# PERCEPTION ADVERTISING, PERCEPTION OF PRICE AND BRAND IMAGE TO CUSTOMER SATISFACTION AND ITS IMPACT ON CUSTOMER LOYALTY PRODUCTS WHITE LUWAK KOFFIE

(Studies in the University Student FEB Stikubank (Unisbank) Semarang)

# Mulyo Budi Setiawan mulyobudisetiawan@gmail.com

# Sinta Maya Devi sintamaya2228@gmail.com Universitas Stikubank Semarang, Indonesia

## **ABSTRACT**

This study aimed to analyze the influence of advertising, price perception, brand image to customer satisfaction and customer loyalty products Luwak White Koffie. The data used are primary data obtained directly from the original source in the form of a questionnaire. The sample in this study was the student of 2015-2016 at the Faculty of Economics and Business, University of Stikubank (UNISBANK) Semarang who consume Luwak White Koffie 86 people. The sampling technique is purposive sampling. The criteria for the samples used in this study are customers who already mengkosumsi products Luwak White Koffie at least twice or more. Test equipment used in this study testing the validity using factor analysis, reliability testing using Cronbach Alpha and hypothesis testing using multiple linear regression. The results of the analysis can be concluded that: Advertisinghas positive effect on customer satisfaction. Perception prices has positively affects customer satisfaction. Brand image has positively affects customer loyalty. Perception prices has positive effect on customer loyalty. Brand image has positively affects customer loyalty. Customer satisfaction has positive effect on customer loyalty. Customer satisfaction does not mediate the effect of advertising on customer loyalty. Customer satisfaction does not mediate the effect of brand image on customer loyalty.

Keywords: advertising, perception of price, brand image, customer satisfaction and customer loyalty

#### INTRODUCTION

The challenges faced by competing companies which are getting the best way to capture and maintain market share. Basically, the more competitors, so the more options for consumers to be able to choose products that comply with her wishes. One way is by the introduction of a product through advertising. Competition between food and drink industry market increasingly competitive. This is evidenced by the many types of food and drink supply in both domestic production and overseas production, In the era of globalization, competition is becoming increasingly sharp business both in the domestic market (nationally) and internationally. Business growth dynamic and full of competition requires companies to change the orientation of the way they issue product, maintaining its products, attract customers, and handle competitors.

One important thing that needs to be done and considered by every company is able to attract customers and retain those customers. Success in the competition will be met if the company can create and maintain customer (Tjiptono, 2006). To achieve these objectives, the company made great efforts in order to achieve planned goals. Requirements to be met by a company to be successful in the competition is trying to achieve the objective of creating and maintaining customer (Levitt, 2001).

Customer loyalty is not formed within a short time, but through the learning process or the process of finding information, and based on the customer experience from purchase that are consistent over time. Consumers who are loyal to the brand (brand loyalty) has a bonding feeling (affective) is strong against the usual favorite brands they buy. The reason a person can loyal to a product of which the customer is satisfied with the benefits of the product bought, so they use the product continuously. Satisfaction in using such a product would affect customer loyalty and ultimately become loyal in using a product.

With so many white coffee brand today that sold by type, price and taste different makes consumers have the choice to consume coffee banya white tersebut.karena their consumers have more choices to consume coffee putuh which one should they choose the producers to make white coffee with different qualities of coffee other white products, to be able to convince consumers to buy the white coffee products offered.

Coffee beverage product advertising is often seen on television, among others arabica, robusta, coffee milk, instant coffee, instant coffee, to coffee ginger. Based on Nielsen data from June 2012 show ten categories of products that grow coffee highest entry in it, in terms of value growth of coffee ranks second with an increase of 16 percent. While the first

221

**ICOBAME** 

rank, there are categories of Ready to Drink (RTD) Tea with value growth of 35.2 percent. Coffee market growth in terms of volume also showed a significant increase, which, at 8.2 percent. Thus the growth of coffee volume ranks third, after the RTD tea category shampoo 40.5 percent and 9.2 percent ".

"Competition coffee business in the packaging in Indonesia is hard, however, the rate of coffee consumption per capita Indonesia is still low (level of coffee consumption in the country is estimated to 800 gram / capita / year), this indicator of market appeal so that the coffee product in packaging continue to emerge on the market "(source: SINDO weekle magazine dated July 7, 2012).

