Structural and Financial Deficiencies in the ASEAN EC: STRATEGIES MOVING FORWARD

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RELATIONSHIP BETWEEN CUSTOMER VALUE AND BRAND IMAGE TOWARD CUSTOMER SATISFACTION AND CUSTOMER RETENTION ON HOME APPLIANCE INDUSTRY

by
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Abstract
In the era of globalization, there are many business opportunities as well as business challenges for companies. Companies have to compete for the best products and services for customers to be able to deliver their value to the customers. Corporate brand image is a key factor that supports the image of a company to be easily remembered by consumers. In the process of seizing and retaining customers, there should be a strategy that requires a commitment in both money and human resources that aim to make products that are offered in accordance with the wishes and needs of customers so as to give satisfaction to the customer. Consumer expectation now is to obtain good products with high brand image, if these expectations are met, they will feel satisfied and consequently become more loyal consumers. Based on calculations, we found that the value of customers significantly influence customer satisfaction. Customer value significantly influence customer retention with customer satisfaction as a mediating variable. Customer value significantly influence customer retention. Brand image significantly influence customer satisfaction. Brand image significantly influence customer retention with customer satisfaction as a mediating variable. Brand image significantly influence customer retention. Customer satisfaction significantly influence customer retention. Customer satisfaction significantly influence customer retention at Home Appliance Industry

Key word: Customer Value, Brand Image, Customer Satisfaction, Customer Retention

INTRODUCTION
This era of globalization presents many business opportunities as well as business challenges for companies. With so many challenges, it is common to find competition among companies, such as competing products, prices, services up to competition in the brand. Today the brand presence is becoming increasingly important, the brand is not just a name or symbol. Brand has become a differentiating product with other products in the wider community, while emphasizing the consumer perception. This perception is not just about the goods or services, but also the perception of the quality and prestige achieved. The business strives to create a brand that can be easily remembered and embedded in a long time in the minds of customers. It is not an easy task. However, company's ability to produce products with good quality will certainly lead to a positive brand image of the customer and will ultimately make customers more loyal to the brand of the company. Anxiety caused by manufacturers increases fierce competition atmosphere, various brands of products on offer, and on the other hand, consumer is not able to remember all of the products offered. Therefore, only products that have distinguished characteristics or a strong brand alone are able to distinguish from other products that can be more easily remembered by consumers.

Consumer expectation now is to obtain good products with high brand image, if these expectations are met, they will feel satisfied and consequently become more loyal consumers. Customers will choose products that are considered to have more value than other products, so that the customer value is a relevant concept and brand image is selected to support the product so it can be superior as compared to existing competitors. Competition in both services and manufacturing business are growing rapidly. The company should think not only about how to create quality products and services for the customers, but also how companies can instill valuable experience that has been passed with their customers. This experience is to be embedded in the minds of consumers as to how the quality of the products and or services produced by the company. In addition, the company will try to make all the components of the products and services produced distinguished so it can be easily remembered by customers. Therefore, research was conducted to measure how the value of a given customer and the level of performance of the brand image and how it affects customer satisfaction and customer retention have an impact for the company concerned.

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Dian Permata Wijaya ( Business Owner)
The research was conducted at Home Appliance Industry, a company engaged in manufacturing bed covers and other bedroom furnishings (bed linen, pillows and bolsters). Home Appliance Industry was chosen as an object of study for several reasons. Home Appliance Industry has become well-known as a manufacturer of bedroom furnishings with good quality and able to compete with its competitors, in the last one year, there is a tendency of decrease in sales revenues bed cover and bed linen brand produced Home Appliance Industry. The sales decline was also supported by the existence of competition in the business bed cover and bed linen were very high and that consumers have many alternatives before making a decision to buy so it is possible that the consumers are not loyal. Sales of the company's products indicate fluctuations of customer retention, in which it is influenced by the value of customers to the products and services provided, owned brand image, customer satisfaction of products or services, and so forth. To win the competition, one of the best strategies that can be taken by Home Appliance Industry in order to continue to survive is to improve customer satisfaction that consumers buy products remain the same in the long term through an assessment of the customer about the products and or services are made, and the brand image of the company.

**LITERATURE REVIEW**

**Customer Value**

A company wanted to create a product or service that can meet the needs and wants of customers. This is done so that the product or service accepted by the customer. In response to these conditions, a company should think about customer value. The company that knows the value desired by the customer can give a good value for the customer.

In the opinion of Band (1991) and Joona Keränen, Anne Jalkala, (2014), "Quality and service are the means, but value for the customer is the end." According to Naumann (1995: 15), "The most important success factor for a firm is the ability to deliver better customer value than the other competitors." Value the more it will make customers more satisfied. According to Kotler and Armstrong (2011: 677), "Customer value is the difference between the values of the customer gains from owning and using a product and the cost of obtaining the product." According to Gale (1994: xvi), "Customer value is a market perceived quality adjusted for the relative price of your own product. Market perceived quality is the customer's opinion of your products (or services) Compared to those of your competitors." Concept of customer value indicates a strong relationship to the satisfaction of the customer or the customer itself (Woodruff, 1997). The concept describes the evaluative judgment of the customers about the products they consume. Customer perceived product performance equal to or greater than expected, which is considered valuable, and can give satisfaction to the customer (Kotler and Keller, 2012: 147).

