THE EFFECT OF CUSTOMER SATISFACTION ON ATTITUDINAL LOYALTY IN SONY ERICSSON MOBILE PHONES

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Abstract: The number of mobile phone users in Indonesia was initially expected to reach 100 million by 2010. In 2008, the number is expected to top 120 million, signifying a huge potential market. Among the mobile phone companies, there is also the emergence of smaller companies capable of overtaking “bigger” rivals. In order to stay companies to deliver customer satisfaction. This paper suggests that attitudinal loyalty is influenced by customer satisfaction, while the latter, in turn, is influenced by variables product quality and perceived value. The objective of the paper is to determine the strength of the satisfaction-loyalty link among Sony Ericsson mobile phone users, and the forms of loyalty expressed. The research method used is the causal research, using both primary and secondary data. To gather the data, 100 questionnaires are distributed, while complemented with face-to-face interviews. Convenience, judgment, and snowball sampling methods are employed. The processing of data is carried out using SPSS 13.0 and AMOS 5.0. From the study, it is observed that there is a positive correlation between customer satisfaction and attitudinal loyalty among Sony Ericsson mobile phone users. In addition, it is also observed that the internal reference of customers is the most influential contributing to perceived value, while the product quality of Sony Ericsson mobile phone has contributed to the biggest consideration of product performance.

Keyword: Product Performance, Perceived Value, Customer Satisfaction, Attitudinal Loyalty

INTRODUCTION

According to report by Gartner (see table 1), the worldwide sales of mobile phones surpassed 1.15 billion units in 2007, a 16 percent increase from 2006’s 990.9 million. Mobile phone sales at the year were consistent with the yearly trend, as fourth quarter sales reached 330 million units. Emerging markets provided much of the growth, while in mature markets, consumers’ appetite for feature-laden phones was met with new models packed with TV tuners, global positioning satellite (GPS) functions, touch screens and high-resolution cameras. In Asia/Pacific alone, 112 million mobile devices were sold in the fourth quarter, representing a 9.6 per cent growth over the previous quarter.
According to Okezone, Outside of Indonesia, consumers replace mobile phones after one and half to two years of usage. However, the consumer behavior in Indonesia has a tendency to replace mobile phones often. As a result, there is a demand for constant for differentiation amongst competitors. At the moment, Nokia has a 39.1 percent market share and is still the market leader, Samsung second with 14.4 percent, Motorola third with 10.2 percent, LG fourth with 8 percent, while Sony Ericsson is last. However the battle for third place is relatively wide open, with the last three jostling to attain the position.

The Embassy of Indonesia Ottawa quoted The edge Daily, Saying that the number of Mobile phone users in Indonesia was initially expected to reach 100 million by 2010 as low penetration rate in the World’s fourth most populous country offers huge potential. Numbers have been growing rapidly in Indonesia in recent years, expanding around 50% in 2005. However Reuters reported that Indonesia’s mobile phone industry enjoyed such strong growth that the number of mobile phone customers is expected to top 120 million by the end of 2008.

### Table 1. World wide Mobile Phone SALES (‘000S OF Units)

<table>
<thead>
<tr>
<th>Company</th>
<th>2007 Sales</th>
<th>2007 Market Share (%)</th>
<th>2006 Sales</th>
<th>2006 Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td>435,453.1</td>
<td>37.8</td>
<td>344,915.9</td>
<td>34.8</td>
</tr>
<tr>
<td>Motorola</td>
<td>164,307.0</td>
<td>14.3</td>
<td>209,250.9</td>
<td>34.8</td>
</tr>
<tr>
<td>Samsung</td>
<td>154,540.7</td>
<td>13.4</td>
<td>116,480.1</td>
<td>11.8</td>
</tr>
<tr>
<td>Sony Ericsson</td>
<td>101,358.4</td>
<td>8.8</td>
<td>73,641.6</td>
<td>7.4</td>
</tr>
<tr>
<td>LG</td>
<td>78,576.3</td>
<td>6.8</td>
<td>61,986.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Others</td>
<td>218,640.3</td>
<td>18.9</td>
<td>184,588.0</td>
<td>18.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,152,839.8</strong></td>
<td><strong>100.0</strong></td>
<td><strong>990,862.5</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Garner, 27 February 2008

