) and beauty of product packaging (melinjo).
8. Perceived quality, measured by indicator of conformity of promised quality standard of melinjo through promotion and buyer assessment on product.

2.2. Brand Image

American Marketing Association (Chen, 2010), defines a brand as its name, term, sign, emblem, design or combination, intended to identify goods or services of one of the sellers or groups of sellers and differentiate them from competitors. While (Severi and Ling, 2013) defines the brand as a set of complex images and experiences in the minds of customers, who communicate expectations about the benefits to be derived from a product produced by a particular firm.

The definition of brand image according to (Zhang, 2015) described above, indicates that the prestige name will rely heavily on the interpretation and understanding of individual on the brand of the meaning of the existence of the mark of the individual concerned plus good or bad attitudes or judgments accompanied by individual behavioral trends toward brands.

The brand images dimension by (Sichtmann and Diamantopoulos, 2013) is explained through the function of brand equity, where the brand's equity will be higher as the dimensions of the brand image to grow. The dimensions of the brand image are as follows:

1. Recognize, as measured by indicators of melinjo brand marking and brand advantage over other brands.
2. Reputation, as measured by brand name indicator (melinjo) and commitment in maintaining quality (melinjo).
3. Afinity, as measured by brand indicators attract consumers (melinjo) and brand uniqueness (melinjo).
4. Domain, as measured by brand (melinjo) is easily found in the market and the brand (melinjo) is widely known by the public.

2.3. Price

Ingenbleek and van der Lans (2013 argues that price is the only element of the marketing mix that generates revenue, the other elements incurring costs. The price is also one of the most flexible elements of the marketing mix (the price can be changed quickly), unlike product features and distribution agreements. At the same time, price fixing and competition is also the number one problem facing the company. Yet many companies do not handle good pricing. The most common mistakes are price-oriented pricing, often less revised prices to take advantage of market changes, prices set independently on other marketing mixes and not as intrinsic elements of market positioning strategies, as well as considerably varying prices for various products, market segments and when purchasing.

In business-to-consumer (B2C) relationships, price satisfaction play an important role in competitive strategy, affecting customer buying intentions that can ultimately lead to profitability and business sustainability (Jung et al., 2014). The need for a target to attract and retain loyal customers is a company activity. Price satisfaction is an important factor affecting buyer seller relationships. Because price is one of the most flexible and varied mixed marketing elements after changing the characteristics of products and services (Wen and Goodman, 2013).

Ingenbleek and van der Lans, 2013 states that in achieving price satisfaction is determined by the five dimensions of price, namely price transparency, price quality ratio, price fairness, relative price, reliability (price reliability).

Consumers describe the value of a product or service that corresponds to their perception of two factors: Perceived price and perceived quality, or, in other words, price quality ratio. If perceived quality exceeds perceived cost, customer value is high, if the price exceeds quality, customer value is low. The perceived value as a consumer's overall assessment of the usefulness of the product is based on perceptions of what are received and what is given (Wen and Goodman, 2013).

2.4. Customer Satisfaction

Vega-Vazquez et al. (2013) definition of customer satisfaction is the extent to which a product's perceived performance matches a buyer'sexpectation. Customer satisfaction is the level at which a performance achievement of a product received by a consumer equals the consumer's expectation.

According to Limakrisna and Ali (2016) customer satisfaction is is theindividual's perception of the performance of the product or

service in relation tohis or her expectation. Customer satisfaction is the individual perception of the performance of goods or services related to customer expectations.

According to Jung and Yoon (2013) "A companies would be wise tomeasure customer satisfaction regularly because one key to customer retention is customer satisfaction. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favorably about the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas of the company, and costs less to serve than new customers because transactions are routine."

