

## THE IMPACT OF PERCEIVED VALUE ON CUSTOMER SATISFACTION AND REPURCHASE INTENTION OF BLACKBERRY USERS IN MANADO

by:

**Jerdinan Septian Frendy**

Faculty of Economics and Business  
International Business Administration (IBA) Program  
University of Sam Ratulangi Manado  
email: [jerdinansf@gmail.com](mailto:jerdinansf@gmail.com)

### ABSTRACT

People today are varying with different perception toward their purchasing behavior. They become eager in purchasing product to guarantee they satisfied after used the product. BlackBerry smartphone in the last 4 years became very popular in society at global market nowadays. BlackBerry smartphone nowadays in Indonesia is turn into popular smartphone that already have by many people in every group of them. This research wants to study about customer perceived value on customer satisfaction and repurchase intention of BlackBerry users in Manado. The type of research used in this research is Structural Equation Modeling, or SEM is a quantitative study with secondary data collection techniques. This study collected 200 data sample of population of people who used BlackBerry smartphone in Manado. The conclusion of this study is perceived value has significantly effect toward customer satisfaction. Perceived value has positive effect to repurchase intention but did low significant effect. Customer satisfaction has positive and significant effect to repurchase intention. BlackBerry Ltd. company should be more consider about their strategic marketing and management on pricing by giving low cost (low price) to customer without decreasing the quality of product.

**Keywords:** *perceived value, customer satisfaction, repurchase intention*

### INTRODUCTION

There are a million customers that live in the earth today that becoming company's target market. Each of them has different perception in making their purchase decision. Perception itself is a powerful force stimulate in consumer nowadays towards their buying behavior. Though there's million, there's still a group of people who have same interest toward the decision they choose.

Perception of each person in this world is varying and drive by a lot of factor. People perceive stimulus today drive by considering products and services quality factor. Talk about quality, product is the mostly become market goods that be always asking by the customer about how well the product's quality. Quality is become the indicator or considered item to the customer purchase decision.

The fact that always been faced in this situation, customer often insensibly start to perceive the quality and the value of specific item to persuade their conscience to consider certain kind of product because of the some information about the quality of the product provided. Not so long ago there's smartphone product that become famous and spread into the global market enormously at 2008. BlackBerry smartphone already spread all around Indonesian nation, more than half percent of people in Indonesia had been already become BlackBerry users.

Customer of Indonesia still perceived the value of BlackBerry Messenger as their 'must have' tools or application that function to connect them with other people. The other reason customers in Indonesia still using BlackBerry smartphone are satisfaction of the BlackBerry Messenger service that make easy to know and to use application.

Mostly knowing issue that very becoming critical point in the Manado market nowadays is about their customer act of purchase behavior become really the mostly interesting value to find out they satisfied and willing to repurchase BlackBerry smartphone that becoming life trend nowadays.

### **Research Objectives**

The objectives of this research are to know the effect of:

1. Perceived value on customer satisfaction.
2. Perceived value on repurchase intention.
3. Customer satisfaction on repurchase intention.

## **THEORETICAL FRAMEWORK**

### **Perceived Value**

Customer's perceived value can be defined from the customer perspectives of money, quality, benefit, and social psychology. Hellier (2003) explained perceived value is "the customer's overall appraisal of the net worth of the service, based on the customer's assessment of what is received (benefits provided by the service), and what is given (costs or sacrifice in acquiring and utilizing the service)."

### **Customer Satisfaction**

Farris, et al., (2010), defined customer satisfaction as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. Customer satisfaction in total is equal to the emotional perception (Wong, 2000).

### **Repurchase Intention**

Hellier et al. (2003) explain about repurchase intention is the individual's judgment about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances. Still others have considered the predictive validity of repurchase intention for subsequent repurchase behavior (Mittal and Kamakura, 2001).