In the competition for market share, the company must do a good strategy so that the product can continue to compete with all of its competitors. Of the many companies that produce white coffee in Indonesia today, from category White Coffee Luwak White Koffie only those that have the highest brand.

Top brand index Luwak White Coffee 2015 has decreased significantly. 2014 White Coffee Luwak brand share reached 74.4% decline to 72.5% in 2015. This decline is due to the impact of high competition among the many new competitors which also produce Bottled Drinking Water (bottled water) so that the displacement of the brand made by customer. This is very aware of the company with regard to its marketing strategies in top brand 2016 White Coffee Luwak index increased to 74.2%.

The company's marketing strategy can be seen from the ads that often do companies, the perception of prices that are accessible to the public and pay attention to the brand image by using well-known endorse so Luwak White Coffee has a high brand image. Implementation of these strategies can provide customer satisfaction so as to create customer loyalty.

From the comparison of previous studies by Pangestika (2009) the strength of the brand association and significant positive effect on customer loyalty. According to research by Adi (2013) proved that the perceived price positively affects customer loyalty.

Pradita (2012) prove that the image of the brand has a significant influence on customer loyalty. According to research from the Goddess, et al (2012) Brand Image variable, the variable rent has a significant impact on the Customer Loyalty and Satisfaction as well as variable Consumers have a significant influence on consumer loyalty. According to research from Rizwan (2014) that perpengaruh customer satisfaction to customer loyalty.

#### STUDY LITERATURE

## **Customer loyalty**

According to Giddens (2011) loyalty is an option that a customer purchasing a certain brand than any other brand in the product category. Furthermore, Griffin (2005) found a customer said to be loyal or disloyal if customer buying behavior shows regularly or there is a condition which require customers to buy at least two times within a certain time interval. Is said to be a loyal customer if the customer re-re doing pembeliar ber more than two times within a certain time interval. Customers with high loyalty will notify the excellence and quality of service to others and often provides suggestions for using the services provided to customers. Fullerton and Taylor (2011) divides the level of customer loyalty in three stages, among others:

- 1. Loyalty advocacy, the attitude of customers to provide recommendations to others to re-purchase the product or service. Loyalty advocacy are generally accompanied by defense customers towards the product or service being used.
- 2. Loyalty repurchase, developing customer loyalty in customer buying behavior towards new services issued by a company, which is indicated by a desire to buy back.
- 3. Loyalty paymore, customer loyalty to back the transaction to use the product or service that has been used by such customers with greater sacrifice.

## **Customer satisfaction**

Satisfaction comes from the word "satisfied" the statement of feeling over a point, while customer satisfaction is the result of the customer's perception of value received in the transaction or relationship where the value is equal to the quality of service perceived relative to the price and the cost of customers (Hallowell, 1996; Heskett et al., 1990; Blanchard and Galloway,. 1994 in Afshar et al., 2011). Customer satisfaction is feeling happy or disappointed someone arising from comparing the performance of perceived product (or result) to their expectations. According to Kotler and Keller (2008) Customer satisfaction is the extent to which the benefits of a produkdirsakan (perceived) in accordance with what is expected of customers (Amir, 2005). Kotler (2012) say that customer satisfaction is the level of one's feelings after comparing the performance of the product that he felt with his expectations. Oliver, (1997) in the Earth (2016) defines the satisfaction of a judgment that a product or service pattern serving or providing a pleasant level of compliance associated with consumption, including levels below or overfulfillment. According to Kotler and Armstrong (2008) in the Earth (2016) stated that customer satisfaction depends on the performance of the product assumption relative to buyers' expectations.

According to Kotler (2012) in measuring customer satisfaction, there are four methods most widely used: The system of complaints and suggestions, customer satisfaction survey, Shopping Demon (Ghost Shopping), Analysis of Customer Lost (Lost Customer Analysis).

# **Hypothesis Development and Framework**

## 1 Advertising Impact on Customer Satisfaction

Kotler and Armstrong (2012) defines advertising is any form of non-personal presentation and promotion of ideas, goods and services from a particular sponsor that require payment. While understanding the rent according to Kasali (2007) is the message of a product, service or idea that is conveyed to the public through a medium which is directed to attract customers. The more often your ad is shown, it will increase customer satisfaction. based on the description the hypothesis can be formulated as follows:

H1: The more interesting ads served, hence increasing customer satisfaction.