Customer satisfaction has been defined in various ways, but the conceptualization, which seems to have achieved the greatest acceptance, is satisfaction is the evaluative evaluation of specific post-transaction choices (Limakrisna, 2008). Customer satisfaction is the result of the customer's perception of the value received in the transaction or relationship - where the value is equal to the perceived quality of the service relative to the price and cost of customer acquisition (Hanif, 2010). The literature contains significant differences in the definition of satisfaction, all definitions have several common elements (Agnihotri et al., 2016). When examined in its entirety, three common components can be identified:

1. Consumer satisfaction is the response (emotional or cognitive).
2. Responses related to a particular focus (hope, product, consumption experience).
3. Response occurs to a certain time (after consumption, after selection, based on accumulated experience).

2.5. Customer Loyalty

As suggested by some researchers (Jung and Yoon, 2013), there are two types of loyalty that is behavioral loyalty and attitude. The behavioral aspects of customer loyalty are characterized in terms of repurchase intentions, word of mouth communication, and organizational recommendations (Jung and Yoon, 2013), defines attitude loyalty as a good evaluation that is held with sufficient strength and stability to encourage repeatedly favorable responses to products/brands or stores. According to Cengiz (2010) consumer loyalty seems to be based on three factors. First is trusting. Consumers must trust the vendor or product they are dealing with. Second, a transaction or relationship must have a positive perceived value greater than that supplied by a competitor. Third, if marketers build the first two factors, they may be able to create a positive level of emotional attachment. That emotional response may be a commitment to their brand that is resistant to change. Today, every industry offers a variety of loyalty schemes aimed at differentiating one competitor from another. Every time a customer buys, he progresses through the buying cycle (Filipe et al., 2017).

According to Sheth and Mittal in Chakiso (2015) customer loyalty is a customer commitment to a brand, store, or supplier, based on a very positive attitude and reflected in consistent repeat purchases. While Engel et al. in (Severi and Ling, 2013) that customer loyalty is a habit of repetitive buying behavior, linkage and high involvement in choice and characterized by external information search and alternative evaluation.

Severi and Ling (2013), stated that customer satisfaction achieved an increasing level of customer loyalty, increased cash flow and reduced operating costs. As a result, customers will be willing to pay more (customers will be willing to pay more) for high quality products and services.

3. METHODOLOGY

Research method used is descriptive survey method and explanatory survey method. The unit of analysis in this study is the customers of Micro small and medium enterprises Melinjo Industrial Sector in Banten Province. The time horizon in this study is cross-sectional, where the research is conducted simultaneously.

Sources of data onto this study are secondary data sources of documentation or reports available to relevant institutions. While the primary data in the form of product quality, brand image, price, customer satisfaction, and customer loyalty sourced from customers Micro small and medium enterprises Melinjo Industrial Sector in Banten Province.

In this study the population (unit of analysis) are the customers of the Office of Cooperatives and SME of Banten Province and there are 5 variables that required a minimum sample size of 200 respondents. This research has 64 parameters (indicator) hence obtained minimum sample size equal to 255 respondents.

4. RESULT

4.1. Confirmatory Factor Analysis (CFA) Hybrid Model (Full Model)

After the measurement model analysis on each construct yield a CFA modelson conformity test (GOF), good validity and reliability on each construct. The next step is to combine the four CFA model constructs to produce a hybrid model (full model). Based on the results of data analysis using LISREL 8.80, it is found that the overall suitability of the hybrid model (full model) is as follows Table 2.

Based on Table 2. The five conformities obtained have a good fit fit measurement model index, namely NNFI, NFI, RFI, IFI and CFI. While the other three suitability measures have a suitability index of the marginal fit measurement model, i.e. GFI, RMSEA, and AGFI. Thus it can be continued on the next hybrid model measurement analysis.

The hybrid model (full structural equation modeling) using Lisrel 8.80 is shown in Figures 1 and 2.

Based on Figures 1 and 2, the next are to analyze hybrid (full model) modeling on each variable, as shown in Table 3.

