

ENHANCING CUSTOMER LOYALTY – EMPIRICAL EVIDENCE FROM Y SERIES VIVO SMARTPHONE ON MEDAN

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Abstrak

Penelitian bertujuan untuk mengidentifikasi, menganalisis, dan menyimpulkan pengaruh langsung dan tidak langsung konstruk persepsi harga, kualitas produk, kepercayaan konsumen, dan loyalitas pelanggan. Metode analisis menerapkan model persamaan struktural dengan bantuan software lisrel. Hasil penelitian yakni persepsi harga dan kualitas produk secara parsial berpengaruh terhadap kepercayaan konsumen. Persepsi harga, kualitas produk, dan kepercayaan konsumen berpengaruh secara parsial terhadap loyalitas pelanggan. Kepercayaan konsumen memediasi secara parsial pengaruh persepsi harga dan kualitas produk terhadap loyalitas pelanggan. Dalam upaya meningkatkan kepercayaan konsumen khususnya untuk dimensi kemampuan, lebih khusus lagi untuk indikator pengesahan institusional yakni oleh konstruk persepsi harga yang dominan diantara variabel eksogen lainnya. Dimensi potongan harga mencerminkan persepsi harga. Dimensi ini direfleksikan dengan dominan oleh indikator potongan harga yang jarang. Pengecer smartphone merek vivo series Y di Medan perlu lebih memberikan perhatian pada potongan harga yang jarang bagi pengguna dalam upaya meningkatkan kepercayaan konsumen. Peningkatan loyalitas pelanggan khususnya dimensi pembelian ulang, lebih khusus lagi lingkungan sosial yakni oleh kepercayaan konsumen yang dominan diantara konstruk eksogen. Pengecer smartphone merek vivo series Y di Medan perlu lebih memberikan perhatian pada pengesahan institusional bagi kemampuan sumberdaya manusia para pengecer dalam upaya meningkatkan loyalitas pelanggan

Kata kunci: kepercayaan konsumen, kualitas produk, loyalitas pelanggan, persepsi harga

Abstract

This study aims to identify, analyze, and conclude the direct and indirect effects among price perception, product quality, consumer trust, and customer loyalty. The analytical method applies a structural equation model by using lisrel software support. Study results were price perception and product quality partially effect on consumer trust; Perceived price, product quality, and consumer trust effect partially on customer loyalty. Consumer trust partially mediates the effect of perceived price and product quality on customer loyalty. In effort to increase consumer trust, especially ability dimension, more specifically institutional recognition indicators, namely by price perception construct which dominant among other exogenous variables is. Price discount dimension reflects perceived price. This dimension is reflected predominantly by the rare price discount indicator. Y series vivo smartphone retailers in Medan need to pay more attention for rare price discounts for users in effort to increase consumer trust. Increasing customer loyalty, especially the repurchase dimension, more specifically the social environment, namely by consumer trust which dominant among exogenous constructs is. Y series vivo smartphone retailers in Medan need to pay more attention for institutional recognitions on retailers human resource capabilities in effort to increase customer loyalty

Keywords: price perception, product quality, consumer trust, customer loyalty

INTRODUCTION

Cellular phones are now inseparable from everyday life. Various platforms are developing in the digital world. Ten social media that people being familiar with: WhatsApp, Youtube, Instagram, Twitter, Line, LinkedIn, Pinterest, FB Messenger, Wechat, and Facebook. 99% of social media users operate via cellular phones (Jayani, 2020). In the Indonesian market there are various smartphone brands such as vivo, samsung, asus, smartfren, realme, advan, lenovo, and xiaomi. Industry Competition is getting higher from year to year. The smartphone market share in Indonesia until the

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third quarter of 2022, sequentially from the largest to the smallest, namely oppo at 20.92%, samsung and xiaomi each at 19.15%, vivo at 17.73%, realme at 11.70%, and other brands as many 12.06% (Kure & Muslim, 2023).

One of the interesting brands, namely Vivo, has entered the Indonesian market since 2015. Two years later, it has entered the top 5 market share in Indonesia. Loyal customers are very important for the a company survival and progress. Referring to the author's preliminary survey in 2022 in Medan, there were 143 S1 students as respondents. The highest loyal buyers are owned by Samsung. Oppo was in second place, followed by Xiaomi and Vivo.