Based on some of the definition above, it can be concluded about customer value. Customer value is a perception in the mind of the customer about the quality and benefits of what customers pay for their needs. Customer value as well as the preferences of the customers feel about the product characteristics, performance, and the extent of compliance with what he wanted. According to Kotler and Keller (2012: 147), variable customer value can be measured by the following elements:

1. **Product Value**: This variable indicates the value of the products made by companies such as features, performance, conformance, durability, reliability, repair ability, style, and design.
2. **Service Value**: This variable indicates the value of a company the way that the quality of service delivery, installation, customer training, consulting service, and repair.
3. **Personnel Value**: This variable indicates the high and low levels of personal relationships with customers. Variable value consist of personnel competence, courtesy, credibility, reliability, responsiveness, and communication.
4. **Image Value**: This variable indicates the level of corporate image in the eyes of the customer. Variable value image consists of symbols, media, atmospheres, and events.

Four elements of customer value are included in each company. It's just that every company has a different composition. Different compositions will provide uniqueness for the company. The four measures mentioned above can be supported by the excess of a company with a careful arrangement so as to make the company can improve its competitiveness.

**Brand Image**

At this time customers are not just looking at a product of quality and price, but also see the brand image attached to the product consumed. Many companies are aware of it, so competing to create a brand image through a massive campaign. Brand image itself according to Kotler, Ang, Leong, and Tan (1999: 770) can be interpreted as "the set of beliefs consumers hold about a particular brand." Customers may
develop a series of brand beliefs about where each brand according to the position of each attribute. Brand trust established brand image. Each customer has a particular impression of a brand. The impression may arise after the customer sees, hears and reads, whether through TV, radio, and print media. Even the impression of a brand can also occur after a customer purchases a product from the brand and feel the products of the brand themselves.

According to Keller (1993: 3), "Brand image is perception about a brand as reflected by the brand association held in consumer memory." According to Assael (1998: 411) suggests "A brand image is the overall impression created in the consumer's mind by a brand's physical characteristics, name, symbols, packages, and reputation for service. That image may be the most important factor in a purchase decision. "So the brand image is a group of beliefs, ideas and impressions that exist in the minds of consumers that are created by physical characteristics, name, symbol, packaging, and service reputation so that the brand image is very influential in the marketing of a product in which the beliefs, ideas and impressions consumers of the product will result in attitude and action taken against the product. Products that have a strong brand image can provide confidence, ideas, and a good impression on the consumer so that the consumer has the attitude of a good brand on the product. Therefore, the attitudes and actions of consumers towards a brand is determined by the brand image.

According to Akaah and Korgaonkar (1988, in Lin, 2007), it can be concluded that: "Consumers are more Likely to purchase well-known brand products with positive brand image as a way to lower purchase risks." Opinion was explaining the need for companies and marketers to build a good brand image in the eyes of consumers with respect to the quality of the product. Variable refers to the brand image Rajh (2005) measured with the following elements: brand meet consumer needs, brand characteristics satisfying consumer needs. brand has given the best satisfaction of the need.

Customer Satisfaction

Customer Satisfaction is one of the goals to be achieved by a business entity. Basically customer satisfaction include the difference between customer expectations on a product or service with the results obtained after using the product or service. When the performance of the products or services are not in line with expectations, the customer will be dissatisfied, otherwise if the performance of the products or services exceed customer expectations, customers will feel very satisfied.

Kotler and Keller (2012: 150) states that "Satisfaction is a person's feeling of pleasure or dissapoinment resulting from Comparing a product's perceived performance (or outcome) in relation to his or her expectance." Hanan and Karp (1994: 22) says that "The business mission to create and grow the maximum number of satisfied customers for the company in the most cost effective manner, thereby maximizing profits." Customer satisfaction is very important, Anderson, Fornell and Rust (1997) said "high customer satisfaction will result in Increased loyalty for the firm and that customers will be less prone to Overtures from competition. "Based on the above definition, it can be concluded that customer satisfaction is the level of feelings after comparing the performance of the product that is felt to his expectations. According to Montgomery (2001: 18), there are five major factors to consider in measuring customer satisfaction, among others:

1. Quality Products, Customers will be satisfied if the results of their evaluation shows that the quality of products they use. Product quality if the product says it can meet its needs. Quality products are external and two internal. One of the qualities of the product of external factors is the company's brand image.
2. Willingness Products, Customers will be satisfied if the product is complete and has a lot of choices of products offered so no need to book in advance and wait for the finished product.
3. Product Price, The products have the same quality but relatively cheap set will give a higher value.
4. Quality employees, Customers are satisfied with the services provided by the employees of the company as the friendly attitude of employees, employees who can help customers and knowledgeable enough, and has a highly motivated spirit so as to provide a good service for customers.
5. The payment system, Customers can easily make payments transactions to purchase a product or service is likely to be satisfied with the product or service. Examples such as the transfer payment, debit card, or credit card.

Based on the above, the factors that affect customer satisfaction is the quality of the product. Product quality is said if the product will meet the customer's expectations based on the actual performance of the product. This expectation rests on the product image. Furthermore, the image of the product is a component of the brand image.

