

CHAPTER I

INTRODUCTION

A. Research Background

The rapid advancement of technology has significantly transformed human life. Technology enables instant communication, with smartphones being the primary device used by society. In Indonesia, smartphone usage has increased dramatically. According to Goodstats, the Ministry of Communication and Information claimed 167 million smartphones in Indonesia, representing 89% of the nation's population.¹

As one of the leading smartphone manufacturers, Samsung has built its reputation since launching the Galaxy S series in 2010. With various series such as Galaxy A, J, M, S, Note, and Fold, Samsung continues to innovate to meet market needs. Its advanced features and attractive designs make Samsung a top choice for many smartphone users worldwide.²

Samsung smartphones' enticing looks, cutting-edge features, and solid specifications contribute to their global success and popularity. This has made Samsung the leading Android smartphone manufacturer, as shown by its global market share. After Nokia's dominance, Samsung's market share has fluctuated since 2009.³ One of the most critical factors in preserving and expanding market share in the highly competitive smartphone sector is ensuring customer satisfaction. Product quality, after-sales service, technical assistance, and friendly interaction are among the

¹ Naomi Adisty, "Mengulik Perkembangan Penggunaan Smartphone Di Indonesia," *GoodStats*, last modified 2022, <https://goodstats.id/article/mengulik-perkembangan-penggunaan-smartphone-di-indonesia-sT2LA>. Accessed: 09/05/2024 09.04

² Hilman Mulya Nugraha, "Ini Dia Perbedaan Dari Setiap Seri Samsung Galaxy," *Carisinyal.Com*, last modified 2023, <https://carisinyal.com/perbedaan-seri-samsung-galaxy/>. Accessed: 09/05/2024 10.12

³ Federica Laricchia, "Samsung's Market Share of Global Smartphone Shipments 2009-2023, by Quarter," *Statista*, last modified 2023, <https://www.statista.com/statistics/276477/global-market-share-held-by-samsung-smartphones/>. Accessed: 09/05/2024 10.20

components. A higher level of customer satisfaction can indirectly maintain or strengthen a customer's loyalty to a particular product or company. The findings of the study by Wardani and Wiyadi indicated that customer satisfaction positively influences brand loyalty and love.⁴

Loyalty is a fundamental element in business sustainability. Brand loyalty comprises two primary dimensions: attitudinal loyalty and behavioral loyalty, both of which synergistically contribute to brand performance. As a cornerstone of business growth, brand loyalty serves as a strategic asset, ensuring long-term profit stability and corporate sustainability. Moreover, brand loyalty is a critical factor influencing consumer preferences and decision-making when selecting products or services.⁵ Additional advantages of consumer loyalty to the brand include reducing marketing expenses, drawing in new clientele, and enhancing responsiveness to competitive threats, opportunities, and strengths.⁶ Samsung's dominance in market share indirectly signifies a substantial degree of brand loyalty.

Brand love also affects loyalty. A brand is loved indirectly by someone with a great product or service experience. When individuals adore a brand, a relationship develops. This love may be comforting, pleasing, or a different emotion. Abdullah found that social identity, brand image, and consumer satisfaction shape brand love.⁷ Brand love is a deep emotional

⁴ Luluk Intan Kusuma Wardani and Wiyadi, "Pengaruh Kepuasan Konsumen Dan Pengalaman Merek Terhadap Loyalitas Merek Yang Dimediasi Oleh Kecintaan Merek," *Among Makarti: Journal of Economics & Business* 16, no. 2 (2023): 105–122.

⁵ Niken Permata Sari, Bhenu Artha, and Antonius Satria Hadi, "Brand Loyalty: A Literature Review," *International Journal of Economics, Business and Accounting Research (IJEBAR)* 7, no. 1 (2023): 66–75, <https://jurnal.stie-aas.ac.id/index.php/IJEBAR>.

⁶ Deni Surapto, "The Impact of Brand Trust, Brand Loyalty, Brand Image on Service Quality," *Atlantis Press* 143, no. Isbest 2019 (2020): 162–167.

⁷ Abdullah Al-Haddad, *Social Identification, Brand Image and Customer Satisfaction as Determinants of Brand Love, Advances in Science, Technology and Innovation* (Springer International Publishing, 2019): 252-262 http://dx.doi.org/10.1007/978-3-030-01662-3_28.

bond between consumers and brands. Satisfied customers develop brand loyalty. This study shows that satisfaction does not guarantee loyalty. Such requires a strong emotional bond. Customer contentment that develops brand affection will build brand loyalty better than satisfaction alone. Further research shows that brand love boosts brand loyalty.⁸

Most studies on brand love, customer happiness, and loyalty have been done in the fashion and food & beverage industries. This lack of knowledge about brand love's role in moderating client pleasure affects brand loyalty in cosmetics, entertainment, transportation, and other industries. The Indonesian Central Bureau of Statistics (BPS) reported that Indonesia's electronics industry contributed 8.3% to the manufacturing industry's performance in the third quarter of 2023, ranking fourth.⁹ So, it is unfortunate that there needs to be more research on the electronics industry.