Al-ekam, (2016) revealed his research results on 711 consumers in 10 elementary and secondary schools in three cities in Sanaa, Ibb and Aden in Yemen, namely that price perceptions have no effect on consumer trust. this research background be people in economically backward countries will always buy local brands first. Then they will buy goods (brands) from developed countries. Consumers in Yemen have always preferred foreign brands which generate a large flow of imports. In contrast, Prabowo & Yulianeu, (2017) research results, which price perceptions have a positive effect on customer trust at Kudus Photography House.

A study conducted by Sitanggang *et al.*, (2019) concerning the effect of quality of Indihome ATPT Telkom Regional 1 Sumatra, Medan, North Sumatra on customer loyalty. A sample of 396 customers. Seven product quality dimensions were used including: reliability, performance, durability, features, conformation, serviceability, and perceived quality. Four dimensions have no effect were: Features, reliability, conformance and serviceability.

Price perception possessed no effect on customer loyalty (Budiastari, 2016). (Budiastari, 2016). Holcim Concerte Readymix. The analysis unit consists of 100 customers in Jakarta. Price perception according to the customer was the price suitability with product quality and benefits, price competitiveness (price among competitors), and price be in line with expectations. Customer loyalty was indicated by stating positive things, recommending friends, and continuing to buy. The same research results were obtained by Wahjoedi *et al.*, (2022), price perceptions have no effect on customer loyalty. Sample was 96 people. Analysis technique uses SEM PLS. Other researchers say: Perceived price can encourage brand loyalty because consumers form perceived price attributes based on the sensitivity of other people's perceptions of status signs at higher prices (Devi & Setiawan, 2018).

A study conducted Arief, (2017), found that product quality has an inverse and insignificant effect on customer loyalty. Several other research results show that product quality has no significant effect on customer loyalty (Mutammam *et al.*, 2019; Arrohman Arief, 2018).

According to research results by Bahrudin & Zuhro, (2016) show that there is a positive effect of consumer trust on customer loyalty. Furthermore, research conducted by Pratiwi *et al.*, (2015) with an analysis unit of 50 Samsung smartphone users in Manado found brand trust had no effect on customer loyalty. Lack of consumer confidence on products or brands. When consumers do not trust certain products or brands, they will not become loyal customers. Several research results, such as Kevin & Anandya, (2021); Fachmi *et al.*, (2020); Y. A. Putri *et al.*, (2018), consumer trust has no effect on customer loyalty. These three results were obtained from a sample of 200 people, 206 people and 100 people. All three used Amos' SEM analysis technique.

The discussion focuses on the Vivo smartphone Y series to be more specific regarding attributes and features. The antecedents of customer loyalty revealed include price perceptions, product quality, and consumer trust because their roles are felt to be the most substantial in building customer loyalty.

This research novelty is described as follows: The research model concerns the causal relationship between price perception and product quality on consumer trust. The

causal relationship between price perception, product quality, and consumer trust on customer loyalty. Through the two structural equations be in a communality there will be a mediator construct. The study starts from the construct - dimensions - indicators - statement items (second order approach). In this way, broader and deeper information will be obtained, so that more accurate and useful information will be collected as a reference and making marketing decisions.

HYPOTHESES DEVELOPMENT

Product's price is often not interpreted by consumers from the nominal that is printed on the price tag alone. Various aspects can shape consumer attitudes. The consumer attitude as a result of cognitive or affective processes . Views that arise, for example, perceived prices are high, low, moderate, prices are the same as competitors, below competitors, or above competitors.

Consumers judge a product not only based on the nominal written on the price list, but cognitive and affective aspects are often involved. The non-cognitive component is part of building customer trust. Perceived price can be defined as how buyers perceive product prices such as high, low or fair (Suhaily & Darmoyo, 2017).

Research results by Benhardy et al., (2020) price perceptions have an impact on purchase intentions: mediation of trust concludes, price perceptions have an effect on customer trust. Several other studies that have been conducted also show that price perceptions have an effect on customer trust (Hidajat & Setiawan, 2022; Lestari & Afriliani, 2022; Wijaya, 2019; Rivai & Wahyudi, 2017).

Based on the propositions above, the authors propose the hypothesis 1,

H1: There is an effect of perceived price on consumer trust.