## 2 Effect of Perceived Price on Customer Satisfaction

Price perception factor becomes very important for customers because it will be a guide to measure the fit between the benefits of the product received by the sacrifices that have been given in cash or a certain sacrifice. Customers will also make the price as one of the standard level of satisfaction is felt. According Bei and Chiao (2001) and Malik et al (2012) found that the perception of prices and significant positive effect on customer satisfaction. Research conducted by Adi (2013) states that the effect of price on customer satisfaction.

H2: the better the perception of the price, the customer satisfaction is increasing.

## 3 Influence of Brand Image on Customer Satisfaction

Other factors that affect customer satisfaction is the brand image. Kotler (2008), describes that the brand is a sign, the symbol, name, term, or a combination thereof are used to identify products or services of a seller or group of sellers that made the difference with the products of its competitors. Business competition to compete for customers are no longer limited to the functional attributes of products such as benefits or usefulness of the product, but has been associated with a brand that is able to provide special image for the wearer. The use of a particular brand of a product can create a sense of pride for the wearer has shifted the brand functions as a differentiator with other products (Aaker, 1991).

The relationship between brand image with the satisfaction expressed by Aaker and Keller (1990), Tu et al. (2012), Thakur and Singh (2012), who found that the positive effect on the brand image satisfaction. Another study conducted by Pradita (2012) and Dewi, et al (2012) proved that the brand image influence on customer satisfaction significantly. Based on the explanations that have been mentioned above, the proposed hypothesis:

H3: the better the brand image of a product, the customer satisfaction is increasing

#### **4 Advertising Impact on Customer Loyalty**

Kotler and Armstrong (2012) defines advertising is any form of non-personal presentation and promotion of ideas, goods and services from a particular sponsor that require payment. While understanding the rent according to Kasali (2007) is the message of a product, service or idea that is conveyed to the public through a medium which is directed to attract customers.

The influence of advertising has been studied by the Goddess, et al (2012) who found empirical evidence that ads have positive influence and significant impact on Customer Loyalty. With the ads that attract the customers will be interested in the ads served, and given the advertised product that may affect the customer will be loyal to the product Luwak White Koffie.

H4: The more interesting ads served, it will increase customer loyalty to the product advertised.

# 5 Effect of Perceived Price on customer loyalty

According Zeithmal, (1988) in the Earth (2016) defines the price perception is something that is sacrificed by the customer to obtain a product. Meanwhile, according to Peter and Olson (2000) stated that the perception of price is the price information that is understood entirely by the customer and provide a deep meaning for the customer. Research conducted by Adi (2013) find empirical evidence that perceived price positively affects customer loyalty. With the different products-products with different prices customers can evaluate the price of existing products with other products.

H5: the better the perception of the price, the more increase customer loyalty

#### 6 Effect Against Brand image Customer lovalty

According to Kotler (2012), which argues that "the brand is a name, term, sign, symbol, or design, or a combination of the whole, which aims to identify the goods or services of a group of sellers and to differentiate their products from those of competitors.

David Aaker (2005) suggested that the brand is a name or symbol that aims to membedakankan and identify the goods or services of one seller or group of sellers who are their competitors. Research conducted by Pradipta (2012) proved that the brand image of the variables have a significant positive effect on the dependent variable, namely customer loyalty. So with the different brands in the market but the products offered have a good brand image dining customers will further evaluate existing products with other products in the market.

H6: the better the brand image of a product, the more increase customer loyalty

## 7 Effect of Customer Satisfaction on Customer Loyalty

Customer satisfaction is feeling happy or disappointed someone arising from comparing the performance of perceived product (or result) to their expectations. (Kotler & Keller, 2008). Customer satisfaction is the extent to which the benefits of a product is felt (perceived) in accordance with what is expected of customers (Amir, 2005). According to research from the Goddess, et al (2012) Variable Customer satisfaction has a significant influence on Customer Loyalty. With the product in accordance with the expected customer then customers will be satisfied with the products offered. H7: the customers are satisfied with the products offered will increase customer loyalty.

Model Researchased on a literature review, prior research and development hypothesishas been stated above, the research model can be described as follows:

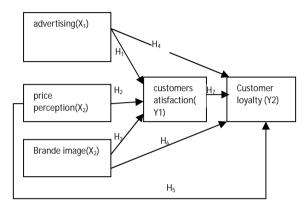


Figure 1 Model Research

#### RESEARCH METHODS

Population according Sugiyono (2010) is a generalization region consisting of the objects / subjects that have certain qualities and characteristics defined by the researchers to learn and then drawn conclusions. For testing the hypothesis in this study, the population is all the people who become customers Luwak White Koffie. This customer was represented by students of the University FEB Stikubank (UNISBANK) Semarang.

