The Effect of Brand Image and Product Quality on Customer Loyalty to Achieve Competitive Advantage  
(Consumers of Samsung Brand Smartphone Products at the Directorate General of PDASRH Ministry of Environment and Forestry)

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Abstract: The primary objective of this study is to investigate and analyze whether there is a relationship between Brand Image and Product Quality that contributes to Customer Loyalty, ultimately leading to the attainment of Competitive Advantage. The research methodology employed is the descriptive quantitative method. In the context of the study's hypotheses: Brand Image is projected to have a positive and noteworthy impact on Customer Loyalty. Product Quality is anticipated to exhibit a favorable and substantial influence on Customer Loyalty. Brand Image is expected to have a constructive and substantial impact on Competitive Advantage. Product Quality is hypothesized to lack a constructive and substantial impact on Competitive Advantage. Customer Loyalty is predicted to yield a favorable and meaningful contribution to Competitive Advantage. Brand Image is envisaged to influence Competitive Advantage through the mediating role of Customer Loyalty. Product Quality is anticipated to influence Competitive Advantage through the mediating role of Customer Loyalty. The study aims to uncover insights into the interplay between brand image, product quality, customer loyalty, and competitive advantage.

Keywords: Brand Image, Product Quality, Customer Loyalty, Competitive Advantage.

I. INTRODUCTION

In the present era, the technology industry is undergoing rapid advancements, propelled by the ever-evolving information and communication demands. These changes are crucial in addressing daily communication challenges. Communication has become an integral part of everyday life and holds significant importance in social interactions within society. This is rooted in the inherent nature of humans as social beings, necessitating communication and information sharing at an elevated level.

The current landscape is characterized by the pervasive influence of the internet, rendering communication and information access exceptionally convenient. The adoption of smartphones among employees within the Directorate General of PDARSH has substantially streamlined various work-related tasks. These devices facilitate email correspondence, completion of work assignments, exchange of voice messages and images, access to social media, and function as essential work tools.

The prominence of Samsung smartphones is closely linked to the appeal of their products. This preference has led individuals to opt for Samsung smartphones, given the diverse range of options available. With numerous models, colors, and designs to choose from, consumers enjoy the freedom to select a Samsung Smartphone according to their preferences. Additionally, Samsung's reputation as a strong and positively perceived brand adds to the allure of their products. The name "Samsung" carries widespread recognition, bolstering trust among the public. The enduring presence of this brand in the public consciousness instills confidence in consumers.

Samsung's longstanding reputation reinforces its status as a frontrunner in the electronics manufacturing sector. As a result, when Samsung introduces a new product, such as a smartphone, consumers readily embrace it due to the brand's established credibility. This firm branding identity as a premier electronics manufacturer contributes to the confidence consumers place in Samsung's offerings.

II. THEORY STUDY, FRAMEWORK FOR THINKING, AND HYPOTHESIS FORMULATION

A. Brand Image

As defined by Kotler and Keller (2016), brand image refers to the perception held by consumers regarding a brand, as characterized by the brand associations residing within their memories. Drawing from this elucidation, it can be inferred that brand image constitutes a compilation of perceptions ingrained in consumers' minds concerning a brand. These perceptions are constructed from the recollections and memories individuals possess regarding the brand.

B. Product Quality

As described by the American Society in Kotler and Keller's book (2016), the concept of quality can be succinctly captured as: "Quality embodies the complete array of attributes and traits inherent in a product or service, which directly influence its capability to fulfill both explicitly expressed and inferred requirements." In essence, quality
encapsulates all the distinctive attributes and characteristics of a product or service that contribute to its capacity to meet the articulated and implied needs of customers.

C. Customer Loyalty
As per the articulation in Kotler and Keller's work (2016), the term "customer loyalty" can be encapsulated as: "An enduring and profound dedication to consistently repurchase or re-engage with a favored product or service in the future, even when faced with external circumstances and marketing endeavors that could potentially induce a change in purchasing behavior." This definition underscores a strong and steadfast commitment to persistently selecting a preferred product or service, despite the influence of various external factors and marketing initiatives that might typically prompt consumers to switch habits.

Schiffman and Kanuk, cited in Louisrianda & Tabrani (2017), further accentuate that the prevalent interpretation of customer loyalty within the marketing domain encompasses both the attitudinal and behavioral dimensions of consumers' interactions with a brand.

D. Competitive Advantage
As posited by Kotler and Armstrong (2018), competitive advantage is a position of superiority over the advantages held by competitors, achieved through the provision of enhanced customer value at reduced prices, or by delivering more advantages that substantiate higher prices. For businesses, cultivating a competitive advantage vis-à-vis their competitors is of utmost importance. This factor significantly impacts a company's ability to fulfill customer expectations. In the absence of a competitive advantage, a company could inadvertently undermine the perceived value of its offerings. Consequently, customers might shift their allegiance to competing products or services, and in some cases, even vocalize their dissatisfaction with the company's products or services to external parties.