### **Previous Research**

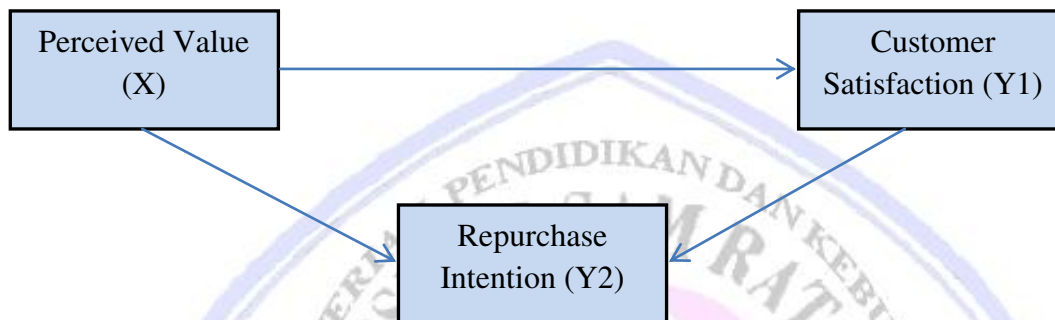
Choi and Kim (2013) shows that the positive relationships between quality and value and customer satisfaction and repurchase intention found in numerous previous studies also exist in the context of social enterprises and perceived values have positive effects on customer satisfaction and repurchase intention in the future. Tsotsou (2005) investigated the effect of various perceived quality levels on product involvement, overall satisfaction and purchase intentions. perceived quality explained more of the variance in overall satisfaction than in product involvement and purchase intentions. Jahanshahi et al., (2011) study showed that there are high positive correlation between the constructs of customer service and product quality with customer satisfaction and loyalty. Hellier et al., (2003) develops a general service sector model of repurchase intention from the consumer theory literature and finds that although perceived quality doesn't directly affect customer satisfaction, it does so indirectly via customer equity and value perceptions. Hellier et al., (2003) finds that past purchase loyalty is not directly related to customer satisfaction or current brand preference and that brand preference is an intervening factor between customer satisfactions and repurchase intention. Kuo et al., (2009) purposes to construct an instrument to evaluate service quality of mobile value-added services and have a further discussion of the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention. The main findings of Kuo et al., (2009) as follows: (1) service quality positively influences both perceived value and customer satisfaction; (2) perceived value positively influences on both customer satisfaction and post-purchase intention; (3) customer satisfaction positively influences post-purchase intention; (4) service quality has an indirect positive influence on post-purchase intention through customer satisfaction or perceived value; (5) among the dimensions of service quality, "customer service and system reliability" is most influential on perceived value and customer satisfaction, and the influence of "content quality" ranks second; (6)

the proposed model is proven with the effectiveness in explaining the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile added-value services. Anwar & Gulzar (2011) intends to find out the impact of perceived value on word of mouth endorsement and customer satisfaction exploring a mediating role of repurchase intentions.

## 2.7 Research Hypothesis

In order to check the relationship between the independent and dependent variables, three hypotheses were developed.

- H1. Perceived value has an effect on customer satisfaction.
- H2. Perceived value has an effect on repurchase intention.
- H3. Customer satisfaction has an effect on repurchase intention.



**Figure 1. Conceptual Framework**

Source: Theoretical Review

## RESEARCH METHOD

### Type of Research

This research is using causal research which is this research explores the effect of one thing on another and more specifically, the effect of one variable on another variable. The research is used to measure what impact a specific change will have on existing norms and allows market researchers to predict hypothetical scenarios upon which a company can base its business plan.

### Place and Time of Research

The study is conducted in Manado between September-October 2013, among the people who ever purchase Blackberry smartphone.

### Population and Sample

Castillo (2009) explained research population is generally a large collection of individuals or objects that is the main focus of a scientific query or also known as a well-defined collection of individuals or objects known to have similar characteristics. It is for the benefit of the population that researches are done. It can be defined in many ways, for example by age, ethnicity, and type of housing, birthplace or location. Base on this study case the population targeting the people who using BlackBerry inside Manado society.

### Data Collection Method

Hair et al., (2010:26) to collect the primary data of research by do survey (spread questionnaires) and to collect the secondary data, this research browsed the information through internet, marketing books and marketing journal. Much of primary data collection required for solving marketing problems involves asking questions to respondents and recording their response. To collect primary data, this research does survey by spreading questionnaires to gather information. A questionnaire is a formal framework consisting of a set of questions and scales designed to generate primary raw data (Hair et al., 2010:178).

## Operational Definition and Measurement of Research Variables

### Operational Definition of Research Variables

The variable of this research will be measured by using Likert-scale. Likert scale is designed to examine how strongly subjects agree or disagree with statements on a five-point scale with the following anchors: 1 = "strongly disagree", 2 = "disagree", 3 = "neither agree nor disagree", 4 = "agree", 5 = "strongly agree" (Sekaran and Bougie, 2009:152).