Samples according Sugiyono (2010) is part of the number and characteristics possessed by this population. According Djarwanto (2002) that the population is not known with certainty, then the sample is the basic decision:

n = [(Z 1/2 .) / E] 2

#### Information:

n = number of samples required

= normal distribution =  $1.96\sigma Z \frac{1}{2}$ 

E =the amount of acceptable error = 0.1

= standard deviation = 0.50

So the size of the sample used is as follows:

"N = |1,96x0,50/0.1|

n = 96.04 rounded 100 respondents

In this research study will be taken samples which customers Luwak White Koffie, while the sample unit is a studen FEB University Stikubank (UNISBANK) Semarang number of 100 respondents.

The sampling technique in this research is using purposive sampling metod sampling selected carefully by taking the object of research is selective and has specific characteristics. The sampling criteria are the students of the Faculty of Economics and Business, University of Stikubank (UNISBANK) Semarang force 2015/2016 already mengkosumsi products LuwakWhite Koffie at least twice or more.

Table 1
Operational Definition and Measurement of Variables

Variabel	conceptual definition	indicator	
advertising	Advertising is any form of	1. The appeal of the message.	
(X1)	presentation and promotion of	2. Media messages used.	
(211)	ideas, goods or services	3. Star ad.	
	nonpersonal by a particular	4. Music.	
	sponsor that require payment	5. slogan.	
	(Kotler and Armstrong (2012)	6. Image and Color	
	(Hotter und Firmstrong (2012)	7. The words are easy to	
		remember	
		8. Draws attention.	
		(Dewi, et al 2012)	
Price	Price perception is the	1. An affordable price	
preception (X2)	perception of price is the price	2. Comparison with competitors	
F()	information that is understood	3. Compliance with the price of	
	entirely by the customer and	the products obtained	
	provide a deep meaning for the	(Adi, 2013)	
	customer (Peter and Olson,	(,,	
	2000)		
Brand image	brand image is a set of beliefs	1. Quality brand.	
(X3)	or beliefs held by the customer	2. Ease in obtaining.	
,	to a specific product, Kotler	3. The brand is easily	
	(2009)	recognizable,	
		4. can be remembered	
		5. yangmenarik packaging.	
		(Dewi, et al 2012).	
Customer	for comparing the performance	1. Packaging Design products.	
satisfaction(X4)	of perceived product (or result)	2. Ease of getting the product.	
	to their expectations. (Kotler&	3. The quality standards and	
	Keller, 2012).	quality brands	
		4. The price is affordable	
		5. As the quality of the product.	
		(Dewi, et al, 2012).	
Customer	Loyalty is a choice that a	1. Frequency of purchase2.	
loyalty(Y1)	customer purchasing a certain	Keep making a purchase.	
	brand than any other brand in	3. Convey positive	
	the product category. (Giddens	information.	
	2011: 16).	(Dewi, et al 2012).	

## **Testing Instrument Research**

# a. Validity test

Validity of the instrument in this study were tested by factor analysis. Values testing criteria Kaiser-Mayer-OlkinOdecuary (Kaiser's MSA) which is hinted at above 0.50, and have a loading factor of more than 0.40 (Ghozali,2011).

## b. TestReliability

According Sugiyono (2011) reliability is the degree of consistency / constancy of data in a certain time interval. The results of the study said that they are similar reliable data in a different time period. Reliable instrument is an instrument which, if used several times to measure the same object.

Reliability testing can using Cronbach Alfa, with a Cronbach Alfa criteria of each variable is more than 0.7, then the measuring instrument in this study can be said to be reliable.

# Multiple Linear Regression Test

The research model is formulated as follows:

Y1 = 1X1 2X2 + + + e 3X3

 $Y2 = 4X1 \quad 6X1 + + + \quad 5X1 \quad 7Y1 + e$ 

Where:

Y1 = customer satisfaction

Y2 = customer loyalty

X1 =quality of service

X2 = unite price

X3 =the corporate image

1 ... 7 = regression coefficient

e = Error

## Feasibility Model

a. F test (ANOVA)

Test F is basically used to test the goodness of fit or viability of the regression model, namely whether the model used in the study worthy (fit) or not. Fit model is said if the F test receive Ha, that there is influence bebass all variables on the dependent variable.