E. Thinking Framework
Based on description, the thinking framework for this research is:

F. Hypothesis Formulation
Based on description, the hypothesis for this research is:

H1 : Better brand image, the higher the consumer loyalty.
H2 : Better product quality, the higher the consumer loyalty.
H3 : Better brand image, the higher the competitive advantage.
H4 : Better product quality, the higher the competitive advantage.
H5 : Better customer loyalty, the higher the competitive advantage.
H6 : Better brand image mediated by customer loyalty, the higher the competitive advantage.
H7 : Better product quality mediated by customer loyalty, the higher the competitive advantage.

III. RESEARCH METHODS
A. Research Design
The researchers adopted a descriptive quantitative research methodology. Within this approach, they employed a survey method to explore the connections among the research variables. This survey was conducted using a quantitative approach, involving the distribution of questionnaires to respondents. The objective was to establish a relationship model involving multiple variables. In the context of survey research, questionnaires served as the primary tool for collecting firsthand data and were the principal instrument for gathering primary data.

B. Research Variables
- Intervening Variable: Customer Loyalty.
- Dependent Variable: Competitive Advantage.

C. Unit of Analysis
In this study, the unit of analysis is the customer. In terms of the unit of analysis is an individual as a Samsung brand smartphone customer at the Directorate General of PDASRH, Ministry of Environment and Forestry.

D. Population and Sample
The population in this study are employees of the Directorate General of PDASRH Ministry of Environment and Forestry in Jakarta who use and have purchased Samsung smartphone.

E. Types and Sources of Data
In this study, the data employed is categorized as primary data, as defined by Sugiyono (2016). Primary sources refer to data that is directly collected by the researchers themselves. In the process of assembling this research, the authors directly administered questionnaires to the employees of the Directorate General of PDASRH, Ministry of Environment and Forestry in Jakarta. These employees are users who have purchased Samsung smartphone products.

F. Data Collection Methods
In this study, data collection was carried out to obtain information needed to limit the problems in research. The method used by researchers in collecting data is a questionnaire.

G. Data Analysis Technique
In order to evaluate the hypotheses, this study employs Structural Equation Modeling (SEM) analysis. SEM encompasses a collection of statistical methods that enable the simultaneous testing of a series of intricate relationships. This intricate interconnection can be comprehended as a sequence of connections established between one or more dependent (endogenous) variables and one or more independent
(exogenous) variables. These variables are structured in the form of factors or constructs, which are formed from several indicators that are directly observed or measured.

IV. ANALYSIS AND RESEARCH RESULTS

A. SEM Assumptions Test

- Normality Test
  The results of the study showed skewness in all variables below 2.58 (significant at 1%) and it can be concluded that the data were normally distributed. In multivariate the results show a value below 2.58, namely 1.259, so in multivariate the data is also normally distributed.

- Outliers EvaluationNormality Test
  In this study, the number of indicators used was 18 so that at a p level of 0.001 an $X^2$ value of 149,401 was obtained. So if the highest Mahalanobis Distance value is lower than 149,401, it means that there are no outlier data.

B. Testing the Unidimensionality of Each Construct with CFA (Confirmatory Factor Analysis).

- Brand Image Construct Confirmatory Test
  The results of the study showed that the value of convergent validity was above 0.5. So it was concluded that the indicators CM1, CM2, CM3, CM4, and CM5 were declared valid because their values were above 0.5. From these data the construct that most influences brand image is the CM1 indicator with a value of 1 at a significance level of 0.001, while the CM3 indicator has the least influence with a value of 0.929.

- Product Quality Construct Confirmatory Test
  The results of the study showed that the value of convergent validity was above 0.5. So it was concluded that the indicators KP1, KP2, KP3, KP4, and KP5 were declared valid because their values were above 0.5. From these data the construct that most influences product quality is the KP4 indicator with a value of 1.030 at a significance level of 0.001, while the KP3 indicator has the least influence with a value of 0.820.

- Customer Loyalty Construct Confirmatory Test
  The results of the study showed that the value of convergent validity was below 0.5 as an indicator for LP1, while LP2, LP3 and LP4 were above 0.5. So it was concluded that the indicators LP2, LP3, and LP4 were declared valid because their values were above 0.5. From these data the construct that most influences customer loyalty is the LP4 indicator with a value of 1 at a significance level of 0.001, while the LP1 indicator has the least influence with a value of 0.457.