The Table 3 shows that all sub-variables (dimensions) has standardized loading factor (SLF) ≥0.50 and value $|t_{kritis}| \geq 1.96$

Figure 1: Model hybrid (full model) standardized

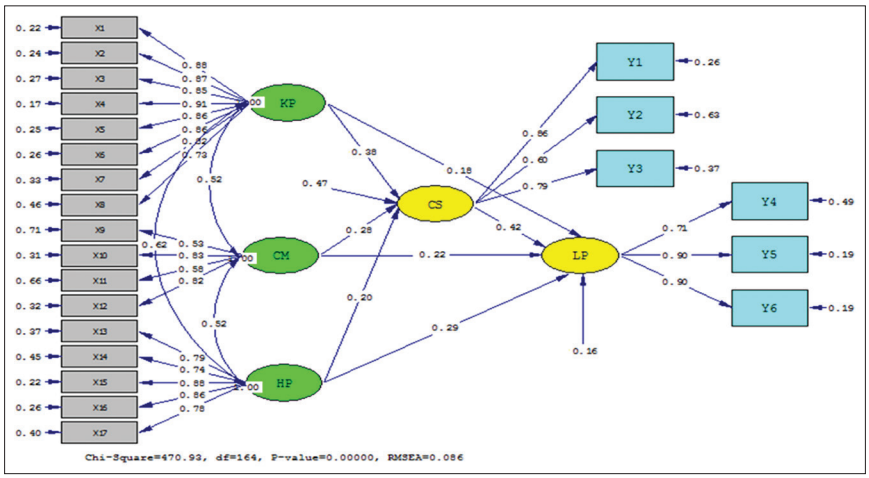

Figure 2: Hybrid model (full model) t-value

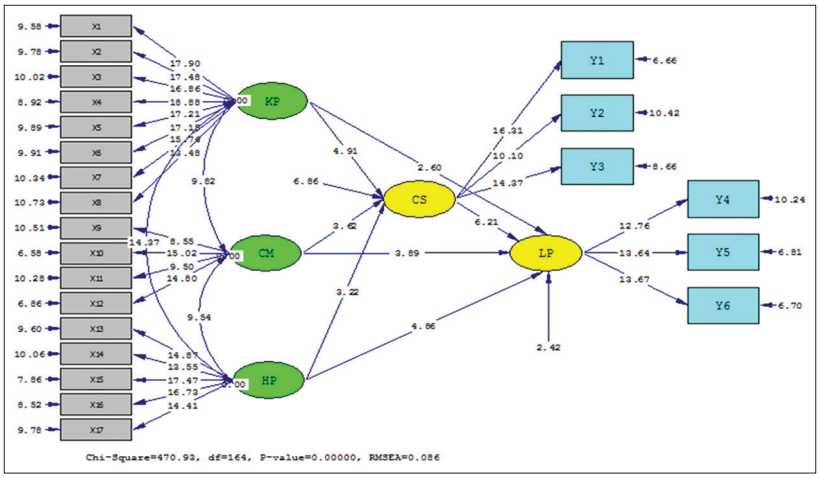

Table 1: Sales value of UKM food in Banten (KLUI 3.1) year 2012–2016 (in thousands of US dollars)

Industry sector	Year				
	2012	2013	2014	2015	2016
Snack	3.467	11.604	13.004	13.266	17.105
Meat	2.301	1.097	1.258	647	1.061
Product	52	46	27	447	690
Fresh fruit	0	8	17	28	31
Fresh vegetables	8	7	101	0	12
Fruit+vegetables though	67.736	83.962	65.816	53.171	56.686
Juice	5.698	10.103	3.921	4.078	7.373
Emping melinjo	10.399	6.373	6.450	4.248	2.006
Beer and wine	0	35	0	38	0
Fruit pieces	226	651	421	661	820
Processed coffee	13.253	10.264	9.519	9.704	11.384
Herbs and spices	127.276	100.324	132.360	106.193	80.852
Other processed products	1.443	1.844	1,708	2.409	3.038
Amount	231.858	226.317	234.603	194.890	181.059

Source: IPB, Integrated Information System of Superior Food Products, 2016

Table 2: SEM compatibility model size (hybrid model)