Consumer expectations on brand specifications can be realized through a combination of product characteristics and features produced by marketers. Perceived expectations indicate the extent to which the a brand quality. Quality can also be used as a differentiator from competing goods or services in certain industry.

Xhema et al., (2018), Product quality will have an impact on the company's relationship with the product. It's vulnerable for consumers. Each company will try to make consumers get back again. This goal can be fulfilled if their expectations are realized. Even if possible above their expectations.

Good and trusted service quality raises consumer memories about a brand. Function, durability, reliability, and servicability will determine an item quality. The customer's real experience of goods or services measured based on the specifications desired by consumers becomes a reference for quality.

Increasing product quality can affect consumers related with brand trust. If the desired specifications of an item are consistent at each time of purchase, then consumer trust can occur. Several researchers who have examined the effect of product quality in relation to consumer trust among others: Hidajat & Setiawan, (2022); Lestari & Afriliani, (2022); Diputra & Yasa, (2021); Pratama & Santoso, (2018); Fatmawati & Triastity, (2017); Suhaily & Darmoyo, (2017) They revealed research results which stated product quality had a positive effect on consumer trust. If the product produced be better quality, then consumers will increase their trust in a brand. The added value that a product has, compared to other brands on the market can increase the level of consumer trust. Propositions have been stated above become a authors' reference to propose the hypothesis 2,

H2: There is effect of product quality on consumer trust.

Consumer interpretation of the nominal price is often different from one another. The consumer's subjective assessment of the price tag of a product involves the sacrifice of searching, learning, time to obtain the purchased item, and psychological burden during the buying process.

This's very important aspect to be well understood by marketers. Several previous studies have shown that there is a relationship between consumer perceptions on product price and their loyalty for brands purchased.

Research conducted by Ferreira & Coelho, (2015), consumers who want low prices tend to be disloyal, because they always switch to other brands with lower prices. This means that changes in price perception are not in line with changes in customer loyalty. Perceived high prices tend to be perceived as high quality. Therefore this last consumer group tends to be loyal. Based on the their research results, price perceptions have an effect on customer loyalty.

Perceived price fairness is positively related to affective loyalty and behavior directly (Githiri, 2018). Other studies results provide no differentiations, namely: Price perception in a study can encourage brand loyalty (Devi & Setiawan, 2018). Likewise with the research results of Yanti & Fitriani, (2017) there is an effect of price perceptions on customer loyalty. Based on the propositions above, the authors propose hypothesis 3,

H3: There is an effect of price perception on customer loyalty.

Consumer loyalty on the products offered by the company is reflected in consumer perceptions regarding product quality. If the quality is consistent or increases, consumers will make purchases on an ongoing basis. Companies need to maintain customer loyalty to achieve company goals effectively and efficiently.

Parhi & Misra, (2017) have conducted research to determine the factors that influence customer loyalty. The research conclusion shows that customer loyalty is needed by producers. One among factors needed for customer loyalty is product quality.

Product quality is one among dominant factors in maintaining customer loyalty. Products that best match the specifications consumers want will encourage retention so they don't switch to other brands. Consumers are valuable assets because they are parties who need the products or services offered by the company. Alviska, (2017) research results show several product quality dimensions such as performance, durability, attractiveness and perceived quality have a significant effect on consumer loyalty. Customer perceptions on main characteristics and or product features can be met or even above expectations.

Some of the following research results also show that there is an effect of product quality on customer loyalty, including: Kyurova & Koyundzhiyska-Davidkova, (2021); Syafarudin, (2021); Xhema et al., (2018); Khoironi et al., (2018); Yildiz & KOÇAN, (2018); Djamhari & Nurhadie, (2017); Rita *et al.*, (2017). Referring propositions stated above, the authors propose the hypothesis 4,

H4: There is an effect of product quality on customer loyalty.

Seven customer loyalty determinants are customer satisfaction, perceived value, consumer trust, corporate image, service quality, loyalty program and switching costs. There are direct and indirect relationships as well as mediation between these factors (Karunaratna et al., 2018).

Besides other variables, it is emphasized that consumer trust influences customer loyalty. Relationship can be direct or indirect, it can even be mediation. Based on the validation carried out by Pabbi & Narula, (2019) consumer trust is one of antecedents that influences customer loyalty. Furthermore, the two researchers mentioned that customer loyalty is not something static, but can be developed. If consumer trust is increased in a product, then loyalty will increase. In this study, five variables were extracted, namely: customer service, commitment, communication, corporate image, and trust.