## b. Analysis The coefficient of determination (R2)

The coefficient of determination is the proportion of variance diversity or the total value of variable Y that can be explained by the value of the variable X through linear relationship (Ghozali, 2011). Therefore, many researchers advocate for the use of Adjusted R2 value (Kuncoro, 2007). The coefficient of determination between zeroup with one. R2 value is small means that the ability of the independent variables in explaining the variation of the dependent variable is very limited. A value close to the mean of independent variables provide almost all the information needed to predict the variation of the dependent variable.

## Hypothesis testing

Hypothesis hypothesis testing using t test (test the effect of partially / individual). The hypothesis is accepted if the value is significantly smaller than 0.05 (Ghozali, 2011)

# ANALYSIS RESULTS AND DISCUSSION

## Multiple linear regression

Multiple linear regression analysis was used to test the influence of independent variables on the dependent variable can be seen in the following table:

table 1 Summary Regression Analysis Model I

Summary Regression Analysis Woder I				
Variabel	Standardized	Significant	Information	
	Coefficients	level		
advertising			H <sub>1</sub> accepted	
Price	0,482	0,000	H <sub>2</sub> accepted	
preseption	0,201	0,008	H <sub>3</sub> accepted	
Brand	0,450	0,000		
image				
F		33,996		
F Sig		0,000		
$R^2$		0,515		
<i>Adjusted</i> R <sup>2</sup>		0,500		
N		100		
Dependent Variabel		Customer satisfaction		

table 2

**Summary Regression Analysis Model II** 

Variabel	Standardized Coefficients	Significant level(P- value)	information
advertising Price preseption Brand image Customer satisfaction	0,148	0,038	H4 accepted
	0,559	0,000	H5 accepted
	0,165	0,019	H6 accepted
	0,274	0,001	H7 accepted

F	52,154
F Sig	0,000
$\mathbb{R}^2$	0,687
Adjusted R <sup>2</sup>	0,674
N	100
Dependent Variabel	Customer loyalty

In multiple regression analysis calculations can be included in the regression equation as follows:

$$Y1 = 0.482 X1 + 0.201 X2 + 0.450 X3$$

Based on the regression equation above, it can be seen that the most dominant advertising in influencing customer satisfaction, followed by variable image of the brand and price perception.

The coefficient of determination (Adjusted R Square) regression phase I of 0.500 which means the variation change of customer satisfaction can be explained by the ad, the price perception and brand image by 50%. While the remaining 50% is influenced by other variables outside the model study, such as trust and others

F count regression results Phase I provides calculated F value of 33.996 with a significant probability of less than 0.05 0.000 (significant level equal to 5 percent), which means that the variables simultaneously advertising, price perception and brand image on customer satisfaction

To test the effect of service quality, perceived price, corporate image and customer satisfaction to customer loyalty.

$$Y2 = 0.148 X1 + 0.559 X2 + 0.165 + 0.274 X3 Y1$$

Based on the regression equation above, it is known that the perception of the price of the most dominant in influencing customer loyalty, followed by variable customer satisfaction, brand image and advertising.

The coefficient of determination (Adjusted R Square) regression in Table 2 amounted to 0.674, which means a change of customer loyalty variation can be explained by the variable advertising, perception of price, brand image and customer satisfaction of 67.4%. While the remaining 32.6% is influenced by other variables outside the model study, such as distribution and others.

Phase II regression results provide calculated F value of 52.154 with a significant probability of less than 0.05 0.000 (significant level equal to 5 percent), which means that simultaneous service quality, perceived price, corporate image and customer satisfaction has positive influence on customer loyalty.

# Hypothesis testing

# 1 rent a positive effect on customer satisfaction

This hypothesis is based on Table 1 shows the significant value of 0.000 < 0.05. This means that the first hypothesis is not rejected / accepted, this means that advertising variables significantly influence customer satisfaction, while that influence is positive with a coefficient of 0.482. Based on this test it can be concluded that the more ads, the more increase customer satisfaction.

#### 2 Perception prices positive effect on customer satisfaction

This hypothesis is based on Table 1 shows the significant value of 0.008 < 0.05. This means that the second hypothesis is not rejected / accepted, this means that the perception variables significantly influence the price of customer satisfaction, while the effect is positive with a coefficient of 0.201. Based on this test it can be concluded that the better perception of the price, the better the customer satisfaction.