Indicator GOF	Expected size	Estimated results	Conclusion
Absolute fit size			
GFI	GFI>0.90	0.90	Marginal fit
RMSEA	RMSEA<0.08	0.086	Marginal fit
Incremental fit size			
NNFI	NNFI>0.90	0.96	Good fit
NFI	NFI>0.90	0.95	Good fit
AGFI	AGFI>0.90	0.85	Marginal fit
RFI	RFI>0.90	0.94	Good fit
IFI	IFI>0.90	0.96	Good fit
CFI	CFI>0.90	0.96	Good fit

Marginal fit is the conformity condition of the measurement model under the absolute fit size criteria, or incremental fit, but can still be continued in further analysis, as it is close to the criterion of good fit measure (Hair et al., 2006. p. 662). Source: Processing Results with LISREL 8.70, SEM: Structural equation modeling

(atα = 0,05) (Wijanto, 2008), then all sub variable (dimension) forming into latent variable (eksogen and endogen) is significant, in other words can be said that significant and significant dimension in forming latent variable. So that all sub variables (dimensions) in this study can be further analyzed, because it can form latent variables.

Validity of sub variable (dimension) durability (endurance) (X4) is indicator with the biggest SLF of parameter estimate 0.91 in

Table 3: Measurement analysis of hybrid model (full model)

Measurement model / Latent variable	Sub variabel/Dimensi	STD. loading factor	STD. error	$t_{hitungnn}$	CR	VE
Product quality (LP)	Performance (X1)	0.88	0.049	17.90	0.991	0.934
	Reliability (X2)	0.87	0.050	17.48		
	Feature (X3)	0.85	0.051	16.86		
	Durebility (X4)	0.91	0.048	18.88		
	Conformance (X5)	0.86	0.050	17.21		
	Serviceability (X6)	0.86	0.050	17.15		
	Aesthetic (X7)	0.82	0.052	15.74		
	Perceived quality (X8)	0.73	0.054	13.48		
Brand image (CM)	Recognize (X9)	0.53	0.062	8.55	0.970	0.894
	Reputation (X10)	0.83	0.055	15.02		
	Affinity (X11)	0.58	0.061	9.50		
	Domain (X12)	0.82	0.055	14.80		
Price (HP)	Price transparency (X13)	0.79	0.053	14.87	0.984	0.926
	Price quality ratio (X14)	0.74	0.055	13.55		
	Price fairness (X15)	0.88	0.050	17.47		
	Relative price (X16)	0.86	0.051	16.73		
	Price reliability (X17)	0.78	0.054	14.41		
CS	Quality satisfaction (Y1)	0.86	0.053	16.31	0.968	0.912
	Brand satisfaction (Y2)	0.60	0.059	10.10		
	Price satisfaction (Y3)	0.79	0.055	14.37		
LP	Repurchase (Y4)	0.71	0.056	12.76	0.971	0.919
	Recommendation (Y5)	0.90	0.066	13.64		
	Willingness to pay more (Y6)	0.90	0.066	13.67		

CR and VE criteria are (Hair et al., 2006. p. 636). Composite reliability measure (CR), or often referred to as reliability, with a CR value requirement must be ≥0.7. Variance extract measure (VE) or variant extract, with requirements must have a VE value of ≥0.5. Source: Processing Results with LISREL 8.80. CR: Construct reliability, VE: Variance extract, CS: Customer satisfaction, LP: Loyalitas Pelanggan

forming variable of product quality. While the dimension perceived quality (X8) is the indicator with the smallest SLF of the parameter estimate of 0.73. Construct reliability and variance extractvariabel product quality is equal to 0.991 and 0.934, it shows that construct of product quality has good reliability constructs. So that the indicators are significant in forming latent variables of product quality of the most dominant dimension on the dimension of durability (X4).

Validity of sub variable (dimension) reputation (X10) is sub variable which becomes indicator with the biggest SLF of parameter estimate 0.83 in forming brand image variable. While the recognize dimension (X9) is the sub variable that becomes the indicator with the smallest SLF of the parameter estimate of 0.53. Construct reliability and extract variance between brand image variables are 0.970 and 0.894, indicating that the construct of brand image has good reliability constructs. So that the significant indicators in forming latent variable of brand image of the most dominant dimension are reputation dimension (X10).