Other researchers such as Yang & Lin, (2022); Rivaldo et al., (2022) ; Aslam et al., (2020); Nurdini dan Oktini (2019); Mutammam *et al* (2019); Bhuiyan et al., (2018); Marakanon & Panjakajornsak, (2017); Rimawan et al, 2017; Leninkumar, 2017; Bahrudin & Zuhro, 2016) have revealed causal relationship testing results between

consumer trust and customer loyalty in their research. The result was consumer trust variable influences customer loyalty. Propositions stated above, became authors basis to propose the hypothesis 5,

H5: There is an influence of consumer trust on customer loyalty.

METHODS

Data sourced from a questionnaire distributed to active undergraduate students at various higher institutions on Medan. Their ages ranged from 19 to 24 years, both male youth and female youth. The number of samples is 360 people. The questions/statements are closed on a scale of 1-7 (strongly disagree to strongly agree). Questionnaires are submitted randomly, each population has the same probability to be a respondent. Submitting a questionnaire to the population is continued until the specified number of samples is reached.

Instrument validity and reliability were tested by the moment product correlation (R-value ≥ 0.30) and Cronbach's alpha ($\alpha \geq 0.70$). This study uses a causal design. Analysis technique with structural equation models with lisrel application program support. Since the data distribution is not normally distributed, the estimation method applies robust maximum likelihood. The measurement model as components to build full structural model. A full structural model can be constructed, after all four second-order measurement models meet the requirements (Whittaker & Schumacker, 2022; Hair et al., 2019; Tabachnick & Fidell, 2019; Jöreskog et al., 2016; Byrne, 2016). The general structural model can be written as below.

$$\eta = \beta\eta + \Gamma\xi + \zeta \dots\dots\dots(1)$$

A measurement model has been converged if: Standardized factor loading (SLF) ≥ 0.70 , Z-value ≥ 1.96 (Z-table threshold, two-tailed test with 95% confidence interval), Composite reliability (CR) ≥ 0.70 , and Average variance extracted (AVE) > 0.50 . (Hair et al., 2019; Haryono, 2016). A model can be accepted if the errorvar < 4.00 , Rsquared > 0.50 indicates a meaningful model (Hair et al., 2019). The full structural equation in functional form is written as follows:

$$\text{Structural equation I : } \eta_1 = \gamma_{11} \xi_1 + \gamma_{12} \xi_2 + \zeta_1 \dots\dots\dots(2)$$

$$\text{Structural equation II : } \eta_2 = \gamma_{21} \xi_1 + \gamma_{22} \xi_2 + \beta_{21} \eta_1 + \zeta_2 \dots\dots\dots(3)$$

More complete model would be shown with a path diagram. The estimated parameters are more informative. If model path diagram has been built, it means lisrel simplis program has worked well. The data distribution pattern is acceptable. Modifications usually required to meet goodness-of-fit index.

RESULTS AND DISCUSSION

Collected data through questionnaires is processed, analyzed, and interpreted to produce useful conclusions and recommendations according research objectives. This research went through three stages, namely first order measurement model, second order measurement model, and full structural model.

A. First Order Measurement Model (1st CFA)

First order measurement model convergence has been good fit. It shows standardized factors loading (SLF), estimated value (λ), measurement error (δ, ϵ), Z-value, and R-squared. These parameters show the indicators characteristic and role among various measurement models. Parameters of first order measurement models converged is presented in Table 1.