### Table 2. In 2008 Indonesia Best brands (Mobile phone)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td>84.1</td>
<td>79.3</td>
<td>73.7</td>
<td>99.0</td>
<td>82.1</td>
<td>86.4</td>
<td>433.7</td>
</tr>
<tr>
<td>Sony Ericsson</td>
<td>5.3</td>
<td>6.5</td>
<td>8.7</td>
<td>97.1</td>
<td>11.0</td>
<td>10.5</td>
<td>75.8</td>
</tr>
<tr>
<td>Samsung</td>
<td>2.4</td>
<td>3.0</td>
<td>4.0</td>
<td>100.0</td>
<td>8.0</td>
<td>7.5</td>
<td>59.5</td>
</tr>
<tr>
<td>Motorola</td>
<td>1.7</td>
<td>2.1</td>
<td>4.0</td>
<td>93.6</td>
<td>7.1</td>
<td>6.7</td>
<td>50.8</td>
</tr>
<tr>
<td>Siemens</td>
<td>0.6</td>
<td>1.1</td>
<td>1.9</td>
<td>93.9</td>
<td>5.9</td>
<td>7.0</td>
<td>58.5</td>
</tr>
</tbody>
</table>

Source: SWA sembada, 21 August 2008
According to the central statistic Agency, the total value of cell phones imported into Indonesia increased from $89 million in 2004 to 120 million active mobile phone units in Indonesia. A recent survey conducted by the Indonesia Development Monitoring Research, in fact, Indonesia presents such a massive market opportunity that three Cellular Phone manufacturers have already started constructing plants in Indonesia. According to the Jakarta Post, the manufacturers have started building plants on a combined 6.5-hectare plot of land in an industrial zone in West Java, each having a total capacity of around two million units per year.

Table 3 – 2008 Indonesia Customer Satisfaction Award (Mobile Phone)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Quality Satisfaction Score</th>
<th>Value satisfaction score</th>
<th>Perceived best score</th>
<th>Expectation score</th>
<th>Total satisfaction score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td>4.703</td>
<td>4.493</td>
<td>4.637</td>
<td>4.344</td>
<td>4.543</td>
</tr>
<tr>
<td>Sony Ericsson</td>
<td>3.948</td>
<td>3.383</td>
<td>3.880</td>
<td>3.601</td>
<td>3.381</td>
</tr>
<tr>
<td>Motorola</td>
<td>3.563</td>
<td>3.707</td>
<td>3.613</td>
<td>3.398</td>
<td>3.564</td>
</tr>
<tr>
<td>Siemens</td>
<td>3.667</td>
<td>3.596</td>
<td>3.637</td>
<td>3.273</td>
<td>3.538</td>
</tr>
<tr>
<td>BenQ Siemens</td>
<td>3.648</td>
<td>3.530</td>
<td>3.570</td>
<td>3.124</td>
<td>3.461</td>
</tr>
</tbody>
</table>

Source: SWA sembada, 18 September 2008

As observed from the table, there is a significantly large gap between the first- and second-ranked mobile phone brands, Nokia and Sony Ericsson, respectively. In a customer satisfaction report (Table 3) published, there is surprise inclusion of another mobile phone company, Huawei, into the rankings. In the process, Huawei has overtaken two of its "bigger" rivals, in terms of total satisfaction score this signifies that even “smaller” brands are capable of delivering satisfactions to.

Kotler (2005) says, customer satisfaction is a key influence on the future purchasing behavior of customers. Satisfied customers have a higher tendency to repurchase and tell other about their good experiences. Meanwhile, dissatisfied customer often switch to competitors and disparage the product to others. In addition, Mellens (1996) believes that the attitudinal approach to customer behavior is rational being concerned with underlying attitudinal process and evaluation criteria of a given purchase. This can means that even...
established brands have reason to fear the loss of customer to competitors if satisfactions cannot be delivered.

Much of the growth can be attributed to operations and distributions offering a wide range of mobile phone options at reasonable prices, tempting new users to sign up to service plans. Meanwhile, driving factors the growth in emerging markets in Asia/Pacific included huge numbers of new subscribers, lower-priced phone based on wideband code division multiple access (WCDMA) technology, as well as ultra-low-cost CDMA phones and low-cost global system for mobile (GSM) phones.

As a result of these phenomena, there exists the need to explore the factors that may influence customer satisfactions in mobile phone company, Sony Ericsson in particular and analyses the strength and relations that may exist within the customer satisfactions-attitudinal loyalty link.

