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# **Determinant Factors Customer Satisfaction And Its Implication On Customer Loyalty: From The Perspective Of Customers Of Vespa**

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## **Abstract.**

*This study intends to examine the relationship between brand equity, product quality, and service quality, as well as their partial and simultaneous effects on consumer satisfaction and loyalty. Path analysis is the data processing technique employed by researchers. 100 Vespa customers served as the sample for this study's respondents. Primary data were gathered as a consequence of respondents' responses to the questionnaires that were sent out. According to the findings from the first equation, brand equity, product quality, and service quality all have a simultaneous and partial impact on customer happiness. According to the study's findings, the variables of product quality, service quality, brand equity, and customer happiness have a simultaneous and partial impact on customer loyalty based on the second equation.*

**Keywords:** Customer Loyalty, service quality, customer satisfaction, brand equity and product quality.

## **I. INTRODUCTION**

Humans now demand more individualized attention when consuming an item due to the business world's rapid expansion, which forces corporations to contend with fierce rivalry and increasingly stringent regulations (Annas et al., 2023). Also, modern consumers are increasingly individualistic and seek more personalized solutions when it comes to meeting their demands (Sudiyono et al., 2022). Companies must be able to comprehend the wants and needs of consumers in order to meet these needs if they are to exist (McDougall & Levesque, 2000). If someone needs a product, what will be considered first are the benefits of the product; after that, they will consider other factors beyond the benefits (Suyoto et al., 2023; Erhan et al., 2019). The advancement of time and the growing demand for transportation equipment have given automotive businesses new life, particularly in the motorbike sector, which is needed by many people and is also inexpensive and simple to maintain (Bauer et al., 2020). Being key players in this nation's motorcycle market, motorcycle manufacturers including Honda, Piaggio, Yamaha, Suzuki, and Kawasaki have recently risen to prominence. These companies are constantly vying for public interest in order to sell their products (Agiesta et al., 2021). Businesses must be able to produce high value both in absolute terms and in comparison, to lower-priced rivals (Rida, 2019). A company's ability to succeed in one or more ways that rivals cannot or will not match gives it a competitive advantage (Annas et al., 2023; Shun et al., 2004). One of the toughest automotive competitions is motorcycling. Motorbikes are a two-wheeled transportation facility that is the prima donna of road users.

Motorcycles are not only fuel-efficient, but they are also suitable for relatively stable road conditions. With motorcycles, people's mobility is even greater. They don't have to worry about being caught in traffic jams or shelling out money for escalating public transportation costs to go where they need to go. Consumers don't need to spend a lot of money to be able to purchase a motorcycle, they only need to pay a down payment of roughly under IDR 1 million and installments of roughly IDR 400,000, and they'll have their motorcycle in three years (<http://www.aisi.or.id/news>). From 1996 to 2014, the increase in motorcycle production in Indonesia has increased significantly. This demonstrates that as things continue to get better, there will be a higher need for motorcycles to suit the demands of the neighborhood. One of the modern motorcycles that is appealing to the general people and now in development is the Vespa. The attractive design of the Vespa compared to other motorbikes makes the Vespa quite recognized as a quality motorbike, despite the Vespa's relatively high price. There are quite a lot of motorbike brands in Indonesia, and they have been in Indonesia for a long time; some have even been in Indonesia since 1884. The only motorbike that was being developed at the time was the Vespa, which was a fairly expensive motorbike at the time.

As the oldest motorbike in Indonesia, Vespa was able to captivate people's hearts to own it, even though at that time only a few people owned it, and at that time it was recognized as a luxury motorbike. Nowadays, Vespa is also able to compete with other motorbikes, even though the price is quite high. This proves that Vespa is a motorbike whose quality has been recognized for a long time (<http://sepeda-motor.info>). Because of the increasingly tough rivalry in industry, businesses must use more aggressive marketing strategies to draw in and keep customers (Batra et al., 2012; Asma et al., 2018). Companies must comprehend the demands and preferences of consumers for the things they offer if they want to compete (Fakhrudin, 2016), including affordable prices, well-known brands, good promotions, quality, satisfying service, and product distribution channels (Brakus et al., 2009; Helgeson & Supphellen, 2004). Marketers can precisely determine what consumers' requirements and wants are (Dewi, 2013), as well as their history, by knowing how people choose items, the reasons for purchasing products, as well as the conditions under which goods and services are purchased, thereby identifying market opportunities that can be fulfilled by the product of company (Escalas et al., 2005; Gul, 2014), thus the business may satisfy customer demands, resulting in customer satisfaction (Barelds & Dijkstra, 2007). The degree of one's feelings following a comparison of the performance (results) to expectations is known as satisfaction (Govers & Schoormans, 2005; Damayanti, 2015).

## II. METHODS

The convenience sampling method, which is a methodology for choosing the population members who are most convenient to meet and collect data from, is the sampling technique employed by the authors. Using primary data, which is defined as a data source that proactively delivers data to data collectors, is one of the strategies the author used to get the data required for the creation of this study (Sugiyono, 2019). Respondents' responses and identities were captured in the primary data for this study from surveys they completed. Descriptive data analysis with a case study methodology was used in this study. Validity and reliability tests were conducted prior to data testing to ascertain the viability of the study's questionnaire.