Table 1. Parameters of converged first order measurement models

Dimensions	Indicators	SLF	δ, ϵ	λ	Z-value	Rsquare
Price discount (H2)	Often (H21)	0.90	0.18	1.00		0.82
	Rare (H22)	0.98	0.04	1.10	34.63	0.96
	Never (H23)	0.92	0.16	0.96	28.81	0.84
Serviceability (K6)	Service speed (K61)	0.93	0.13	1.00		0.87
	Ease of service (K62)	0.94	0.12	1.02	33.19	0.88
	Satisfying problemsolving (K63)	0.93	0.14	1.01	32.24	0.86
Benevolence (P1)	Attention (P11)	0.98	0.01	1.00		0.95
	Empathy (P12)	0.83	0.31	0.83	20.13	0.69
	Confidence (P13)	0.77	0.41	0.80	17.79	0.59
	Acceptance (P14)	0.88	0.22	0.92	20.76	0.78
Ability (P2)	Experience (P21)	0.93	0.14	1.00		0.86
	Institutional recognition (P22)	0.96	0.07	1.05	36.02	0.93
	Mastery of knowledge (P23)	0.90	0.19	0.97	29.24	0.81
Integrity (P3)	Fairness (P31)	0.87	0.24	1.00		0.76
	Fulfillment (P32)	0.94	0.12	1.11	26.38	0.88
	Honestly (P33)	0.90	0.19	1.06	24.21	0.81
Spreading outbrand positive aspects (L2)	Printed Media (L21)	0.93	0.14	1.00		0.86
	Electronic media (L22)	0.94	0.12	1.03	33.48	0.88
	News web (L23)	0.94	0.12	0.99	33.24	0.88
	Word of mouth (L24)	0.88	0.22	0.94	27.77	0.78
Rebuy (L4)	Physical environment (L41)	0.92	0.15	1.00		0.85
	Social environment (L42)	0.95	0.09	1.04	33.77	0.91
	Task defenition (L43)	0.93	0.14	0.99	31.18	0.86

Source: Processed from primary data, 2022

Price discounts were reflected by H21, H22 and H23 indicators with standardized factors loadings of 0.90, 0.98 and 0.92 respectively. Measurement errors were 0.18, 0.04 and 0.16 respectively. Z-value ≥ 1.96 (95% confidence interval two-tailed test) shows price discounts effect on each indicator with a weight of 1.00, 1.10, and 0.96. Number of covariant price discounts dimensions (exogenous variables) in each indicator (endogenous variables) is indicated by Rsquared, namely 0.82, 0.96, and 0.84. Rsquared shows the confirmative and predictive power of a model. Model of the effect of price discounts on the rarely giving discounts has the highest confirmatory and predictive accuracy with Rsquare of 0.96. Rarely discounts reflection on the highest discounts on the table above where SLF = 0.98.

Confidence indicator reflection on its dimension is lowest, where SLF = 0.77. The highest effect of integrity on institutional recognition with $\lambda = 1.11$. The effect of benevolence on confidence is lowest, where $\lambda = 0.80$. Ease of service is the strongest among the three indicators reflecting serviceability. Attention reflects dominantly benevolence. Institutional recognition reflects dominantly ability. Fulfillment reflects dominantly integrity. Electronic media and news web reflect dominantly the spreading out brand positive aspects. Social environment reflects dominantly repeat purchases.

B. Second Order Measurement Model (2nd CFA)

The 2nd CFA model was developed from the 1st CFA models which it met the specifications. Four good fit 2nd CFA models. Price perception was reflected dominantly by price discount; Product quality was reflected dominantly by serviceability. Consumer trust was reflected dominantly most strongly by ability; Customer loyalty was reflected dominantly by repeat purchases. See Table 2

Table 2 . Parameters of good fit second order model measurement

Construct	Dimension	SLF	γ, β	Z-value	ζ	Rsquare
Price perception	Price discount (H2)	1.00	1.73	22.05	0.01	1.00
Product quality	Serviceability (K6)	1.00	1.69	23.17	0.01	1.00
Consumer trust	Benevolence (P1)	0.78	1.44	12.22	1.35	0.61
	Ability (P2)	0.88	1.53	12.69	0.71	0.77
	Integrity (P3)	0.85	1.38	12.04	0.76	0.72
Customer loyalty	Spreading outbrand positive aspect (L2)	0.87	1.40	15.64	0.61	0.76
	Rebuy (L4)	0.94	1.54	15.44	0.33	0.88

Source: Processed from primary data, 2022

Standardized factors loading (SLF) shows dimensional relationship's strength with the construct it reflects. Gamma (γ) and beta (β) as construct's influence's strength on dimensions that reflect it. Z-value as a measure of the relationship significance level by comparing the Z-table at a critical value of 1.96, 2-tailed test with confidence interval of 95%. The errorvar of construct's causal relationship toward dimension that reflects it (ζ). Rsquared indicates the number of exogenous variables covariant found in endogenous variables. So reflection of confirmatory and predictive accuracy of a model.