# 3 brand image positively affects customer satisfaction

This hypothesis is based on Table 1 shows the significant value of 0.000 < 0.05. This means that the third hypothesis is not rejected / accepted, this means that the brand image variables significantly influence customer satisfaction, while the effect is positive with a coefficient of 0.450. Based on this test it can be concluded that the better the image of the brand, the better the customer satisfaction.

227

#### 4 rent a positive effect on customer loyalty

This hypothesis is based on Table 2 can be seen significant value of 0.038 < 0.05. This means that the fourth hypothesis is not rejected / accepted, this means that advertising variables significantly influence customer loyalty, while the effect is positive with a coefficient of 0.148. Based on this test it can be concluded that the better the ad, the higher the customer loyalty.

## 5 Perception prices positive effect on customer satisfaction

This hypothesis is based on Table 2 can be seen significant value of 0.000 < 0.05. This means that the hypothesis is not rejected 5 / received, this means that the price perception variable significant effect on customer loyalty, while the effect is positive with a coefficient of 0.559. Based on this test it can be concluded that the better perception of the price, the higher the customer loyalty.

## 6 brand image positive effect on customer loyalty

This hypothesis is based on Table 2 can be seen significant value of 0.019 < 0.05. This means that 6 hypothesis is not rejected / accepted, this means that the brand image variables significantly influence customer loyalty, while the effect is positive with a coefficient of 0.165. Based on this test it can be concluded that the better the image of the brand, the higher the customer loyalty.

## 7 Customer satisfaction has positive influence on customer loyalty

This hypothesis is based on Table 2 can be seen significant value of 0.001 < 0.05. This means that the hypothesis 7 is not rejected / accepted, this means that the variable customer satisfaction significantly influence customer loyalty, while the effect is positive with a coefficient of 0.274. Based on this test it can be concluded that the better customer satisfaction, the higher the customer loyalty.

#### **Test Mediation**

#### a. The influence of advertising on customer loyalty mediated by customer satisfaction

To test the effect of mediation or to test the effect of advertising on customer loyalty mediated by customer satisfaction, it is done by comparing the results of the standardized coefficients directly with indirectly.

To perform the test using path analysis (path analysis) to compare the ads direct influence on customer loyalty with an indirect effect through customer satisfaction as a mediating variable.

Tests conducted in stages, the following steps:

Direct Impact X1 to Y2 = 0.148 Indirect Influence X1 to Y1 to Y2 = 0.482 \* 0.274 = 0.132

It can be concluded from the above test results, by relying on a provision whereby the indirect effect is smaller than the direct effect, it is stated that customer satisfaction is less effective in mediating the effect of advertising on customer loyalty.

# b. Influence price perceptions on customer loyalty mediated by customer satisfaction

To test the effect of mediation or test the effect of the price perception on customer loyalty mediated by customer satisfaction, it is done by comparing the results of the standardized coefficients directly with indirectly.

To perform the test using path analysis (path analysis) with memban0dingkan direct influence price perceptions on customer loyalty with an indirect effect through customer satisfaction as a mediating variable.

Tests conducted in stages, the following steps:

Direct Impact X2 to Y2 = 0.559 Indirect Influence X2 to Y1 to Y2 = 0.201 \* 0.274 = 0.055

It can be concluded from the above test results, by relying on a provision whereby the indirect effect is smaller than the direct effect, it is stated that customer satisfaction is less effective in mediating influence price perceptions on customer

loyalty.

## c. The influence of brand image to loyalty mediated by customer satisfaction.

To test the effect of mediation or test the effect of brand image influence on customer loyalty mediated by customer satisfaction, it is done by comparing the results of the standardized coefficients directly with indirectly. To perform the test using path analysis (path analysis) to compare the direct influence of brand image to customer loyalty with an indirect effect through customer satisfaction as a mediating variable. Tests conducted in stages, the following steps:

Direct Impact Against X3 Y2 = 0.165Indirect Influence X3 to Y1 to Y2 = 0.450 \* 0.274 = 0.123

It can be concluded from the above test results, basing onprovision whereby the indirect effect is smaller than the direct effect, it is stated that customer satisfaction is less effective in mediating the effects of brand image on customer loyalty.