Customer retention
Today many companies are recognizing the importance of satisfying and retaining current customers. According to research Clancy and Shulman (1994) as cited in Tjiptono (2005: 369), the focus of this kind is less precise, due solely short-term oriented and is the so-called Death Wish Paradox, which is the ratio of marketing efforts, the value for marketers and the cost of marketing programs to attract new customers, retain new customers, retain current customers and increase customer purchases at this time. If it is assumed that the existing marketing programs are adequate, the possibility of maintaining a customer today is more than 60%, while the probability of getting new customers is less than 30%. According to Reichheld and Sasser (1990), increasing customer retention by 5% can result in improved long-term profitability between 25% to 95% in a number of industries. Wise companies will always measure customer satisfaction on a regular basis because customer satisfaction is the key to customer retention.

Customer retention is customer perception of the work done by the company to satisfy customers by building long term relationships with customers. Hoyer and MacInnis (2001: 20) states that "Customer retention is the practice of working to satisfy customers with the intention of developing long-term relationships with them." According to Zeithaml (2000) as quoted by Fullerton (2004) Retention of customers is a consequence be investigated in the evaluation of the customers in service quality. According Shajahan (2004: 98) as quoted in Utami (2006), customer retention is "Customer retention could be simply defined as the capability of the business firm's offer to its customer to purchase or patronage its product or service over a specified time period. "Clarke (2001) said" A business that focuses exclusively on customer satisfaction runs the risk of Becoming an undifferentiated brand Whose eusok for ways of establishing ties of loyalty that will help ward off competitor attack. "Clarke (2001) states that "....... Customer retention is still a key to long-term profits, while on the other side of the coin there is a high cost to low-penalty loyalty. Indeed, the very fact that so customers can readily assess the competing services and products on offer and then so easily make the new purchase does in itself give added weight to the importance of building strong ties of loyalty with customers."

With this emphasis, it can be known that the presence of customer retention can realize long-term benefits for the company. Looy et al., (2003: 67) tries to distinguish between customer retention and loyalty, he said "Some activities like reward system can and do Affect customer behavior (retention) but they can’t change attitude (loyalty). Real loyalty comes from real differentiation." Customer retention it can be defined as a customer's overall perception of the extent to which the company is actively making efforts relational and quality assurance services for the attention of customers so that the customer will remain on the retailer. The amount of customer retention of some elements will be indicated below:1. Willingness to pay more, 2. Advocacy, 3. Switching intention, 4. Alternative scarcity

**Effect of Customer Value on Customer Satisfaction**

Customer value has an influence on customer satisfaction. Hanan and Karp (1994: 14) states that "Satisfaction will be determined by the value of the difference between what the customer receives and what he received to pay it." Similar statement also provided Naumann (1995: 139) "If a business Considered as representing a series of processes designed to deliver value to the customer, then a customer satisfaction program must be a continuous process as well." Customer value is to be aware of the company to create customer satisfaction. Customer value can be used by companies to improve customer satisfaction. Band (1991: 76) states that "Value is created and customer satisfaction is Achieved." Customers will form an expectation of value and act on those expectations. If the value contained in the product or service according to the needs and wants of the customer, then the customer satisfaction can be created. Naumann (1995: 123) states that "low Delivering customer value dramatically increases customer dissatisfaction and customer turnover. This result in direct and indirect costs that are far greater and far more pervasive than most managers Realize. "It can be followed by increased customer turnover, which in turn will reduce the repeat orders from customers.

Reduced repeat orders from customers can be caused by only satisfied customers are more likely to get back in touch with the company. If high customer value, the customer turnover can be reduced. The above statement is reinforced by Kotler and Keller (2012: 150) which states that "To create customer satisfaction, company must manage their value chain as well as the whole value delivery systems in a customer centered way. The company's goal is not only get customers but even more importantly to retain customers.

**Effect of Customer Value on Customer Retention**

Customer value has an influence on customer retention. In the opinion of Band (1991: 19), "Quality and service are the means, but value for the customer is the end." Clark (1997: 295) states that "Customer retention is Potentially one of the most powerful weapons that companies can employ in their fight to gain
a strategic advantage and survive in today's competitive environment ever increasing. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans. "Customer retention is a form of loyalty-related behavior (behavioral loyalty) were measured based on customer buying behavior demonstrated by the high frequency of customers into buying a product. Customer retention focuses on the development of marketing activities that cause repeated purchase behavior on the managerial aspects of the marketer and the customer itself (Hennig-Thurau and Klee, 1997: 738). Customer retention is defined as the tendency of customers in the future to stay afloat against the service provider. Customers will buy the product again if the customer feels that the products deliver high value that deserves to be used continuously. The value assigned customers will greatly affect the customer's desire to stay on the products that have been purchased.