Validity of sub variable (dimension) prices fairness (X15) is sub variable which becomes indicator with the biggest SLF of parameter parameter 0,88 in forming price variable. While the dimension of price quality ratio (X14) is a sub variable that becomes indicator with the smallest SLF of parameter estimate 0.74. Construct reliability and extract variance between price variables are 0.984 and 0.926, this indicates that the price construct has a good reliability constructs. So that the significant indicators in forming latent variable price of the most dominant dimension are the dimension of price fairness (X15).

Validity of sub variable (dimension) quality satisfaction (Y1) is sub variable which becomes indicator with the biggest SLF with parameter estimate 0,86 in form variable of customer satisfaction. While brand satisfaction (Y2) is a sub variable that becomes indicator with the smallest SLF with parameter estimate 0.60. Construct reliability and variance extract customer satisfaction variables are 0.968 and 0.912, it shows that customer satisfaction constructs has good reliability constructs. So that the significant indicators in forming the latent variable of customer satisfaction with the most dominant dimension are the dimension of quality satisfaction (Y1).

The validity of sub variable recommendation (Y5) and willingness to pay more (Y6) are sub variable which becomes indicator with the largest SLF of parameter estimate 0.90 in forming customer loyalty variable. While repurchase (Y4) is sub variable which become indicator with SLF the smallest of parameter estimate 0.71. Construct reliability and extract variance customer loyalty variables are 0.971 and 0.919, this indicates that the construct of customer loyalty has a good reliability construct. So that the significant indicators in forming latent variables customer loyalty to the most dominant dimension are the dimension of recommendation (Y5) and willingness to pay more (Y6).

4.2. Structural Model Analysis

4.2.1. The effect of product quality, brand image, and price to customer satisfaction

The first hypothesis (H1) states that product quality affects customer satisfaction; The second hypothesis (H2) states that the brand image has an effect on customer satisfaction; The third hypothesis (H3) states that the price affects customer satisfaction; The fourth hypothesis (H4) states that product quality, brand image, and price together affect customer satisfaction (Table 4).

4.2.2. The effect of product quality on customer satisfaction

Based on the table of structural equations, it is seen that the coefficient of variable path of product quality of customer satisfaction is 0.38 with a t_{count} of 4.91>1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the contribution to product quality influences directly to customer satisfaction with $(0.38)^2 = 14.44\%$, while indirect effect of product quality of customer satisfaction with contribution equals to 10.24% so total influence of product quality on customer satisfaction with contribution of 24.68%. Thus the quality of the product proved to have a positive and significant impact on customer satisfaction or in other words that hypothesis 1 (H1) is accepted.

4.2.3. The effect of brand image on customer satisfaction

Based on the table of structural equations, it is seen that the coefficient of the variable path of the image brand of the customer satisfaction is 0.28 with the t_{count} of 3.62> 1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the contribution of the influence of brand image directly to the customer satisfaction of $(0.28)^2 = 7.84\%$, while the indirect effect of brand image on customer satisfaction with 8.44% contribution so the total influence of brand image on customer satisfaction with a contribution of 16.28%. Thus the brand image proved to have a positive and significant impact on customer satisfaction or in other words that hypothesis 2 (H2) received.

4.2.4. The effect of price on customer satisfaction

Based on the table of structural equations, the amount of coefficient coefficient of price on customer satisfaction is 0.20 with t_{count} of value 3.22>1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the magnitude of the influence of price influence directly to customer satisfaction of $(0.20)^2 = 4\%$, while the indirect effect of price on customer satisfaction with the contribution of 7.62% so that the total influence of price on customer satisfaction with contribution amounted to 11.62%. Thus, the price proved to have a positive and significant impact on customer satisfaction or in other words that hypothesis 3 (H3) is accepted.