#### DISCUSSION

## 1 Advertising Impact on Customer Loyalty

The first hypothesis is accepted that the more attractive the ads aired, it will increase customer loyalty to the product advertised. Kotler and Armstrong (2012) defines advertising is any form of non-personal presentation and promotion of ideas, goods and services from a particular sponsor that require payment. While understanding the rent according to Kasali (2007) is the message of a product, service or idea that is conveyed to the public through a medium which is directed to attract customers.

Ads that are interesting then customers will be interested in the ads that aired as well as considering the advertised product that may affect the customer will be loyal to the product Luwak White Koffie. This study is in line with research conducted by the Goddess, et al (2012) who found empirical evidence that ads have positive influence and significant impact on Customer Loyalty.

## 2 Effect of Perceived Price on Customer Loyalty

The second hypothesis is accepted that more affordable price, then further increase customer loyalty. According Zeithmal, (1988) in the Earth (2016) defines the price perception is something that is sacrificed by the customer to obtain a product. Meanwhile, according to Peter and Olson (2000) stated that the perception of price is the price information that is understood entirely by the customer and provide a deep meaning for the customer. This study is in line with that made by Adi (2013) find empirical evidence that perceived price positively affects customer loyalty.

#### 3 Effect Against Brand image Customer lovalty

The third hypothesis is accepted that the better the brand image of a product, the more increase customer loyalty. According to Kotler (2012), which argues that "the brand is a name, term, sign, symbol, or design, or a combination of the whole, which aims to identify the goods or services of a group of sellers and to differentiate their products from those of competitors.

David Aaker (2005) suggested that the brand is a name or symbol that aims to membedakankan and identify the goods or services of one seller or group of sellers who are their competitors. This study is in line with that made by Pradipta (2012) proved that the brand image of the variables have a significant positive effect on the dependent variable, namely customer loyalty

## 4 The influence of customer satisfaction on Customer Loyalty

The fourth hypothesis is accepted that more and more customers are satisfied with the products offered will increase customer loyalty. Customer satisfaction is feeling happy or disappointed someone arising from comparing the performance of perceived product (or result) to their expectations. (Kotler& Keller, 2008). Customer satisfaction is the extent to which the benefits of a product is felt (perceived) in accordance with what is expected of customers (Amir, 2005). This study is in line with that made by David, et al (2012) Variable Customer satisfaction has a significant influence on Customer Loyalty.

229

#### CONCLUSION

Based on the results of hypothesis testing, it is of significant test each variable can be concluded that: The more interesting ads aired, it will increase customer satisfaction. More affordable price, then the increase will improve customer satisfaction. The better the brand image of a product, the more increase customer satisfaction. The more interesting ads aired, it will increase customer loyalty to the product advertised. More affordable price, then further increase customer loyalty. The better the brand image of a product, the more increase loyaltycustomer. Increasingly customers are satisfied with the products offered will increase customer loyalty. Customer satisfaction does not mediate the effect of advertising on customer loyalty. Customer satisfaction does not mediate the effect of price perception on customer loyalty. Customer satisfaction does not mediate the effect of brand image on customer loyalty.

## Limitations

- a. Limitations of the study sample as a source of basic data, which is limited only to the students of the Faculty of Economics and Business, University of Stikubank (UNISBANK) Semarang force 2015/2016.
- b. I adjusted R-square is 0.545. This means 50 percent of the variation of customer satisfaction can be explained by the variation of the three independent variables (ad (X1), the perception of price (X2), brand image (X3)). While the remaining 50 percent (100% -50% = 50%) is explained by other causes.
- c. Adjusted R-square II is 0.657. This means that 67.4 percent of variations in customer loyalty can be explained by the variation of the four independent variables (ad (X1)), the perception of price (X2), brand image (X3) and customer satisfaction (X4)). While the remaining 32.6 percent (100% -67.4% = 32.6%) is explained by other causes

## **Implications Research**

- a. Ads need to pay attention to the media and commercials. This can be done using the appropriate media and commercials are more popular at this time.
- b. In the perception of the price needs to pay attention to the price according to the quality of its products. This can be done by adding more robust flavor of coffee aroma.
- c. At the brand image management needs to pay attention to product quality. This can be done by creating innovations with a variety of flavors, such as chocolate.
- d. On customer satisfaction need to be concerned about the media campaign. This can be done byadd a media campaign through the exhibition so it will be right on target.
- e. In after-sales service needs to pay attention to the ease of getting products. This can be done by adding the company's branch offices, so that all distributors to easily get products Luwak White Koffie

#### **Recommendations Research & Coming**

In order to increase customer loyalty, it can recommend the following advice:

- 1. For future research should be the object of research is not only at the Faculty of Economics and Business, University of Stikubank (UNISBANK) Semarang force 2015/2016, suppose all members FE Unisbank that will produce different empirical evidence.
- 2. To further research can be added to some of the variables out of the study (advertising, perception of price, brand image and customer satisfaction), for example, the quality of the product.