Effect of Brand Image on Customer Satisfaction

Brand image has an influence on customer satisfaction. Brand image is a set of beliefs that customers hold in their respective special attributes of a brand (Kotler and Keller, 2012: 265). In some cases the customer more than the product brand to consider when purchasing. This is because the brand has had a good perception in the minds of customers. Customer satisfaction is a person's feelings of pleasure or disappointment suffered after comparing the perceptions of the performance or the result of a product with its expectations (Kotler and Keller, 2012: 150). Customer satisfaction is the phenomenon of purchase, meaning that customer satisfaction occurs after the purchase, in which customers after making the purchase, then an evaluation of the product whether or not in accordance with expectations. If the performance of the product in accordance with the expectations of the customers, customers will be satisfied. Conversely, if the performance of the product is not in line with expectations, the customer will be dissatisfied. According Gensch (1978: 773) Considered "brand image as having more influence on the purchase intention and the satisfaction of customers while the product was not Easily defined attributes." Therefore, a positive brand image can lead to a purchase, while only customer satisfaction it can be seen when the individual is already purchased a product and have used it (Kotler and Keller, 2012: 136) Anna Åslund, Ingela Bäckström, (2017)

Effect of Brand Image on Customer Retention

Brand image has an influence on customer retention. According to Hsiung (2011), "Brand image is indispensable for marketing where customers infer the quality of products by the brand image and are further stirred up the behavior of purchasing." Brand image that makes customers recognize the company's reputation so that customers continue to consume brand there is in the product, which is expected to meet the needs of consumers. According to Aaker (1991) Chiquan Guo, Yong Wang, (2015) pointed out that "With the construction of good brand image, customers were Likely to increase of the satisfaction of usage, and would like to recommend to others." Therefore, developing and maintaining long-term customer retention becomes a key for the survival and growth of the company, so that the brand image built by the company well to make the customer to continue to remember and stick to using the product.

Effect of Customer Satisfaction on Customer Retention

Customer satisfaction has an influence on customer retention. According to Kotler and Keller (2012: 151) suggested that "the satisfaction of a customer depended on the performance of the goods conforming to the expectation of the customer after purchasing." Customer retention is the customer's perception of the work done by the company to satisfy the customer a way to build long-term relationships with customers. Customer retention is seen as a strength of the relationship between a person's relative attitude and repeat business. Oderkerken et al., (2003) defines a retailer as a customer retention to overall customer perception about the extent to which the company is actively make an effort to pay attention to the customer so that the customer will remain on the retailer. According to Clarke (2001: 160) said "a business that focuses exclusively on customer satisfaction runs the risk of Becoming an undifferentiated brand Whose cusook for ways of establishing ties of loyalty that will help ward off competitor attack." It is also supported by Kotler and Keller (2012: 156) Chiquan Guo, Yong Wang, (2015) which states that "the key to customer retention is customer satisfaction." By creating customer satisfaction, the customer will be loyal and will continue to survive so that they can relate in a long period of time with the customer.

RESEARCH METHODS

Research Design

According to the explanation level, the research conducted by the authors is included in the study associative (Sugiyono, 2006: 44). Associative research is a study that has the purpose to measure the presence or absence of influence among existing variables. This study is aimed to measure the impact of
customer value variables \((X_1)\) and Brand Image \((X_2)\) on Customer Retention \((Y_2)\) and Customer Satisfaction \((Y_1)\) as a mediating variable in the Home Appliance Industry in Indonesia. According to the type of data the research conducted by the authors included in the quantitative (Sugiyono, 2006: 12).

**Population**

Criteria in this study population are customers Home Appliance Industry Home Appliance Industry Stores buy products in Indonesia, and has purchased Home Appliance Industry brand products more than once either for personal use or for others.

**Sample**

The samples are part of the population that has a relatively similar characteristics and can be considered representative of the population. Sampling method in this study is a non probability sampling, in which the samples taken are not random, so that each member of the population has an equal chance to be elected as members of the sample (Sugiyono, 2006: 49). Ferdinand (2005: 75) argues that the appropriate sample size is between 100 to 200 and the minimum sample size by 5 observations for each estimated parameter and a maximum of 10 observations of each estimated parameter. In this study, the number of measurement studies as many as 16 so the number of samples is 10 times the number of measurement or as much as 16 x 10 = 160.

The sampling technique used in this study is a non probability sampling method based on purposive sampling where the sample is not randomly drawn to Home Appliance Industry Stores in Indonesia. Specifically, the samples selected using judgment sampling technique, which is a type of purposive sampling technique in which the sample was selected based on an assessment of researchers that he (respondent) is the most well-sampled for this study. Samples are taken in accordance with the considerations or requirements that have been established or in accordance with the objectives to be achieved. The characteristics of the sample to be taken as respondents in this study were consumers who have purchased some products in Home Appliance Industry Home Appliance Industry Stores more than 2 times within a period of 4 months, either for personal use or for someone else.

**Variable Classification**

The variables used in the research are customer value, brand image, customer satisfaction, and customer retention. Understanding about a variable is needed to prevent a difference of opinion and perception. Operational definition is stipulated based on the parameters used as a measure in research. The definition of operational to the variables in this research is as follows:

1. **Customer value**
   - Customer value is that the whole monetary value received by the consumer from scratch usefulness that is they expect from an offer. Some measurement underlying value of the customer is:
     a. **Product value** \((X_{1.1})\)
        - Judgment of customer the quality of products made by the company. The appraisal based on agreement or disagreement over claims that i have a high standard about the quality and this product meet the standard of me.
     b. **Service Value** \((X_{1.2})\)
        - Judgment of customer services provided by the company. The appraisal based on agreement or disagreement over claims that i get good service of the company.
     c. **Personal Value** \((X_{1.3})\)
        - Judgment of customer relations personally with the customers. The appraisal based on agreement or disagreement over claims that i have good relations existing personally with the company.
     d. **Image Value** \((X_{1.4})\)
        - Judgment of customer image companies in the eyes of their customers. The appraisal based on agreement or disagreement over claims that i saw a corporation ( image ) good.