### Data Analysis Method

Validity test is the extent to which the conclusions drawn from the experiment are true (Hair et al., 2010:120). The measurement of validity test in this research is using SPSS software with analyzing MSA (Measures of Sampling Adequacy). Validity test will said its valid if in "Anti-Image Correlation" is more than 0.5. Reliability tests are the extent to which the measurements taken with a particular instrument are repeatable (Hair et al., 2010:156). Reliability tests that used to analyze the collection of data by looking the Cronbach's Alpha. Reliability test will said it's reliable and consistency if alpha is more than or equal with 0.7.

### Structural equation modeling (SEM) Analysis Model

Structural Equation Modeling, or SEM, is a very general statistical modeling technique, which is widely used in the behavioral sciences. It can be viewed as a combination of factor analysis and regression or path analysis. The interest in SEM is often on theoretical constructs, which are represented by the latent factors. The relationships between the theoretical constructs are represented by regression or path coefficients between the factors. The structural equation model implies a structure for the covariances between the observed variables, which provides the alternative name covariance structure modeling. However, the model can be extended to include means of observed variables or factors in the model, which makes covariance structure modeling a less accurate name. Many researchers will simply think of these models as 'Lisrel-models,' which is also less accurate. LISREL is an abbreviation of linear structural relations, and the name used by Jöreskog for one of the first and most popular SEM programs.

## RESULT AND DISCUSSION

### Result

In this part showed the result of chi-square, degrees of freedom and probability level minimum was achieved is displayed here when a model was fitted successfully:

Chi-square = 24.364

Degrees of freedom = 25

Probability level = 0.498

The model must be same as the empirical data because if it is same "fit", so HO must be accepted then Chi-square must be "not significant" Chi-square with low value will be produce the significant level bigger than 0.05 and the value degree of freedom is 25, it is means more than 0, so the model worthy to estimated. The result of calculate estimate must be minimum was achieved then the research can continue to process the data, but if it is not the research must recalculate and remake our research data. In this research the result of calculate estimate is minimum was achieved. The probability level from this AMOS output of this research is 0.498. It is above 0.05 so it is totally fit with the data of sample.

**Table 1. Goodness of Fit Table**

| Goodness of fit indices | Cut-off value | Output |
|-------------------------|---------------|--------|
| RMSEA                   | ≤ 0.08        | 0.000  |
| GFI                     | ≥ 0.90        | 0.974  |
| AGFI                    | ≥ 0.90        | 0.952  |
| CMIN/DF                 | ≤ 2           | 0.975  |
| TLI                     | ≥ 0.95        | 1.001  |
| CFI                     | ≥ 0.94        | 1.000  |

Source: Data analysis result SEM, 2013

**Hypothesis**

HO = the model is same as the empirical data

HA = the model is not same as the empirical data

**The basis of Decision Making:**

1. If probability (the sig) > 0.05 HO is accepted, the model is same as the empirical data.
2. If probability (the sig) < 0.05 HA is accepted, the model is not same as the empirical data.

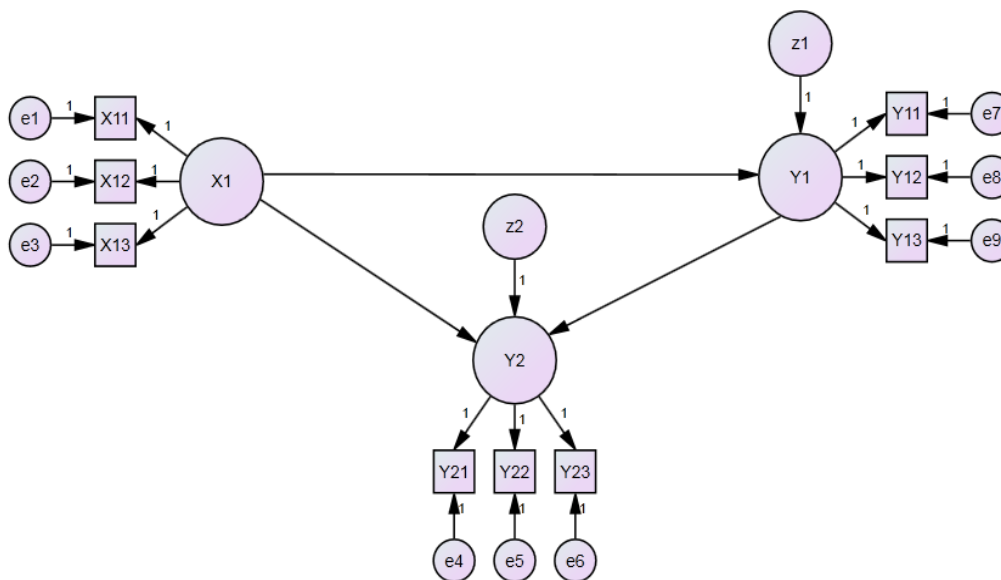
**Decision:**

In the above table the value sig = 0.498 > 0.05, so HO is accepted, and the model same as the empirical data.