**Problem statement**

To find out the effect of customer satisfaction on attitudinal loyalty of Sony Ericsson mobile phone users

**Research Objective**

To develop a strategy to increase Sony Ericsson mobile phone users’ resistance to switch in order to raise the likelihood of repeat purchases

**Product Performance**

Kotler (2006) describes a product as anything that can be offered or sold to a market to satisfy a want or need existing within. A product is more that just a tangible offering; a product can existing in the form of physical goods, services, experiences, events, persons, places, properties, organizations, Information and ideas. In general, a product may refer to a single item or unit, a group of equivalent products, or grouping of goods or services.

Additionally, Bearden (2011) say customers purchase to products to satisfy needs and wants another way to say this is that customer want a” bundle “of benefits from the same type of product. As result, companies have to ensure that all the benefits that customers may want can be derived from the components that are incorporated built intro the products themselves.
Perceived performance is the customer’s evaluations of a product or service performance after consumptions. As such, product performance is defined as the subjective evaluations of the core attributes that make up a product, including both intrinsic and extrinsic features. The attributes may consist of the product and customer service features. Product components include quality, design, branding and packaging while customer service encompasses various purchase and usage services.

**Product Quality**

According to Bearden (2001) as a product component, product quality represent how well a product does what it is supposed to do as defined by the customer. Sometimes, seemingly minor differences between products lead customers to perceive significant differences in quality; quality is what customers consider it to be many customers typically based purchase decisions on personal perceptions of quality, not necessarily objective evaluations, and these perceptions lagged reality.

Meanwhile, Kother (2006) describes quality as the totality of features and characteristics of a product or service that bear on the ability to satisfy stated or implied needs. The product quality stated here refers to the ability of the features built within in satisfying what the customers seek out in mobile phones.

Some of the features that are of importance to customers and thus discussed in the paper are external screen/caller ID, phone book and voice dialing, micro browser, text messaging, instant messaging, and e-mail, camera, video recorder, and picture massaging, speakerphone/conference calling, Bluetooth and infrared, Multimedia options and accessories.

Bearden (2001) says that the product design includes aspects such as the styling, aesthetics and functions of a product. How a product is designed or intended affects the way it works, it feels ease in assembling and fixing, and ease in recycling. Similarly, Routio (1996) is able to categories several frequently used viewpoints in the research of products into six factors, namely usability, beauty, message, security, ecology and economy.

Usability, or functionality, refers to the suitability of a product to its intended use. There are several factors that may enhance or restrict the act of usage or consumption of all types of products, utility, subjective pleasing of the user and reliability. For interactive
products that are useful only when users are in command, several additional usability factors are included, ease of learning, ease of remembering, and low rate of errors.

Beauty is an important goal in the product and defining beauty is easier if there is a universal method of designing and measuring. However, “beauty” is not a permanent property of an object. Instead, beauty is relative to perception and the goal is not to create beautiful products, but to create a perception and its significance in the user’s social context. The pleasant feeling is directly caused by the consciousness of a human being working hard and attaining its goal perception.

Communication where message gets transferred from a person to another with minimal changes is possible only when both parties of the communication agree on the words used and their meaning. Similarly, people have also learned symbols and meanings that relate to products. Such meaning of a product can be created in two ways: either there is obvious physical reason for the relation between the physical property of the object and its meaning or there is not such justification and the meaning is simply learned in the community, concerning symbols.

In the product’s design, the avoiding of danger or risk of injury to users is something more compelling that other goals. The consequences of substandard safety are often graver than other inferior standards of the product. From the safety viewpoint, it desirable to consider other people who can possibly use the product.

After reviewing all the different viewpoints in Routio’s theory product design, there is the decision not to incorporate and include the theories of the ecology, economy and safety aspects into the discussion. These viewpoints deal with the production side of goods and often are in the considerations of the customers when choosing between mobile phones.

Brand

Brand (2001) explains that the term “brand” refers to a name, term, symbol, sign or design to identify a product. A company may use any of these types of marking or combine them as a form of product identification. A distinguished mark helps to differentiate the product being offered by a company from those of its competitions.

From a customer’s viewpoint, brand facilitate in the purchasing process of goods. If there are no brands, customers have to evaluate from all the available the non-branded
products every time they go shopping. Customers can never be sure of purchasing the specific desired products and have difficulty evaluating the quality of some. When selecting from among products, customers can purchase specific ones of particular brands and be reasonably certain of the quality. A brand can viewed as the promise of a company to deliver qualities that the consumer looks for in a product every time a need arises. Furthermore, established brand of certain goods can also provide psychological benefits to customers and the psychological power that is offered by brands is often enormous. In certain cases, brands names actually derive satisfactions from owning brands with images of prestige.