2. **Brand Image**
   - The brand image is the perception on a brand that was drawn through the association of a brand that is in memory of a customer to help customers considering the brand. Some measurement underlying the brand image in research is this:
     a. **Brands are expected to meet customer needs** \((X_{2.1})\)
        - with the existence of this brand what would be able to meet the needs of customers. The appraisal based on agreement or disagreement over claims that i 'm sure brand company can meet according to needs.
     b. **Characteristic of a brand that there is satisfactory customer needs** \((X_{2.2})\)
The characteristic of a brand companies capable of satisfying the needs of the consumers. The appraisal based on agreement or disagreement over claims that i am pleased with the characteristics of a brand companies.

c. Brand that there had been giving satisfaction the best for customer needs (X2.3)
Brand companies have giving satisfaction best compared with competitor company. The appraisal based on agreement or disagreement over claims that i am very satisfied with a brand companies that have met according to needs. Customer Satisfaction.

3. Customer satisfaction was a level of the feeling of one after comparing between the performance of the products being he perceive with hope. Some measurement measured to determine the level of customer satisfaction in research is this:

a. The excellence of the products purchased (Y1.1)
Customer satisfaction towards the excellence of the products purchased. Judgment of respondents based on agreement or disagreement over claims that i am pleased with the product preeminent made by the company.

b. The availability of the product (Y1.2)
Customer satisfaction against the availability of products offered complete and have all kinds of choice. Judgment of respondents based on agreement or disagreement over claims that i am pleased with the completeness of products provided by the company.

c. The price of the product (Y1.3)
Customer satisfaction against the price of products on offer. Judgment of respondents based on agreement or disagreement over claims that i am satisfied with the price of products offered by the company.

d. Quality employees (Y1.4)
Customer satisfaction to the public in give by employees. Judgment of respondents based on agreement or disagreement over claims that i am satisfied with the service rendered by employees of a company.

e. A payments processing system (Y1.5)
Customer satisfaction against a payments processing system that is given in transact. Judgment of respondents based on agreement or disagreement over claims that i am pleased with a payments processing system that provided by the company.

3. Customer Retention
Customer retention is that the whole perception customers about the degree to which companies actively make efforts relational and guarantee of the quality of service to take notice of a customer so customers will continue to adhere to the company. Some measurement measured to determine the level of customer retention in research is this:

a. Switching Intention (Y2.1)
The company able to reduce their customers to turn to other products. Judgment of respondents based on agreement or disagreement over claims that i have no intention of trying to buy the needs on other companies.

b. Alternative Scarcity (Y2.2)
Many options a product at this company that can fulfill compliance with the wishes of their customers. Judgment of respondents based on agreement or disagreement over claims that my choice to go shopping more aimed at this company than other companies.

c. Customer Advocacy (Y2.3)
Customers declaring that something is well of the company to another person. Judgment of respondents based on agreement or disagreement over claims that in every opportunity the shopping, i always stating something nice about this company on others.

d. Willingness to pay more (Y2.4)
Willingness of a customer to higher pay for intended products. Judgment of respondents based on agreement or disagreement over claims that i was willing to pay more expensive to a benefit that i received by shopping in this company, than competitor company.

An instrument research
The main instrument used in this research is a questionnaire. This research uses a scale of measurement rating " scale doubles " with 5 points scale Likert which starts from the numbers 1 to strongly disagree until number 5 to strongly agree.
ANALYSES AND DISCUSSION
Description of respondents
The respondents chosen in this research are visitors that come into the Home Appliance Industry stores in Indonesia and have purchase products Home Appliance Industry more than two times, with the number of respondents, a total of 160 which is divided on three shops Home Appliance Industry, which is located in Indonesia. The characteristic of being tested divided into five, is gender, age, education lastly, job, and income obtained.

<table>
<thead>
<tr>
<th>Characteristics Respondents</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man</td>
<td>60</td>
<td>37.50%</td>
</tr>
<tr>
<td>Women</td>
<td>100</td>
<td>62.50%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 20 years old</td>
<td>5</td>
<td>3.10%</td>
</tr>
<tr>
<td>21-30 years old</td>
<td>39</td>
<td>24.40%</td>
</tr>
<tr>
<td>31-40 years old</td>
<td>74</td>
<td>46.30%</td>
</tr>
<tr>
<td>41-50 years old</td>
<td>26</td>
<td>16.30%</td>
</tr>
<tr>
<td>51-60 years old</td>
<td>16</td>
<td>10.00%</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never graduated Elementary School</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Graduated from Elementary School</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Never graduated Junior High School</td>
<td>6</td>
<td>3.80%</td>
</tr>
<tr>
<td>Never graduated Senior High School</td>
<td>10</td>
<td>6.30%</td>
</tr>
<tr>
<td>Graduated from Senior High School</td>
<td>57</td>
<td>35.60%</td>
</tr>
<tr>
<td>Never graduated University</td>
<td>14</td>
<td>8.80%</td>
</tr>
<tr>
<td>Graduated from University</td>
<td>73</td>
<td>45.60%</td>
</tr>
<tr>
<td>Job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>3</td>
<td>1.90%</td>
</tr>
<tr>
<td>Student</td>
<td>8</td>
<td>5.90%</td>
</tr>
<tr>
<td>Officer</td>
<td>34</td>
<td>21.30%</td>
</tr>
<tr>
<td>Private Employee</td>
<td>82</td>
<td>51.30%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>33</td>
<td>20.60%</td>
</tr>
<tr>
<td>Retired Man</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Income</td>
<td>11</td>
<td>6.90%</td>
</tr>
<tr>
<td>&lt;2,000,000-Rp 3,000,000 IDR</td>
<td>76</td>
<td>47.50%</td>
</tr>
<tr>
<td>3,000,001-Rp 5,000,000 IDR</td>
<td>45</td>
<td>28.10%</td>
</tr>
<tr>
<td>&gt;5,000,000 IDR</td>
<td>28</td>
<td>17.50%</td>
</tr>
</tbody>
</table>