## III. RESULT AND DISCUSSION

**Table 1.** T Test Results (Partial Equation 1 Test)

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.350	.165		1.025	.033
	PR	.334	.046	.238	7.343	.000
	PL	.448	.053	.344	7.920	.000
	EM	.078	.038	.076	1.116	.022

a. Dependent Variable: KP

Source: primary data that has been processed

According to the study's findings, the variables of product quality, service quality, and brand equity as a whole have a considerable impact on customer satisfaction as shown by the path analysis equation  $Y_1 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4$

Customers' satisfaction with the product quality of Vespa brand motorcycles can be regarded as being high, despite the fact that the product quality variable has a large impact on this. The findings are consistent with earlier studies that looked at the impact of price, product quality, and service quality on patron satisfaction at a single restaurant in central Java. The findings demonstrated that consumer satisfaction levels are significantly influenced by service quality, product quality, and pricing. Although the service quality variable has a significant impact on customer satisfaction, this can be interpreted as customer satisfaction for Vespa brand motorbikes in terms of the quality of service provided by Vespa motorbike dealers. As a result, employees need to be trained in terms of service quality in order to ensure customer satisfaction. The findings are in line with earlier studies that looked at how customer satisfaction was affected by service

quality in a learning center in west Java. According to the study's findings, both a partial and simultaneous relationship existed between service quality and customer happiness.

A different researcher conducted a study in which it was addressed how corporate image and service quality affected customer happiness. According to the study's findings, corporate image and service quality factors have a favorable and significant impact on customer satisfaction. Customer satisfaction is more strongly influenced by the company image variable. Customer satisfaction, meanwhile, is significantly impacted by the brand equity factor. According to brand equity for Vespa brand motorbikes, this can be understood as customer satisfaction. As a result, there is a need for improvement in building the Vespa brand by giving the product a positive image so that customers feel confident. The findings are consistent with earlier studies that covered the impact of brand equity on consumer happiness. According to the study's findings, testing using the F test demonstrates that a number of brand-related factors, including brand awareness, perceived quality, brand associations, and other brand assets, simultaneously have a considerable impact on consumer happiness. In comparison to brand awareness, perceived quality, brand associations, and other brand assets, brand loyalty is the variable with the greatest f-value. Brand loyalty is the primary factor driving consumer satisfaction, then.

**Table 2.** F Test Results (Simultaneous Equation 2 Test)

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.256	4	4.322	72.735	.000 <sup>b</sup>
	Residual	6.725	96	.060		
	Total	22.015	98			

a. Dependent Variable: LP

b. Predictors: (Constant), KP, EM, PR, PL

Source: primary data that has been processed

The variables of product quality, service quality, brand equity, and overall customer happiness have a considerable impact on customer loyalty, according to the path analysis equation  $Y_2 = \rho_{y_2x_1}X_1 + \rho_{y_2x_3}X_3 + \rho_{y_2y_1}Y_1 + \epsilon$ .

Customer loyalty is significantly influenced by the product quality variable by 10.9%, indicating that satisfied customers are more likely to stick with a brand. The findings are consistent with earlier studies that looked at how customer loyalty in a snack shop was influenced by product quality and consumer happiness. According to the study's findings, client loyalty is influenced by both product quality and customer satisfaction levels at the same time. Customer loyalty is partially influenced by product quality and consumer happiness levels, but customer satisfaction levels have the biggest impact on customer loyalty. Brand equity has a 2.59% influence on the variable. This demonstrates how important brand equity is in boosting client loyalty. In order for the brand to have a positive reputation and for customers to develop a loyalty to Vespa brand motorcycles, it is vital to increase brand equity by making improvements in every area. The findings are consistent with earlier studies that looked at the impact of brand equity on consumer loyalty in the cellular telephone industry. Regression analysis results demonstrate that brand equity significantly affects cellular phone customer loyalty. Customer satisfaction has an effect on customer loyalty of 7.8%, which is evidence that this variable affects it. The findings are consistent with earlier studies that looked at how consumer loyalty to one washing business in Jakarta was influenced by pricing, trust, and customer satisfaction. According to the study's findings, price (X3), trust (X2), and customer satisfaction (X1) all have a marginally significant impact on a customer's loyalty.

#### IV. CONCLUSION

The findings of this investigation are as follows: The product quality variable significantly influences customer satisfaction when the direct and indirect effects of each exogenous variable on its endogenous variables are calculated. According to the findings of the partial tests, it was determined that the service quality variable has a substantial impact on customer satisfaction while the product quality variable

has a significant impact. The service quality variable and the brand equity variable were found to have a significant impact on customer satisfaction, respectively, based on the findings of the partial tests. Yet, it was determined based on the findings of the partial test that the brand equity variable has a considerable impact on consumer satisfaction. There is a significant effect of the combined product quality, service quality, and brand equity variables on customer satisfaction, according to the calculation of the direct and indirect effects of all exogenous variables on the endogenous variables, with the remaining percentage representing the possibility that other factors may have a concurrent impact on changes in customer satisfaction variables. Then, factors like as brand equity, service quality, and product quality have a big impact on consumer happiness.

Customer loyalty is significantly impacted by the variable affecting product quality, according to calculations of the direct and indirect effects each exogenous variable has on the endogenous variable. According to the partial test results, it was determined that brand equity has a substantial impact on consumer loyalty and that product quality has a big impact on loyalty. According to the results of the partial test, it was determined that customer happiness has a big impact on customer loyalty while brand equity has a significant impact on the same variable. The variable customer satisfaction significantly affects customer loyalty, as shown by the results of the partial test. There is a significant effect of product quality, brand equity, and customer satisfaction variables combined on customer loyalty, according to calculations of the direct and indirect effects of all exogenous variables on the endogenous variables. The remaining percentage represents the possibility that other factors could also have an impact on changes in customer loyalty variables. The variables of product quality, brand equity, and customer satisfaction, meanwhile, were found to have a considerable impact on consumer loyalty, according to the results of the simultaneous tests.

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