4.2.5. The effect of product quality, brand image, and price together to customer satisfaction

Based on the table of structural equations, the determinant coefficient of determination (R^2) variable of product quality, brand image, and price together to customer satisfaction is 0,53 with value of Fcount equal to 132.01>3.84, so it can be said significant. The magnitude of the coefficient of determination (R^2) shows that the amount of contribution influences the quality of product, brand image, and price together to customer satisfaction by 53%, while 47% is big influence over variable of product quality, brand image, and price. The most dominant variable affecting customer satisfaction is variable product quality. Thus the quality of product, brand image, and price together proved to have a positive and significant impact on customer satisfaction in other words that hypothesis 4 (H4) is accepted.

4.3. Testing the Effect of Product Quality, Brand Image, Price, and Customer Satisfaction on Customer Loyalty

The fifth hypothesis (H5), which states that product quality affects the performance of managers; The sixth hypothesis (H6), which states that the brand image has an effect on customer loyalty; The seventh hypothesis (H7) states that the price affects customer loyalty; hypothesis eighth (H8), which states that customer satisfaction affects customer loyalty; the ninth hypothesis (H9) which states that product quality, brand image, price, and customer satisfaction together affect the customer loyalty.

The causality relationship of product quality variables, brand image, price, and customer satisfaction to customer loyalty can bedescribed as follows.

4.3.1. The effect of product quality on customer loyalty

Based on the structural equation of customer loyalty, it is seen that the coefficient of variable path of product quality of customer loyalty is 0.18 with t_{count} value of 2.60>1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the contribution of product quality influence directly to customer loyalty $(0.18)^2 = 3.24\%$, while the indirect effect of product quality on customer loyalty with contribution of 9.68% so the total effect of product quality to customer loyalty with contribution of 12.92%. Thus the quality of the product proved to have a positive and significant impact on customer loyalty or in other words that hypothesis 5 (H5) is accepted.

4.3.2. The effect of brand image on customer loyalty

Based on the structural equation structure of customer loyalty, it can be seen that the coefficient of variable path of brand image of customer loyalty is 0.22 with t_{count} value 3.89>1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the contribution of the influence of the image directly to the customer loyalty $(0.22)^2 = 4.84\%$, while the indirect influence of the brand image on customer loyalty with the contribution of 11.01% so the total influence of the brand image against customer loyalty with a contribution of 15.85%. Thus, the brand image

Table 4: Inter-variable significance

The structural trajectory	Path coeff.	t_{value}	$T_{criteria}$	Test result
Product quality→customer satisfaction	0.38	4.91	1.96	Significant
Brand image→customer satisfaction	0.28	3.62	1.96	Significant
Price→customer satisfaction	0.20	3.22	1.96	Significant
Product quality→customer loyalty	0.18	2.60	1.96	Significant
Brand image→customer loyalty	0.22	3.89	1.96	Significant
Price→customer loyalty	0.29	4.86	1.96	Significant
Customer satisfaction→customer loyalty	0.42	6.21	1.96	Significant

Source: Results of data processing, 2017 (LISREL 8.80)

Table 5: Direct and indirect effect on customer loyalty

Effect	Direct	Not direct through customer satisfaction	Conclusion
Product quality→customer loyalty	$(0.18)^2$=0.0324	(0.38×0.42) = 0.1596	L<TL
Brand image→customer loyalty	$(0.22)^2$=0.0484	(0.2×0.42) = 0×1176	L<TL
Price→customer loyalty	$(0.29)^2$=0.0841	(0.20×0.42) = 0.0840	L>TL

Source: Data processing results, 2017

proved to have a positive and significant impact on customer loyalty or in other words that hypothesis 6 (H6) is accepted.

4.3.3. The effect of price on customer loyalty

Based on the structural equation structure of customer loyalty, it is seen that the coefficient of variable price path of customer loyalty is 0.29 with t_{count} value 4.86>1.96, so it can be said significant. The magnitude of the coefficient of the line indicates that the magnitude of the influence of price influence directly to customer loyalty $(0.29)^2$ = 8.41%, while the indirect effect of price on customer loyalty with the contribution of 13.01% so the total price influence on customer loyalty with a contribution of 21.42%. Thus the price proved to have a positive and significant impact on customer loyalty or in other words that hypothesis 7 (H7) is accepted.