Based on the results of observation on the image analysis of the confirmatory factors of endogenous and exogenous invalid constructs, calculation is done with AMOS and the result is as follows:

<table>
<thead>
<tr>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.4</td>
<td>Customer Value</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.3</td>
<td>Customer Value</td>
<td>0,252</td>
<td>0,228</td>
<td>6,109</td>
</tr>
<tr>
<td>X1.2</td>
<td>Customer Value</td>
<td>1,175</td>
<td>0,175</td>
<td>6,723</td>
</tr>
<tr>
<td>X1.1</td>
<td>Customer Value</td>
<td>1,423</td>
<td>0,226</td>
<td>6,297</td>
</tr>
<tr>
<td>X2.3</td>
<td>Brand Image</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.2</td>
<td>Brand Image</td>
<td>0,968</td>
<td>0,258</td>
<td>3,752</td>
</tr>
<tr>
<td>X2.1</td>
<td>Brand Image</td>
<td>0,910</td>
<td>0,255</td>
<td>3,574</td>
</tr>
<tr>
<td>Y1.5</td>
<td>Customer Satisfaction</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y1.4</td>
<td>Customer Satisfaction</td>
<td>3,277</td>
<td>1,295</td>
<td>7,531</td>
</tr>
<tr>
<td>Y1.3</td>
<td>Customer Satisfaction</td>
<td>3,426</td>
<td>1,371</td>
<td>7,500</td>
</tr>
<tr>
<td>Y1.2</td>
<td>Customer Satisfaction</td>
<td>1,481</td>
<td>0,653</td>
<td>7,267</td>
</tr>
<tr>
<td>Y1.1</td>
<td>Customer Satisfaction</td>
<td>1,146</td>
<td>0,508</td>
<td>7,257</td>
</tr>
<tr>
<td>Y2.1</td>
<td>Customer Retention</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2.2</td>
<td>Customer Retention</td>
<td>1,161</td>
<td>0,171</td>
<td>6,794</td>
</tr>
<tr>
<td>Y2.3</td>
<td>Customer Retention</td>
<td>0,620</td>
<td>0,152</td>
<td>6,080</td>
</tr>
<tr>
<td>Y2.4</td>
<td>Customer Retention</td>
<td>0,546</td>
<td>0,135</td>
<td>6,046</td>
</tr>
</tbody>
</table>

Normality
Testing normality in univariate this is by observing value skewness data used, when value cr on skewness data are among the range between + 2,58 on a level significance 0,01, then data in research used this be considered normal.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Min</th>
<th>Max</th>
<th>Skew</th>
<th>c.r.</th>
<th>Kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y2.4</td>
<td>3,000</td>
<td>5,000</td>
<td>0,166</td>
<td>0,855</td>
<td>-0,110</td>
<td>-0,284</td>
</tr>
<tr>
<td>Variable</td>
<td>Min</td>
<td>Max</td>
<td>Skew</td>
<td>c.r.</td>
<td>kurtosis</td>
<td>c.r.</td>
</tr>
<tr>
<td>----------</td>
<td>-----</td>
<td>-----</td>
<td>------</td>
<td>------</td>
<td>----------</td>
<td>------</td>
</tr>
<tr>
<td>Y2.3</td>
<td>3,000</td>
<td>5,000</td>
<td>-0.023</td>
<td>-0.121</td>
<td>-0.187</td>
<td>-0.482</td>
</tr>
<tr>
<td>Y2.2</td>
<td>3,000</td>
<td>5,000</td>
<td>-0.013</td>
<td>-0.067</td>
<td>-0.140</td>
<td>-0.362</td>
</tr>
<tr>
<td>Y2.1</td>
<td>3,000</td>
<td>5,000</td>
<td>0.034</td>
<td>0.176</td>
<td>0.399</td>
<td>1.029</td>
</tr>
<tr>
<td>Y1.1</td>
<td>3,000</td>
<td>5,000</td>
<td>0.429</td>
<td>2.216</td>
<td>0.449</td>
<td>1.158</td>
</tr>
<tr>
<td>Y1.2</td>
<td>3,000</td>
<td>5,000</td>
<td>0.392</td>
<td>2.022</td>
<td>0.280</td>
<td>0.723</td>
</tr>
<tr>
<td>Y1.3</td>
<td>3,000</td>
<td>5,000</td>
<td>0.000</td>
<td>0.000</td>
<td>-0.037</td>
<td>-0.096</td>
</tr>
<tr>
<td>Y1.4</td>
<td>3,000</td>
<td>5,000</td>
<td>0.131</td>
<td>0.677</td>
<td>0.865</td>
<td>2.235</td>
</tr>
<tr>
<td>Y1.5</td>
<td>3,000</td>
<td>5,000</td>
<td>-0.016</td>
<td>-0.857</td>
<td>-0.608</td>
<td>-1.570</td>
</tr>
<tr>
<td>X2.1</td>
<td>3,000</td>
<td>5,000</td>
<td>0.052</td>
<td>0.267</td>
<td>-0.318</td>
<td>-0.821</td>
</tr>
<tr>
<td>X2.2</td>
<td>3,000</td>
<td>5,000</td>
<td>-0.007</td>
<td>-0.036</td>
<td>-0.746</td>
<td>-1.927</td>
</tr>
<tr>
<td>X2.3</td>
<td>2,000</td>
<td>5,000</td>
<td>-0.505</td>
<td>-2.610</td>
<td>-0.339</td>
<td>-0.876</td>
</tr>
<tr>
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<td>5,000</td>
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<td>0.544</td>
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<td>5,000</td>
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<td>0.701</td>
<td>0.168</td>
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<td>X1.3</td>
<td>2,000</td>
<td>5,000</td>
<td>-0.135</td>
<td>-0.695</td>
<td>-0.977</td>
<td>-2.522</td>
</tr>
<tr>
<td>X1.4</td>
<td>3,000</td>
<td>5,000</td>
<td>0.109</td>
<td>0.561</td>
<td>0.049</td>
<td>0.126</td>
</tr>
</tbody>
</table>