Parameter above show the characteristics and roles of each construct or dimension. Among the four second order measurement models, the dominant influence was price perception toward price discount ($\gamma = 1.73$). The confirmation and predictive power of the price perception model and product quality cannot be said the best because of Rsquared = 1 sourced from constraint (Hair et al., 2019).

C. Full Structural Model

Initial structural model is built from the second order model that it meets the requirements. Price perceptions measurement model, product quality, consumer trust, and customer loyalty are good fit. Examination of full structural model is carried out according to goodness-of-fit index including absolute suitability, comparative suitability, and parsimonious suitability. Chi-square probability is one of absolute measure, very susceptible for changes in the number of samples, therefore it can be replaced by Root mean square error of approximation, RMSEA = 0.06 < 0.08 (good fit).

Absolute suitability measure has been met. The other two index groups, namely comparative measure and parsimonious measure have met the requirements. Full structural model has met the goodness of fit index after modification. Full structural model path diagram has been good fit in standardized solution format is presented in Figure 1.

Path diagrams in functional form, namely structural equations I and structural equations II can be seen below.

$$\text{TRUST} = 0.63 \cdot \text{PRICE} + 0.37 \cdot \text{QUALITY}, \text{ Errorvar.} = 0.21, R^2 = 0.79 \dots \dots \dots (4)$$

(0.065)	(0.051)
9.66	7.38

$$\text{LOYALTY} = 0.36 \cdot \text{TRUST} + 0.25 \cdot \text{PRICE} + 0.28 \cdot \text{QUALITY}, \text{ Errorvar.} = 0.36, R^2 = 0.64 (5)$$

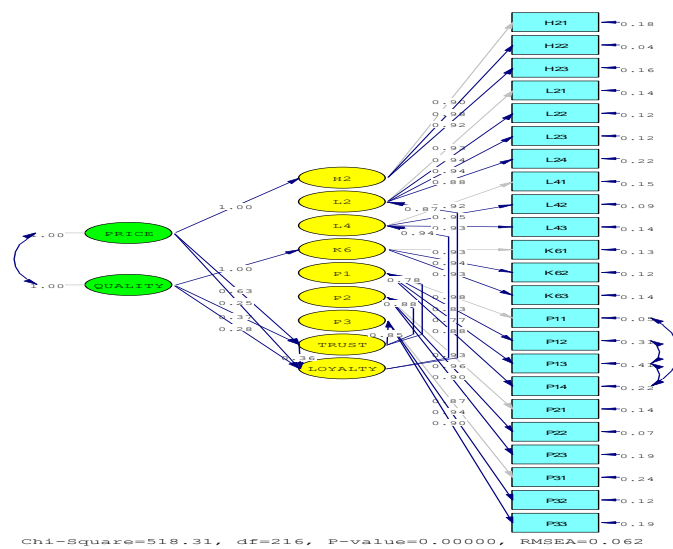
(0.12)	(0.085)	(0.065)
3.08	2.97	4.36

Both functional structural equations and path diagram model figure above show estimated parameters of fit full structural model, including direct and indirect causal relationship magnitude as presented in Tables 3 and 4.

D. The Direct Effect.

Effect weight (γ) of price perceptions on consumer trust was in the amount of 0.63, standard deviation (σ) was in the amount of 0.065 with Z-value = 9.66 \geq 1.96, which means it was significant with 95% confidence interval. Influence weight of product quality on consumer trust was in the amount of 0.37, standard deviation was in the amount of 0.051 with Z-value = 7.38 \geq 1.96, it means significant with $\alpha = 5\%$. Error variance was 0.21 < 4.00, acceptable. Rsquared = 0.79 > 0.50, model be meaningful. The effect of perceived price was stronger on consumer trust than product quality.

Figure 1. Path diagram of fit full structural model (standardized solution)



Source: Processed from primary data, 2022

Effect weight of price perceptions on customer loyalty a number of 0.25. Standard deviation was 0.085 with Z-value = 2.97 \geq 1.96, which means it was significant with 95% confidence interval. Effect weight of product quality on customer loyalty a number of 0.28, standard deviation was a number of 0.065 with Z-value = 4.36 \geq 1.96, which means it is significant with $\alpha = 5\%$. Effect weight of consumer trust on customer loyalty a number of 0.36, standard deviation was a number of 0.12 with Z-value = 3.08 \geq 1.96, which means it is significant with $\alpha = 5\%$. Error variance was a number of 0.36 $<$ 4.00, acceptable. Rsquared = 0.64 $>$ 0.50, meaningful model.