**Result of SEM Analysis**

**SEM Model**

Base on SEM analysis, it is show SEM model there are three variables which is perceived value (X1), customer satisfaction (Y1), repurchase intention (Y2) and each variables consists of three indicator, where's perceived value (X1) indicators are emotional value (X11), functional value (X12), and emotional value (X13). Customer satisfaction (Y1) indicators are expectation (Y11), price (Y12), and reliability (Y13). Repurchase intention (Y2) indicators are brand preference (Y21), durability (Y22), appraisal (Y23).



**Figure 2. The Model Displayed X1 as Eksogen, Y2 as Endogen and Y1 as Endogen.**

Source: Data Analysis SEM, 2013

## Discussion

### Perceived Value and Customer Satisfaction

Customer satisfaction influence by perceived value regarding to the customer expectation toward the product, the price, also how reliable BlackBerry smartphone in the eye of their customer. Perceived value is a visionary sense used by customer perception to stimulate and increasing customer belief to purchase product or services (in this study research is BlackBerry smartphone). By increasing belief, the beneficial and expectation toward the product that customer wants increasing their purchase intention and also their satisfaction before and after they making purchase decision. People today used their perception very well to make sure being satisfied by purchasing specific product or services after find out information of the product or services on internet or news. There's important role of customer perceived value as the internal media for customer to increase their interest to purchase the product and customer satisfaction become the target the need to be achieved by the customer after perceived the value of the product or services. Quality perspective, value is the difference between the money paid for a certain product and the quality of the product (Bishop, 1984). In other words, when less money is paid for a high quality product, positive perceived value will be created.

### Perceived Value and Repurchase Intention

Perceived value has a positive effect towards the repurchase intention. Perceiving product and services affect customer will to their repurchase intention. The probability on AMOS result shown that perceived value has positive effect on repurchase intention but with a little significance. The relationship between perceived value toward repurchase intention strengthen by indicator of the customer perceived value and also the intermediate of perceived value. Perceived value is not enough to increase customer intention to purchase BlackBerry smartphone. Customers of BlackBerry in Manado expecting something better from the product though when customer become half satisfied, it just because there's something better products and services provided from another smartphone companies that making alternate choices toward customer repurchase intention. Social value become part of perceived value has positive effects on repurchase intention for green products through the level of perceived importance, is similar to this research. Rhee and Ryu (2012) who empirically showed the relationships between social value and repurchase intention. When consumers rate the social value of a company highly, they form positive opinions about the company, which in turn increase repurchase intention. Choi and Kim (2013), finds that the high ratings of the functional, emotional and social value of social enterprises lead to customer satisfaction, which results in repurchase intention. In this case customer satisfaction is become the rope that tied and strengthen this two variable's relationship. Sweeney and Soutar (2001) pointed out that perceived value including the purchase process of products and services is created at the pre-purchase stage, while customer satisfaction is related to the experience of using products or services at the post-purchase stage. The perception of value is the preceding factor of satisfaction level, whereas the satisfaction level acts as a resulting factor. That is, perceived value is the factor of satisfaction level. To enable the development of a comprehensive theory of customer perceived value, further researches is required on the effect of customer satisfaction and repurchase intention upon repurchase behavior (Mittal and Kamakura, 2001).

### Customer Satisfaction and Repurchase Intention

A direct positive relationship between customer satisfaction and repurchase intention is supported by a wide variety of product and service studies (Anderson and Sullivan, 1993). Hellier, et al. (2003) result studies establish that "overall customer satisfaction with a service is strongly associated with the behavioral intention to return to the same service provider". However, it must be kept in mind that the direct positive relationship of satisfaction upon repurchase intention is a simplification of the matter. While customer satisfaction is a major factor, it is only one of the many variables that can impact upon customer repurchase intention (Sharma and Patterson, 2000). Customer satisfaction has a direct positive effect on repurchase intention. The research of Patterson et al. (1997) confirmed customer satisfaction to be a significant predictor of RI, and perceived value to be a significant predictor of customer satisfaction supporting.