**Outliers**

Outlier on a level multivariate can be seen from mahalanobis distance. This test conducted using criteria mahalanobis distance on a level p < 0.100. Mahalanobis distance this evaluated by $\chi^2$ on degrees free of the degree of freedom, that is 98. So in the research, if mahalanobis distance are greater than 107.565, and that data is multivariate outliers.

**Validity**

The relationship between indicators and indicators every variable have a valid with significant value probability less than 0.10.

**Table 4. Validity**

| Customer Satisfaction | Brand Image | 6.955 | 0.051 | Valid |
| Customer Satisfaction | Customer Value | 5.339 | 0.073 | Valid |
| Customer Retention | Customer Satisfaction | 6.853 | 0.064 | Valid |
| Customer Retention | Customer Value | 7.226 | 0.026 | Valid |
| X1.4 | Customer Value | 6.459 | 0.014 | Valid |
| X1.3 | Customer Value | 6.109 | 0.027 | Valid |
| X1.2 | Customer Value | 6.723 | 0.000 | Valid |
| X1.1 | Customer Value | 6.297 | 0.000 | Valid |
| X2.3 | Brand Image | 3.752 | 0.000 | Valid |
| X2.2 | Brand Image | 3.574 | 0.000 | Valid |
| Y1.5 | Customer Satisfaction | 7.531 | 0.011 | Valid |
| Y1.4 | Customer Satisfaction | 7.500 | 0.012 | Valid |
| Y1.3 | Customer Satisfaction | 7.267 | 0.023 | Valid |
| Y1.2 | Customer Satisfaction | 7.257 | 0.024 | Valid |
| Y1.1 | Customer Satisfaction | 6.794 | 0.000 | Valid |
| Y2.3 | Customer Retention | 6.080 | 0.000 | Valid |
| Y2.4 | Customer Retention | 6.046 | 0.000 | Valid |

**Reliability**

Value minimum reliability of dimensions shaper of variable latent acceptable is worth 0.70.

**Table 5. Reliability**

<p>| Customer Satisfaction | Load Factor | 0.523 | 0.274 | 0.726 |
| Customer Satisfaction | Load Factor$^2$ | 0.274 | 0.002 | 0.998 |
| Customer Retention | Customer Satisfaction | 0.331 | 0.110 | 0.890 |
| Customer Retention | Customer Retention | 0.284 | 0.081 | 0.919 |
| Customer Retention | Customer Retention | 0.269 | 0.072 | 0.928 |
| X1.4 | Customer Satisfaction | 0.557 | 0.310 | 0.699 |
| X1.3 | Customer Satisfaction | 0.097 | 0.009 | 0.991 |
| X1.2 | Customer Retention | 0.804 | 0.646 | 0.354 |
| X1.1 | Customer Retention | 0.857 | 0.734 | 0.266 |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>X2.3</td>
<td>0.507</td>
</tr>
<tr>
<td>X2.2</td>
<td>0.504</td>
</tr>
<tr>
<td>X2.1</td>
<td>0.542</td>
</tr>
<tr>
<td>Y1.5</td>
<td>0.222</td>
</tr>
<tr>
<td>Y1.4</td>
<td>0.843</td>
</tr>
<tr>
<td>Y1.3</td>
<td>0.761</td>
</tr>
<tr>
<td>Y1.2</td>
<td>0.390</td>
</tr>
<tr>
<td>Y1.1</td>
<td>0.359</td>
</tr>
<tr>
<td>Y2.1</td>
<td>0.661</td>
</tr>
<tr>
<td>Y2.2</td>
<td>0.705</td>
</tr>
<tr>
<td>Y2.3</td>
<td>0.539</td>
</tr>
<tr>
<td>Y2.4</td>
<td>0.529</td>
</tr>
</tbody>
</table>