Packaging

Packaging is an important component for many products. A package is the container or wrapper for a product. It typically includes a label, a printed description of the product in the package. Czinkota (2004) describes packaging is serving there major functions: protection, promotions and user convenience. Bearden (2001) adds on that packaging is important to customer of a product. A product’s package might perform number of different functions, including protecting the product until consumed, facilitating consumptions of the product and promoting the product.

A product’s package must also be able to communicate the brand’s image and help to sell the product. Distinctive packages can also help in capturing the attention of customers when comparing between competitive products. Both packages and labels also provide important information that customers can use in evaluating competing brands. Innovations in packing also offer ways to differentiate that customers might otherwise perceive as very similar.

Customer Service

According to Bearden (2001) customer service describes the assistance provided to help a customer with the purchase or use of a product. Customer service applies to both
goods and services. Important elements of customer service during the purchasing process include providing information about product alternatives, training in product use, and include providing information about product alternatives, training in product use and credit and financing services. Important elements of customers service after the purchase include fast and reliable delivery, quick installations, accessible technical information and advice, repair services and warranties.

**Perceived Value**

Kotler (2005) describes customer’s value as the difference between the values the customer gains from owning and using product and the costs of obtaining the product. Customers make choices based on the perceptions of the value and satisfactions that various products and services deliver. Customers from expectations about the value of based on past purchasing experiences, the opinions of my friends, and marketer and competitor information and promise. However, customer often does not judge product values and costs accurately and objectively, acting on perceived value instead.

According to Bearden (2001) perceived the buyer ‘overall assessment of a product’s utility based on what is received and given. There is a trade-off between the “give” and the get components of a purchase transactions. Customers base brand decisions on the nations of a “reasonable price” and compare prices regularly. Perceived value determines willingness to purchase and in turn is determined by a combinations of the perceived benefits and the monetary sacrifices made; higher benefits enhance value; higher monetary sacrifice detracts from it. Grewal (2008) likens perceived values to relationship between a product or service ‘s benefit and its cost. Customers usually determine the offering ‘s value in relationship to that of close competitor. If customers feel an inexpensive brand is about the same quality as a premium brand, the perceived value of cheaper choice is high. Similarly Kotler (2005), explains that a customer usually purchases from the company that offers the highest customers perceived value—the customer’s evaluations of the difference between all the benefits and all the costs of a marking offer.
Customer Satisfactions

Kotler (2005) says that customer satisfactions is a key influence on future purchasing behavior. Customer satisfactions with a purchase depends on how well the product's performance liver up to the customer's expectations. Satisfied customers purchase again and tell others about their good experiences. Dissatisfied customers often switch to competition and disparage the product to others.

Based on the Kano (1996) model of customer satisfactions, several factors are identified as capable of affecting customer's satisfactions. According to the model, three features may fulfill customers satisfactions: basic and expected, performance and spoken and surprise and delight. A competitive product is able to meet basic expectations, maximizes spoken features and includes as many surprises as financially feasible.

Attitudinal Loyalty

According to Keiningham (2005), loyalty is the reliance on a particular brand or company even though numerous alternatives my exist. This may mean foregoing the pleasure, or agony of experimenting with other brands. Grewal (2008) explains that customer loyalty means that customers are committed to purchasing from a particular company; loyalty means that customers are reluctant to patronize competitive firms.

Researchers often liken customer’s loyalty to repeat purchases, but customer loyalty also reflects the customers intentions repurchase. This loyalty has is explained by Gramer (1998) to capture the affective and cognitive and aspects of brands loyalty, such as brand preference and commitment. In additions, Fournier (1998) describes attitudinal loyalty as the customers psychological dispositions toward the same brand or brand-set and involves the measurement of customer attitudes. On the other hand, East (1997) explains that behavioral brand loyalty is reflected in the observed repurchase of a brand from a number of available brands.

Dick (1994) describes both behavioral loyalty and attitudinal loyalty as important concepts for understanding long term customer relationship, on understanding past
behaviors and on predicting future patronage. Behavior loyalty may reflect the customers, actions and involves the measurement of past purchases of the same brand to predict future patronage. However, Dick argues that the behavioral definition is “insufficient to explain how and why loyalty is developed and/or modified”.