## CONCLUSION AND RECOMMENDATION

Based on the research objectives, this research concludes that:

1. Perceived value has direct effect toward customer satisfaction. The BlackBerry users in Manado develop their perception to make sure they satisfied from what they expected from BlackBerry smartphone. The customer in Manado perceived BlackBerry smartphone as their daily need back to three years ago until know the life cycle of BlackBerry seems reach to the end or depletion, there's still people use their BlackBerry and still satisfied using it because of easy to use and services provided from Telcos company (such as Telkomsel, Axiata, Hutchinson, etc.) is very beneficial for them especially for student and college student. The customers in Manado see BlackBerry not only as it functions but also toward their emotional and especially social value which is very helpful for them in their daily activity on communication, it conclude they very satisfied by using BlackBerry smartphone.
2. Perceived value itself has a positive but a little significant effect onward repurchase intention. That seems BlackBerry users in Manado perceived something more and attracted to other option of smartphone that being developed from different smartphone company. In this case BlackBerry smartphone is a little too late and left behind to see this point which is just trying to create same product (mean of BlackBerry Messenger) but didn't aware and well updated from what happen to the society right now which is very developed and has brand new technology that BlackBerry didn't have it. The customer intention to repurchase is considered low when they perceived the value of buying BlackBerry smartphone.
3. Customer satisfaction is greatly effect to customer of BlackBerry smartphone's repurchase intention. BlackBerry users in Manado satisfied toward the price of BlackBerry also their expectation toward BlackBerry smartphone product is greatly affected their intention to repurchase BlackBerry. Many people in Manado whose are people who work in traditional market, private worker, civil servant, until the entrepreneur have BlackBerry smartphone because of the price is very good and affordable for all kind of groups of people. The customer in Manado satisfied from what BlackBerry smartphone provided and had greatly interest to intent to repurchase BlackBerry smartphone.

### Recommendation

The relationship of each variables that be used in this research were good but to be sure the relationship between perceived value and repurchase intention needed customer satisfaction to increase their significance. In the future researches recommended to making another model such that customer satisfaction affected perceived value to measure if there's direct relationship between perceived value and repurchase intention because of perceived value is an important factor of customer satisfaction. Besides keep create and expand the customer satisfaction, BlackBerry could consider to improving on their customer repurchase intention. BlackBerry should also develop their product to attract and increasing customer belief to maintain customer still looking for buying BlackBerry smartphone. BlackBerry may be making new innovation or sell their product with low price to attract low salary worker to purchase their product considered there's a lot of low salary worker also student and college student whose they'll afford to purchase the product. BlackBerry also considered about the society needs today which is there's ton of application and games that inaccessible to their smartphone so their customer perceived alternate choice in their intention to repurchase a smartphone.

For further research, another variable besides perceived value might be utilized to see the effect of customer satisfaction and repurchase intention, for example perceived quality and social enterprise. Future research could also take more specific sample like better group of age match the generation Y, X, Z; occupation and interest. Then, use the combination of quantitative analysis method such as analysis factor or regression will be great for more understanding of customer repurchase intention.