4.3.4. The effect of customer satisfaction on customer loyalty

Based on the structural equation structure of customer loyalty, it is seen that the coefficient of variable path of customer satisfaction with customer loyalty is 0.42 with the t_{count} value of 6.21>1.96, so it can be said significant. The magnitude of the coefficient of the path shows that the contribution of the influence of customer satisfaction directly to customer loyalty $(0.42)^2$ = 17.64%, while the indirect effect of customer satisfaction on customer loyalty with a contribution of 16.48% so the total influence of customer satisfaction to customer loyalty with contribution of 34.12%. Thus, customer satisfaction proved to have a positive and significant impact on customer loyalty or in other words that hypothesis 8 (H8) is accepted.

4.3.5. Effect of product quality, brand image, price, and customer satisfaction together tocustomer loyalty

Based on the structural equation table of upper customer loyalty, the determinant coefficient of determination (R^2) variable of product quality, brand image, price, and customer satisfaction together with customer loyalty is 0.84 with F_{count} of 335.83>3.84, so it can be said to be significant. The magnitude of the coefficient of determination (R^2) shows that the amount of contribution influence the quality of product, brand image, price, and customer satisfaction together to customer loyalty equal to 84%, while 16% is big influence over variable of product quality, brand image, and customer satisfaction. The most dominant variable affecting customer loyalty is variable customer satisfaction. Thus the quality of product, brand image, price, and customer satisfaction together proved to have a positive and significant impact on customer loyalty or in other words that hypothesis 9 (H9) is accepted (Table 5).

5. CONCUSIONS

Based on the results of data analysis and discussion that has been done, the conclusion:

1. Quality of product especially at dimension of durability (X4), brand image especially on reputation dimension (X10), price especially at dimension of price fairness (X15) partially have positive and significant effect to customer satisfaction at UMKM industrial sector Emping Melinjo in Banten Province, on the dimension of quality satisfaction (Y1).
2. Quality of product especially on durability dimension (X4), brand image especially on reputation dimension (X10), price especially on dimension of price fairness (X15) together has positive and significant effect of customer satisfaction with UMKM of Industrial sector of EmpingMelinjo in Province Banten with the coefficient of determination (R^2) of 53%, it shows that 53% variable customer satisfaction can be explained together by product quality, brand image and price 47% influenced by variables other than product quality, brand and price variables. Product quality variable especially in durability dimension (X4) is partially the most dominant variable in increasing customer satisfaction especially on dimensionquality satisfaction (Y1).
3. Quality of product especially at dimension of durability (X4), brand image especially on reputation dimension (X10), price especially on dimension of price fairness (X15) partially have positive and significant effect to customer loyalty in UMKM industrial Sector EmpingMelinjo in Banten Province, on the dimensions of recommendation (Y5) and willingness to pay more (Y6).
4. Customer satisfaction, especially on the dimension of quality satisfaction (Y1) partially have a positive and significant effect on customer loyalty on SMEs in EmpingMelinjo Industrial Sector in Banten Province especially on dimension (Y5) and willingness to pay more (Y6).
5. Quality of product especially at dimension of durability (X4), brand image especially on reputation dimension (X10), price especially on dimension of price fairness (X15), and customer satisfaction especially on dimension quality satisfaction (Y1) significant to customer loyalty to UMKM industrial sector of EmpingMelinjo in Banten Province, especially on the dimension of recommendation (Y5) and willingness to pay more (Y6) with the value of determination coefficient (R^2) of 84%, it shows that 84% customer loyalty variable can be explained collectively by product quality variables, brand image, price and customer satisfaction. The most dominant variable is customer satisfaction variable also acts as a full mediating variable in mediating variable of product quality, brand image and price in increasing customer loyalty to UMKM in EmpingMelinjo Industry Sector in Banten Province.

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