Foxall (1987) determines that attitude precedes behavior in the context of repurchasing and is important because attitudes towards an object determine choice. This belief is acknowledged by Oliver (1999) in the definition of loyalty as “a deeply held commitment to repurchase a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchases, despite situational influences and marketing efforts having the potential to cause switching behavior. Similarly, Day (1969) says that attitudinal loyalty focuses on the cognitive basis of loyalty and isolates purchases driven by strong attitude from purchases due to situational constrains. Attitudinally loyal customers are committed to a brand or company and they make repeat purchases based on a strong internal disposition.

Mellens (1996) believes that attitudinal approach customer behavior is rational, being concerned with the underlying attitudinal process and evaluations criteria of a given purchase. According to Zeithaml (1996), attitudinal loyalty is operated in terms of repurchase intentions and advocacy to others. Other indicators include the tendency to resist to an alternate company and the willingness to pay a premium price.

Repurchase intention

Customers attitudinal loyalty comes into play when these customers continue their relationship with a company through their plans to increase purchases or repurchase a product. Similarly, this statement is also applicable to company’s other products, contributing to the possibility of additional or cross sales. Cronin (1992) states that increased satisfaction help to enhance the customers’ intent for repeat purchases towards a product or service. Furthermore, Anderson (1993) also agrees that customer’s repurchase intentions tend to increase more when they are more satisfied with products. Based on these statements, satisfaction is a strong predictor of the customer’s repurchase intentions.
and satisfied customers have more of inclination to purchase a product of a particular brand or other products under the same brand repeatedly in the future.

Research Methodology

In causal research, the objective is to determine if the manipulation of the one variable, called the independent variable, affects another variable, called the dependent variable. In essence, an experiment is conducted. This approach is primarily used for purposes of prediction and to test hypotheses, though it can also be used to a lesser extent for, discovery and explanatory purposes. In marketing, causal research is used for many types of research, such as testing marketing scenarios.

Hair (2006) says that causal research is designed to collect raw and create data structures, enabling the decision maker to determine cause–and effect relationship between two or more decision variables. Causal research can be used to understand the relationship between the causal factors and the outcome predicted. In summary, the causal research is used in the paper to measure the effects and relations the dependent variables on one another.

According to Cooper (2006) in planning, the research project is to identify the target population, the people, events, or records that have the desired information and can answer the measurement question and determine the sample. The target population that studied the current and previous users of Sony Ericsson mobile phones.

A sample is a part of the target populations, carefully selected so as to represent the populations. Questionnaires are distributed to 100 people and respondents interviewed. Samples are taken from the customers who have enough product knowledge to answer the questionnaires. The sample taken consists of people who have been in possession of Sony Ericsson mobile phone.

Aaker (2007) explains that, to obtain information quickly and inexpensively, a convenience sampling may be employed. The procedure is simply to contact sampling
units that are convenience sampling is used on acquaintances using Sony Ericsson mobile phone to pre-questionnaires before the actual distribution

In judgmental sampling, judgment is used to identify representative samples if a product is to be evaluated, it might be possible to identify a group that, by its very nature, should be disposed toward it, if found that the group does not like it. Then it can be assumed that the rest of the population is at least negative. Snowball sampling is a form of judgment sampling that is suitable to reach small, specialized population. Under a snowball design, each respondent after being interviewed is asked to identify one or more others in the field and the result can be a very useful sample.

In addition to the previously mentioned methods, public places are also frequented and preliminary questions asked to passers-by. This is to filter through the crowd and determine if any of these people have the characteristics that qualify as respondents for the study.

There are is a wide variety of methods to consider, either singly or combination the data can be collected through interviews, face to face interviews, telephone interviews, computer assisted interviews, questionnaires, Videotaping or audio recording. In this paper, the use of both questionnaires and face to face interviews is employed. This is to explain to the respondents and clarify and existing doubts in other to minimize error of respondents.

According to Aaker (2007) attitude towards complex objects has many facets, making it unrealistic to attempt to capture the full picture with one overall attitude-scale question. As result, there is a need for a method to measure a sample of beliefs towards the attitude objects and combine the set of answers into an average score on the individual items are summed to produce a total score for this is the Likert scale. A Likert scale requires respondent to indicate a degree of agreement or disagreement with a variety of statement related to the attitude or object. The Likert scales are also called summated scales. Because the scores on the individual items are summed to produce a total score for respondent ‘
A Likert scale consists of two parts, the items part and evaluative part. The item part is essentially a statement about a certain product, event or attitude. The evaluative part is a list of response categories ranging from “strongly agree” to “strongly disagree.” Each response is given a numerical score to reflect the degree of favorableness, and the scores are totaled to measure the respondents’ attitude towards a particular object. The formal and respective value of a four-level Likert scale that is used.