## REFERENCE

- Anderson, E.W., Sullivan, M.W., 1993. The antecedents and consequences of customer satisfaction for firms. *Marketing Science*, Vol. 12 No.2, ISSN: 0956-4233 pp.125-43.
- Anwar, Saleha and Gulzar, Amir., 2001. Impact of perceived value on word of mouth endorsement and customer satisfaction: mediating role of repurchase intentions. *International Journal of Economics and Management Sciences* Vol. 1, No. 5, 2011, pp. 46-54 [http://: www.managementjournals.org](http://www.managementjournals.org) 48. Accessed on 18<sup>th</sup> September, 2013.
- Bishop, W. R., Jr. 1984. Competitive intelligence. *Progressive Grocer*, 63(3), 19-20. [http://readopac1.ncl.edu.tw/nclserialFront/ref\\_book.jsp?la=ch&id=A11002392](http://readopac1.ncl.edu.tw/nclserialFront/ref_book.jsp?la=ch&id=A11002392). Accessed August 27<sup>th</sup>, 2013.
- Castillo, Joan Joseph, 2009. *Research population*. <http://www.experiment-resources.com/research-population.html>. Accessed on July 2<sup>nd</sup>, 2013.
- Cavana, R. Y., Delahaye, B. L., and Sekaran U. 2001. *Applied Business Research: Qualitative and Quantitative Methods*. Queensland: John Wiley and Sons Australia, Ltd. ISBN: 0471341266
- Choi, Eun Jung, & Kim, Soo-Hyun. 2013. The Study of the Impact of Perceived Quality and Value of Social Enterprises on Customer Satisfaction and Re-Purchase Intention. *International Journal of Smart Home* Vol. 7, No. 1, January, 2013. [www.sersc.org/journals/IJSH/vol7\\_no1\\_2013/22 .pdf](http://www.sersc.org/journals/IJSH/vol7_no1_2013/22.pdf). Accessed 28<sup>th</sup> August 2013.
- Hellier, Phillip K., Geursen, Gus M., Carr, Rodney A. and Rickard, John A. 2003. Customer repurchase intention: a general structural equation model, *European journal of marketing*, vol. 37, no. 11, pp. 1762-1800. <http://hdl.handle.net/10536/DRO/DU:30002018>. Accessed August 23<sup>rd</sup>, 2013.
- Farris, Paul W.; Bendle, Neil T.; Pfeifer, Phillip E.; Reibstein, David J. 2010. *Marketing Accountability Standards Board (MASB). Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*. Pearson Education, Inc. Upper Saddle River, New Jersey.
- Hair, J. F., Black, W.C., Babin, B.J., & Anderson, R.E. 2010. *Multivariate Data Analysis*. Seventh Edition. Prentice Hall, Upper Saddle River, New Jersey.
- Jahanshahi, Asghar Afshar. 2011. Study the Effects of Customer Service and Product Quality on Customer Satisfaction and Loyalty. *International Journal of Humanities and Social Science* Vol. 1 No. 7; Special Issue – June 2011 [http://www.ijhssnet.com/journals/Vol\\_1\\_No\\_7\\_Special/33.pdf](http://www.ijhssnet.com/journals/Vol_1_No_7_Special/33.pdf). Accessed July 23<sup>rd</sup>, 2013.
- Kuo, Ying-Feng; Wu Chi-Ming; Deng, Wei-Jaw; 2009. The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. *Volume 25, Issue 4, July 2009*, Pages 887–896 *Including the Special Issue: The Use of Support Devices in Electronic Learning Environments*. [www.sciencedirect.com/science/article/pii/S0747563209000363](http://www.sciencedirect.com/science/article/pii/S0747563209000363). Accessed June 29<sup>th</sup>, 2013.
- Mittal, Vikas and Kamakura, Wagner A., 2001. Satisfaction, repurchase intent, and repurchase behavior: investigating the moderating effect of customer characteristics. *Journal of Marketing Research*, 38(1), ISSN: 956-4233 pp. 131-142.
- Patterson, P.G., Johnson, L.W. and Spreng, R.A. 1997. Modeling the determinants of customer satisfaction for business-to-business professional services. *Journal of Academy of Marketing Science*, Vol. 25, ISSN: 0956-4233 pp. 4-17.
- Sekaran U. and Bougie R., 2009. *Research Methods for Business: A Skill-Building Approach 5<sup>th</sup> Edition*. John Wiley & Sons, Ltd, Publication: United Kingdom.



- Sharma, N., Patterson, P.G. 2000. Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services, *International Journal of Service Industry Management*, Vol. 11 No.5, ISSN: 0956-4233 pp. 470-90.
- Sweeney, Jillian C. and Geoffrey, N. Soutar. 2001. Consumer-Perceived Value: The Development of a Multiple Item Scale. *Journal of Retailing*, 77(2), ISBN: 0022-4359 pp. 203-220.
- Tsiotsou, Rodoula, 2005. Perceived Quality Levels and their Relation to Involvement, Satisfaction, and Purchase Intentions. *Marketing Bulletin*, 2005, 16, Research Note 4 <http://marketing-bulletin.massey.ac.nz>. Accessed July 23<sup>rd</sup> 2013.
- Wong, A., 2000. Integrating supplier satisfaction with customer satisfaction. *Total Quality Management*, Vol. 11 No.4-6, pp. S826-9. [front.cc.nctu.edu.tw/Richfiles/9509-ViewContentServlet.pdf](http://front.cc.nctu.edu.tw/Richfiles/9509-ViewContentServlet.pdf). Accessed September 11<sup>th</sup> 2013.