- Confirmatory Test of Competitive Advantage Construct
  The results of the study showed the convergent validity value is above 0.5. So it was concluded that the indicators KB1, KB2, KB3, and KB4 were declared valid because their values were above 0.5. From these data the construct that most influences competitive advantage is the KB3 indicator with a value of 1.155 at a significance level of 0.001, while the KB1 indicator has the least influence with a value of 1.

C. Confirmatory Variable Test with CFA
  AMOS output results show the value of the Determination of sample covariance matrix of 5796.095. If seen from the results, this value is far from zero, so it can be concluded that there are no multicollinearity and singularity problems in the data that has been analyzed. Very small values indicate the existence of multicollinearity or singularity problems so that the data cannot be used for research.

D. Confirmatory Test of Brand Image Construct, Product Quality, Customer Loyalty and Competitive Advantage with Confirmatory Factor Analysis (CFA) Full Model.
  Based on the results of the research as a whole it has approached the fit criteria that meet the criteria namely Prob, RMSEA, GFI, CMIN/DF, TLI and CFI. Some others approach the minimum index requirements, namely Chi-square and AGFI indicating the marginal level of a model. In addition to conducting confirmatory tests on all variables, all construct indicators can have a probability value of p <0.05 and also meet the convergent validity value except for the product quality variable on competitive advantage with a value of 0.694. So it is concluded that all data in the full model diagram is valid except for the product quality variable on competitive advantage.

E. Goodness of Fit Test
  Chi Square $X^2$ in this study is 153.190, for the results of the probability d 0.072. The results of the RMSEA, GFI, CMIN/DF, TLI and CFI show the results of the evaluation of the good fit model because they have met the cut of value. Meanwhile, the results of AGFI show that the evaluation results of the marginal fit model are close because they are close to the cut of value.

F. Hypothesis Testing

- The Effect of Brand Image on Customer Loyalty Confirmatory Test of Competitive Advantage Construct.
  The results showed that the CR value was 2.411 > 1.96 at a significant level (p-value) of 0.016 <0.05. So it can be concluded that Ha is accepted, meaning that Brand Image affects Customer Loyalty.

- Effect of Product Quality on Customer Loyalty.
  The results showed a CR value of 2.025 > 1.96 at a significant level (p-value) of 0.043 <0.05. So it can be concluded that Ha is accepted, meaning that product quality affects customer loyalty.

- The Effect of Brand Image on Competitive Advantage.
  The results showed that the CR value was 6.963 > 1.96 at a significant level (p-value) of 0.000 <0.05. So it can be concluded that Ha is accepted, meaning that Brand Image influences Competitive Advantage.

- Effect of Product Quality on Competitive Advantage.
  The results showed that the CR value was 0.393 <1.96 at a significant level (p-value) of 0.694 > 0.05. So it can be
concluded that Ho is accepted, meaning that Product Quality does not affect Competitive Advantage.

- **The Effect of Customer Loyalty on Competitive Advantage.**
  
The results showed that the CR value was 2.076 > 1.96 at a significant level (p-value) of 0.038 <0.05. So it can be concluded that Ha is accepted means Customer Loyalty to Competitive Advantage.

- **The Effect of Brand Image on Competitive Advantage Mediated by Customer Loyalty.**
  
The results showed that the CR values were 5.546, 6.994 and 2.413 > 1.96 at significant levels (p-values) of 0.000, 0.000 and 0.016 <0.05. So it can be concluded that Ha is accepted, meaning that Brand Image influences Competitive Advantage mediated by Customer Loyalty.

- **Effect of Product Quality on Competitive Advantage Mediated by Customer Loyalty.**
  
The results showed that the CR values were 4.097, 2.610 and 2.157 > 1.96 at a significant level (p-value) of 0.000, 0.009 and 0.031 <0.05. So it can be concluded that Ha is accepted, meaning that Product Quality affects Competitive Advantage mediated by Customer Loyalty.

V. CONCLUSIONS

In the scope of this study, several relationships have been identified and hypothesized:

- Brand image is predicted to exert a positive and substantial influence on customer loyalty.
- Product quality is expected to have a favorable and significant impact on customer loyalty.
- Brand image is anticipated to yield a constructive and notable effect on competitive advantage.
- However, product quality is hypothesized to lack a constructive and significant influence on competitive advantage.
- Customer loyalty is predicted to contribute positively and significantly to competitive advantage.
- The influence of brand image on competitive advantage is envisaged to be mediated by the presence of customer loyalty.
- Similarly, the impact of product quality on competitive advantage is anticipated to be mediated through the vehicle of customer loyalty.

This study endeavors to elucidate the interrelations between brand image, product quality, customer loyalty, and competitive advantage, while also considering potential mediation effects.

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