In this paper, the standard structural equation diagram convention is followed. A circle is used to represent a later variable, while a rectangle the associated manifest or indicator or indicator variable. The relationship between latent variables and the indicators is referred to as “measurement” model. Within this context, the arrow points from circles to rectangles, or rectangles, or in the case of structural relationships, circles to circles.

Structural equation models with latent variables (SEM) are more and often used to analyze. Relationship among variables in marketing and customer research (Abaollen, 1989). Some reasons for the widespread use of these models are their parsimony, the ability to model complex systems, wherein simultaneous and reciprocal relationship may be present and the ability to model relationship among non-observable variables while taking measurement errors into account.

The application of SEM theory, with the help of AMOS program, is useful in the research to analyze the interdependent variable and to deliver authentication of hypothesis. AMOS is an acronym of “Analysis of Moment Structure” or in other words, the analysis of mean and covariance structure. This research uses AMOS 5.0 as it allows for the work directly from path diagram and for estimates to be displayed graphically in the path diagram. The result is gathered and ranked in with the highest outcome is considered as the solution to the problem statement.

The data collected from 100 questionnaires is processed through several steps, while utilizing two program, SPSS 13.0 program can test the data for validity. If the corrected item-total Corrected item-total Correlation is greater than 1.195 then the variable is deemed as valid. Secondly the data is further processed using the AMOS 5.0 PROGRAM. The AMOS 5.0 program is then synchronized with the SPSS 13.0 TO REVEAL THE RANKING OF THE INDICATORS. For example, there is a need to find the strongest
indicators amongst product performance, perceived value, customers satisfaction and attitudinal loyalty capable of influencing these latent variables significantly and the strength of the relationship between latent variables.

Finding and Discussion

From the 100 questionnaires distributed, the compilation of data shows that 54% of the respondents are female and 46% are male. The compilation of data shows that 5% of the respondents are below the age of seventeen 49% are between seventeen and twenty-one 25% are between twenty-two and twenty-six 12% are between twenty-seven and thirty-one and 9% are aged thirty –two or older. Data shows that 57% of the respondents are students 20% are self –employed ,15% company employees and 8% are professional

From the 100 questionnaires distributed the compilation of data shows that 45% of the respondents spend less that Rp 1.500.000 per moth, 19% spend between Rp 1.500.000 and Rp 2.500.000 per month, 9% Spend between Rp 3.500.001 and Rp 4.500.000 per month and 14% spend more that Rp. 4.500.000 per mount.

In order to test the reliability of the data, the data gathered has to be tested and observed for Cronbach ‘s Alpha. The closer the data is to the Cronbach’s Alpha value of 1.000, the more reliable the data. Conversely, a value that is lower than 0.750 indicates that the data is not reliable. The table above shows VALUEA 0.894, Signifying that the data gathered and used is reliable.

To find the validity of each of the indicators the Corrected item –Total Correlation of the respective indicators has be greater than |0.195| This value can be observed from the table below, given N=100 and r ≥ 0.195. As observed from the table above, every value in the Corrected Item-Total Correlation is greater that |0.195| indicating that all of the indicators are valid

Table 8.Item Total Statistic

<table>
<thead>
<tr>
<th></th>
<th>Scale Mean if item Deleted</th>
<th>Scale Variance If item deleted</th>
<th>Corrected item Total Correlation</th>
<th>Cronbach’s Alpha if item Deleted</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>pq1</td>
<td>112.2600</td>
<td>127.912</td>
<td>403</td>
<td>.891.</td>
<td>yes</td>
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<tr>
<td>pq2</td>
<td>111.9300</td>
<td>127.965</td>
<td>474</td>
<td>.890.</td>
<td>yes</td>
</tr>
</tbody>
</table>
Structural Equation Modeling Result

Product performance

![Diagram](Figure 2. Unstandardised Estimate Model Of Product Performance)
Using AMOS 5.0 at the 5% significance level, the table shows that all indicators have significant effect to product performance as the indicators have a P value of less than .05. The hypotheses of product quality, Product design, Brand, packaging, and customer service being service being correlated to product performance are therefore accepted.