Total:

\[
\text{Construct Reliability} = \frac{(5.629)^2}{(5.629)^2 + 10.370} = 0.754
\]

**Structural Model Fit**

The structural equations presented in this research model is:

Equation 1: \( Y_1 = 0.019 X_1 + 0.194X_2 \)

Equation 2: \( Y_2 = 0.338X_1 + 0.277X_2 + 0.916 Y_1 \)

**Table 6. Goodness of Fit Measure**

<table>
<thead>
<tr>
<th>Goodness of Fit Measure</th>
<th>Cut-off Value</th>
<th>Result</th>
<th>Evaluation Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \chi^2 )-chi-square</td>
<td>&lt; 116.32</td>
<td>242.830</td>
<td>Moderate</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>&lt; 2.00</td>
<td>1.849</td>
<td>Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.08</td>
<td>0.073</td>
<td>Fit</td>
</tr>
<tr>
<td>ECVI &lt; ECVI</td>
<td>1.711</td>
<td>1.617</td>
<td>Fit</td>
</tr>
<tr>
<td>AIC &lt; AIC</td>
<td>&lt;272,000</td>
<td>257,175</td>
<td>Fit</td>
</tr>
<tr>
<td>CAIC &lt; CAIC</td>
<td>&lt;826,224</td>
<td>412,032</td>
<td>Fit</td>
</tr>
</tbody>
</table>

**Table 7. Hypothesis**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Estimate</th>
<th>Critical Ratio</th>
<th>P</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Value ( \rightarrow ) Customer Satisfaction</td>
<td>0.019</td>
<td>5.339</td>
<td>0.073</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer Value ( \rightarrow ) Customer Retention</td>
<td>0.338</td>
<td>7.226</td>
<td>0.026</td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Image ( \rightarrow ) Customer Satisfaction</td>
<td>0.194</td>
<td>6.955</td>
<td>0.051</td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Image ( \rightarrow ) Customer Retention</td>
<td>0.277</td>
<td>6.459</td>
<td>0.014</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer Satisfaction ( \rightarrow ) Customer Retention</td>
<td>0.916</td>
<td>6.853</td>
<td>0.064</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

**CONCLUSION AND SUGGESTION**

**Conclusion**

From the research and discussions used in accordance with the purpose of a hypothesis that is done with the analysis of structural equation modeling (SEM), conclusions may be drawn as follows:
1. Customer value influences significantly on customer satisfaction at Home Appliance Industry in Indonesia. It showed that product value, service value, personal value, and image value able to give gratification for consumers; so higher customer value will result in higher customer satisfaction.

2. Customer value influences significantly on customer satisfaction as variable mediating at Home Appliance Industry in Indonesia. It showed that the higher the customer value means the higher customer retention with strengthened by customer satisfaction that high as variable mediating.

3. Customer value influences significantly on customer retention at Home Appliance Industry in Indonesia. It showed that product value, service value, personal value, and image value affect the consumer to buy sustainably (Anna Åslund, Ingela Bäckström, 2017)

4. The brand image of influences significantly on customer satisfaction at Home Appliance Industry in Indonesia. It showed that a brand that fulfills the needs of customers, characteristic of a brand of good quality. And brands that can be giving satisfaction are best able to give gratification for customers, so that the better the brand image of the company Home Appliance Industry and the degree of gratification resulting will also be high as well.

5. The brand image of influential significantly higher with customer satisfaction as variable mediating on Home Appliance Industry in Indonesia. It showed that the higher the brand image of a company and to the higher and higher with support for its customer satisfaction from customer as variable mediating.

6. The brand image of influences significantly on customer retention at Home Appliance Industry in Indonesia. It showed that a brand that fulfill the needs of customers, characteristic of a brand of good quality. Brands that can give satisfaction are best able to make a customer to survive at the same company.

7. Customer satisfaction influences significantly on Customer Retention at Home Appliance Industry in Indonesia is proven. It showed lower customers satisfaction, good quality products, availability of products, the prices of its products; the quality of its employees and a payments processing system are capable of making customers to keep afloat on the same company, so that the higher the satisfaction from customer hence the higher also customer retention.

**Suggestion**

As the implications of this research result, some advice can be explained as follows:

1. Home Appliance Industry do strategy to prove that their products have the quality of being fine supported by quality control better, so, this is that can then be positive impact on image Home Appliance Industry in society.

2. Home Appliance Industry do improvement customer retention better, as the availability of any products by size and the model that no standard (size and models overseas) so as to be able to provide attractiveness that consumers can lure decision not to move to other places and made the purchase in the same place.

3. Home Appliance Industry promote namely by advertising, because advertising is a popular means of advertising among the consumers so that it can create a positive attitude brand and wish to buy higher than an advertisement that is useless.

**REFERENCES**


Anna Åslund, Ingela Bäckström, (2017) "Management processes and management’s role in customer value creation", International Journal of Quali ity and Service Sciences, Vol. 9 Issue: 2, pp.148-164,