Table 3. Parameters of direct effect of fit full structural model

Path	γ, β	σ	Z-value	Z-table (Cut-Off)	Remark
PRICE \rightarrow TRUST	0.63	0.065	9.66	1.96	Significant
QUALITY \rightarrow TRUST	0.37	0.051	7.38	1.96	Significant
PRICE \rightarrow LOYALTY	0.25	0.085	2.97	1.96	Significant
QUALITY \rightarrow LOYALTY	0.28	0.065	4.36	1.96	Significant
TRUST \rightarrow LOYALTY	0.36	0.120	3.08	1.96	Significant

Source: Processed from primary data, 2022

E. The Indirect Effect of Price Perceptions on Customer Loyalty Through Consumer Trust

Indirect effect weight of price perceptions on customer loyalty through consumer trust is number of 0.22. Standard deviation (σ) is number of 0.08 with Z-value = 2.98 \geq 1.96. It's means significant with confidence interval of 95%. γ PRICE \rightarrow LOYALTY (DE) = 0.25. Direct effect of price perceptions on customer loyalty is greater than the indirect effect through consumer trust. γ PRICE \rightarrow TRUST \rightarrow LOYALTY (IE) $<$ γ PRICE \rightarrow LOYALTY (DE). Consumer trust as a partial mediator in the direction of price perceptions effect on customer loyalty. Intermediate construct existence unable to enhance causal relationship between two constructs.

F. The Indirect Effect of Product Quality on Customer Loyalty Through Consumer Trust

Indirect effect weight of product quality on customer loyalty through consumer trust is number of 0.13. Standard deviation is number of 0.05 with Z-value = 2.89 \geq 1.96. It's means significant with confidence interval of 95%. γ PRICE \rightarrow LOYALTY (DE) = 0.28. Direct effect of product quality on customer loyalty is greater than indirect effect through consumer trust. γ QUALITY \rightarrow TRUST \rightarrow LOYALTY (IE) $<$ γ QUALITY \rightarrow LOYALTY (DE). Consumer trust as a partial mediator in the direction of product quality effect on customer loyalty. Intermediate construct existence unable to enhance causal relationship between two constructs.

CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

A. Conclusion

Each price perceptions and product quality play a role increasing consumer trust in the Vivo smartphone Y series on Medan. Specifically, price discounts and serviceability reflect price perceptions and product quality. More specifically, rarely price discount be most powerful reflects price discount; Ease of service most strongly reflects service ability. Each Price perceptions, product quality, and consumer trust play a role in increasing customer loyalty for the Vivo smartphone Y series on Medan. In particular, consumer trust is reflected retailers human resource capabilities on Medan. More specifically, this dimension is most strongly reflected by institutional recognitions. Customer loyalty is most strongly reflected by repeat purchases. This dimension is most strongly reflected by social environment.

B. Implication

In effort to enhance consumer trust, especially for ability dimension, more specifically for institutional recognition indicator, namely by price perception construct be dominant among other exogenous variables. Price discount dimension reflects price perception. This dimension is reflected dominantly by rare price discount indicator. Vivo smartphone Y series retailers on Medan need to pay more attention to rare price discounts for users in an effort to increase consumer trust. Enhancing customer loyalty, especially the repurchase dimension, more specifically the social environment, namely by consumer trust which dominant among exogenous constructs is. Vivo smartphone Y series retailers on Medan need to pay more attention to institutional recognition related to retailers human resource capabilities in effort to enhance customer loyalty.

C. Suggestion

Vivo smartphone Y series retailers on Medan able to enhance consumer trust by strengthening price discounts, especially rarely offer price discounts; Improving employees's ability, especially on institutional recognition. Enhancing customer loyalty can be prioritized through strengthening employee capabilities, especially institutional recognition. Future researchers able to re-examine the Effect of consumer trust, price perceptions, and product quality on customer loyalty model. The confirmatory and predictive power of this model still needs to be improved. Rsquared is still 0.64.

D. Limitations

Results and conclusions of this research only apply for undergraduate (S1) students in Medan. Research substance concerns only for causal relationship among constructs, dimensions and indicators. So it hasn't described state of each construct.

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