## **BIBLIOGRAPHY**

Aaker, David. A. 2009. Strategic Market Management, Fouthed .: John Wiley & Sons, Inc.

Afshar, A.J., Gasti, M A.H., Mirdamadi S.A., Nawaser K., and Khaksar, S M: S 2011. Study the Effect of Customer Service And Product Quality on Customer Satisfaction and Loyalty. International Journal of humanities and Social Science. University of Pune, India.

230

- Bearden, William O., Ingram, Thomas N., and LaForge, Raymond W., 2007.Marketing Management: Knowledge and Skills, International Edition.McGraw-Hill.New York
- DiyaAyuAnisaPradita. 2012. Effect of brand image (brand image) consumer loyalty lubricating oil products, Pertamina (Persero) Enduro 4T in Napier. Essay.Faculty of Economics and Business, University of Hasanuddin
- Dewi, et al. 2012. The influence of advertising, brand image and customer satisfaction on consumer loyalty in using vaselinehand and body lotion in the city of Padang. Journal of Management and Entrepreneurship, Volume 3, Number 2, May 2012 ISSN: 2086-5031
- Durianto, Darmadi, 2011, Strategy Conquer the Market Through Equity Research and Brand Behavior, Matter XX, Jakarta: PT. GramediaPustakaUtama
- Durianto, Sugiarto, Widjaja and Supraktino. 2003. Innovation Market With Effective Advertising. Gramedia Pustaka Utama. Jakarta
- Giddens, Nancy. 2011. Brand Loyalty. Missouri Value-added Development Center, University of Missouri
- Ginting, Nembah F. Hartimbul 2011, Marketing Management. Bandung: CV YramaWidya
- Gitosudarmo 2008, Marketing Management, first edition, fourth printing, Publisher: BPFE Yogyakarta
- Ghozali, Imam. 2011. Multivariate Analysis Applications With IBM Program. SPSS 19 (fifth edition.) Semarang: Diponegoro University
- Griffin, Jill. 2005. Customer Loyalty, Grow and Retain Customer Loyalty. Publisher: Erland, Jakarta
- Kasali, Rhenald. 2000. Public Relations Management. Jakarta: PT. Temprint
- Kotler, Philip and Kevin Lane Keller, 2008, Marketing Management, Twelfth Edition, translation Bob Sabran, Jakarta: PT. Index
- Kotler, Philip and Kevin Lane Keller. 2009. Marketing Management Volume 1, Thirteenth Edition, Translation Bob Sabran, MM. Jakarta: publisher
- Kotler, Philip and Armstrong, Gary. 2012. Principles of Marketing. New Jersey: Prentice Hall.
- Kotler, Philip, Kevin Lane Keller. 2012. Marketing Management, 14th Edition United States of America: Pearson Paula TieraPangestika. 2009. Effect of brand image (brand image) customer loyalty in three second product in the showroom java mall Semarang. Essay. Faculty of Economics and Business, University of Dian Nuswantoro
- PanuntunTiyasAdi. 2013. Analysis of the influence of the price perception of service quality and customer value through customer satisfaction and perceptions of price on customer loyalty. Essay.Faculty of Economics and Business, University of Diponegoro. Semarang
- Peter, J. Paul and Jerry C. Olson. 2000. Consumer behavior: Consumer Behavior and Marketing Strategy Volume 1. Fourth Edition. Jakarta: Erland
- Rizwan, Muhammad. 2014. Determinants of Customer Satisfaction and its impact on customer loyalty in the Nokia brand. Journal of Sociological Research.ISSN 1948-5468.2014, Vol. 5, No. 1
- Schiffman and Kanuk. 2010. Consumer Behavior. Jakarta: PT. Index
- Sunyoto, Danang, 2013. Consumer Behavior, CAPS (Center of Academy Publishing Service), Yogyakarta
- Sugiyono 2010, Business Research Methods, Bandung: AlfabetaTjiptono 2006, Management Services, Publisher Andi, Yogyakarta