**Perceived Value**

![Diagram of Perceived Value](image)

**Table 11 – Regression Weights of Attitudinal Loyalty**

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>P</th>
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<td>rer&lt;--loy</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>***</td>
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<td>1.087</td>
<td>.162</td>
<td>6.705</td>
<td>***</td>
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<tr>
<td>res&lt;--loy</td>
<td>1.371</td>
<td>1.86</td>
<td>7.357</td>
<td>***</td>
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</tbody>
</table>

Using AMOS 5.0 at the 5% significance level, the table shows that all indicators have significant effect to customer satisfaction as the indicators have a P value of less than .05. The hypotheses of basic and expected attribute being positively correlated to customer satisfaction are therefore accepted.

**Attitudinal Loyalty**

![Diagram of Attitudinal Loyalty](image)
Using AMOS 5.0 at the 5% significance level, the table shows that all indicators have significant effect to attitudinal loyalty as the indicators have a P value of less than .05. The hypotheses of repurchase intention, advocacy to others, willingness to pay premium and resistance to switch being positively correlated to attitudinal loyal are therefore accepted.

All Variables

Table 12 — Regression Weights of all Variables

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E</th>
<th>C.R</th>
<th>P</th>
</tr>
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<tr>
<td>var</td>
<td>.908</td>
<td>.233</td>
<td>3.905</td>
<td>***</td>
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<tr>
<td>sat</td>
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<td>.140</td>
<td>2.431</td>
<td>.015</td>
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<tr>
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<td>.271</td>
<td>.116</td>
<td>2.340</td>
<td>.019</td>
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<tr>
<td>loy</td>
<td>1.804</td>
<td>.405</td>
<td>4.456</td>
<td>***</td>
</tr>
<tr>
<td>pq</td>
<td>1.000</td>
<td></td>
<td></td>
<td>***</td>
</tr>
<tr>
<td>pd</td>
<td>.899</td>
<td>.138</td>
<td>6.511</td>
<td>***</td>
</tr>
<tr>
<td>b</td>
<td>1.398</td>
<td>.217</td>
<td>6.445</td>
<td>***</td>
</tr>
<tr>
<td>p</td>
<td>.496</td>
<td>.132</td>
<td>3.760</td>
<td>***</td>
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<tr>
<td>cs</td>
<td>.731</td>
<td>.136</td>
<td>5.390</td>
<td>***</td>
</tr>
<tr>
<td>bas</td>
<td>1.000</td>
<td></td>
<td></td>
<td>***</td>
</tr>
<tr>
<td>spo</td>
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<td>.384</td>
<td>4.611</td>
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</tr>
<tr>
<td>sur</td>
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<td>.427</td>
<td>4.464</td>
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<td>rep</td>
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<td></td>
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<tr>
<td>adv</td>
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<td>.148</td>
<td>7.328</td>
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<tr>
<td>res</td>
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<td>.145</td>
<td>8.120</td>
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<td>er</td>
<td>1.000</td>
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<td>***</td>
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<td>ir</td>
<td>.903</td>
<td>.210</td>
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<tr>
<td>ef</td>
<td>.423</td>
<td>.190</td>
<td>3.894</td>
<td>***</td>
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</table>

The nature of the framework and influence by other variables present requires that all the variables be compiled together and computed one more time using AMOS 5.0 at the 5% significance level to determine if the variable are valid. From the result obtained it is observed that all variables and indicators have a P value below .05 Therefore, all of the variables and indicators are valid even when compiled together.
From the table, it can be observed that product performance has a .656 influence on perceived value and a .441 influence customer satisfaction. Meanwhile, perceived value on customer satisfaction is greater than the influence of product performance on the same variable. On the other hand, customers satisfaction has a 845 influence on attitudinal loyalty. Among product performance, the indication with the highest influence on the variable is the product quality with a value of .740. The indicator with the second highest influence is the product design with value .727. The indicator with the third highest influence is the brand with a value of .718 the indicator with from highest influence is the customers service with a value of .595. The indicator with the lest influence is the packaging with a value of 4.3. Among perceived value, the indicator with the highest influence on the variable is the internal reference price with a value of 689. The indicator with the second highest influence is the external reference price with a value of 593. The indicator with the least influence in the external factors with a value of .533

Among customer satisfaction, the indicator with the highest influence on the variable is spoken and performance attributes with a value of 721 the indicator with the second highest influence is surprise and delight attributes with a value of 674. The indicator with the least influence on influence on is basic and expected attributes with a value of .512.

Among attitudinal loyalty, the indicator with the highest influence on the variable is the resistance to switch with a value of 818. The indicator with the second highest
influence on attitudinal loyalty is the repurchase intention with a value of 774. The indication with a value of 741. The indication with the influence in attitudinal Loyalty is the willingness to pay premium with a value of 695.

**Conclusion and Recommendation**

**Conclusion**

From the data gathered, this shows that loyal customers are most likely to stay with Sony Ericsson and resist switching over to others. Additionally, when customers are loyal, they are more likely to keep purchasing or increase purchases of Sony Ericsson product in future transaction. Furthermore, the more loyal customers are, the greater the willingness to recommend friends and relatives to purchase from Sony Ericsson. This data also shows that loyal customers are generally willing to pay more for Sony Ericsson.

If can also be observed that, In addition to the basic communicative purpose of mobile phone, customers place the highest importance in Sony Ericsson fulfilling all features and promises that have been promised and advertised. Thus, customers satisfaction is most achieved when these promises are met. Moreover, customers view it as important that Sony Ericsson provides extra benefits. The observation also shows that customer mostly expect and make price judgments based on the amount of features and benefits that are offered. Of the next importance is the price comparison between the Sony Ericsson product and those of other companies’. The least influence comes external factors, such as promotions, budget and time constrains.

In addition, It can Be gathered that Sony Ericsson mobile phones are complemented by a wide variety of accessories and equipped with technologies such as infrared, Bluetooth, Walkman and Cyber-Short. Sony Ericsson product are also well designed, such as ease in operating, learning remembering, identifying of symbols, and appearance, all helping to create a pleasant feeling during usage. Product with the brand Sony Ericsson are also trusted in delivering assurance of Quality. Customers service, such as product warranties, availability of service centre and terms of payment, are next in the consideration of Sony Ericsson product. Based on the Structural Equation Modeling result
it is observed that all indicators have an influence on the respective. Similarly, the latent variables also have an influence on one another, as shown on the theoretical framework. Therefore, all nineteen hypotheses proposed in the study are accepted.

**Recommendations**

In other for Sony Ericsson to increase the attitudinal loyalty among customers and increase the resistance to switch and repurchase intentions, it must increase the customer satisfaction. In turn, for customer satisfaction to be increased, both the product performance and the perceived value of the product among customers must be increased as well.

For customer satisfaction, it has been discovered that most influential indicator in other of significance are spoken and expected attributes, surprise and delight attributes and basic attributes. As a result, Sony Ericsson must strive to create product capable of delivering the promised performance of the product as featured on advertisements and include additional attribute to delight the customer, while not forgetting the most essential purpose of a mobile phones: communication. For example Sony Ericsson may incorporate as may features as possible and include various options. However, the addition of these extra benefits must not compromise with the normal usage and operations.

As for perceived values, the indicators that influence variable in order of significance are internal reference prices, eternal factors, and external reference prices. The relation between the reference price paid and the features or benefits, Gotten pay a large role in deciding the “fairness” of the price charged. The price of Sony Ericsson is perceived to be “just right” as its product are seen to be capable of fulfilling needs and budget-friendly. As mention by Sony Ericsson, the design process of product is not based on exiting competition ‘product buy rather on internal innovation. As a result, customers cannot readily receive information on the “fair” value of similar product, explaining the relatively lower significance of the external reference prices.

Having tested product quality as being the most significant indicator of product performance, respondent have described Sony Ericsson mobile phone accessories as needing improvement in durability the charger in particular being described as being very
brittle. After a period of usage, complications have made the charger unable to perform efficiently. When charging, the mobile phone and the charger do not seem to be able to align perfectly, requiring adjustment in position. As a result, Sony Ericsson needs to focus on improving the charger to increase the durability and length of usage.

As for the weakest indicator, the product’s packaging is theorized to serve several purposes, such as protection and promotion of the product. In Sony Ericsson case, the packaging aspect of the product has been underutilized; the packaging helps to protect the product, but not promote, and little product information is found on the packaging. Although it can be current method is thought to be incorporate these aspects into the product, the current method is thought to be acceptable and reasonable Sony Ericsson centre, instead of encasing products in boxes and putting them on display, replication of particular models are displayed and information brochures placed beside them. This method also allows customers to interact with the product before the actual purchase.

References


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