Samsung has dominated the smartphone market from 2010 to 2023, maintaining its position as the market leader for 13 consecutive years.¹⁰ However, after this long-standing success, Apple has finally managed to overtake Samsung as the market leader. According to Nabila Popal (2024), research director of the International Data Corporation (IDC) team, Apple's continued success and resilience are primarily due to the growing trend of premium devices.¹¹ The following is the data that the author managed to obtain.

⁸ Widhy Tri Astuti, "The Influence of Brand Image, Brand Love, And Brand Trust On Brand Loyalty In Local Coffee Shop Brand Names," *Journal Research of Social Science, Economics, and Management* 2, no. 12 (2023): 3021–3036.

⁹ Benediktus Krisna Yogatama, "Menanti Industri Elektronik Jadi Raja Di Negeri Sendiri," *Kompas.Id*, last modified 2024, <https://www.kompas.id/baca/ekonomi/2024/01/14/menanti-sengatan-industri-elektronik>. Accessed: 10/05/2024 16.23

¹⁰ Mass Needham, "Apple Grabs the Top Spot in the Smartphone Market in 2023 along with Record High Market Share Despite the Overall Market Dropping 3.2%, According to IDC Tracker," *IDC*, last modified 2024, <https://www.idc.com/getdoc.jsp?containerId=prUS51776424>. Accessed: 11/05/2024, 20.08

¹¹ Ibid. Accessed: 11/05/2024, 20.08

Top 5 Companies, Worldwide Smartphone Shipments, Market Share, and Year-Over-Year Growth, Q4 2023 (Preliminary results, shipments in millions of units)

Company	4Q23 Shipments	4Q23 Market Share	4Q22 Shipments	4Q22 Market Share	4Q23/4Q22 Growth
1. Apple	80.5	24.7%	72.1	24.0%	11.6%
2. Samsung	53.0	16.3%	59.5	19.8%	-10.9%
3. Xiaomi	40.7	12.5%	33.2	11.0%	22.7%
4. Transsion	28.2	8.6%	16.7	5.6%	68.6%
5. vivo	24.1	7.4%	22.9	7.6%	5.1%
Others	99.5	30.5%	96.1	32.0%	3.5%
TOTAL	326.1	100.0%	300.6	100.0%	8.5%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, January 15, 2024

Figure 1 1 Top 5 Companies' Market Share Smartphone Q4, 2023

Source: <https://www.idc.com/getdoc.jsp?containerId=prUS51776424>

Based on the data in the table above, it can be observed that in the fourth quarter (Q4), Apple successfully dominated the smartphone market, overtaking Samsung, which had led the market for the past 13 years.¹² This phenomenon raises questions: has customer satisfaction with Samsung smartphones declined, causing the company to lose its market dominance? Additionally, does brand love play a significant role in enhancing customer loyalty? The author is interested in studying **"THE INFLUENCE OF CUSTOMER SATISFACTION ON BRAND LOYALTY THROUGH BRAND LOVE IN SAMSUNG SMARTPHONE USERS (STUDY CASE: FEMALE STUDENTS at the UNIVERSITY OF DARUSSALAM GONTOR)."**

The author selected female students of Darussalam Gontor University as the research subject because the majority belong to Generation Z, a cohort born between 1997 and 2012.¹³ This generation is known as intellectuals who consistently stay updated with rapidly changing

¹² Ibid.

¹³ Wikipedia, "Generasi Z," https://id.wikipedia.org/wiki/Generasi_Z, accessed 11/01/2025 08.00.

information. When choosing a smartphone, they tend to prioritize brand interest, brand habits, and price alignment with the chosen brand.¹⁴

B. Problem Formulation

1. How does customer satisfaction affect brand love in Samsung smartphone users?
2. How does customer satisfaction affect brand loyalty in Samsung smartphone users?
3. How does brand love affect brand loyalty in Samsung smartphone users?
4. How does brand love play a role in influencing the relationship between customer satisfaction and brand loyalty in Samsung smartphone users?

C. Research Objective

1. To analyze the influence of customer satisfaction on brand love in Samsung smartphone users.
2. To analyze the effect of customer satisfaction on brand loyalty in Samsung smartphone users.
3. To analyze the effect of brand love on brand loyalty in Samsung smartphone users.
4. To analyze the role of brand love in influencing the relationship between customer satisfaction and brand loyalty in Samsung smartphone users.

D. Benefits of Research

The outcomes of this research are anticipated to yield advantages for the subsequent stakeholders:

1. Benefit for academia

This research contributes to the development of marketing management science, especially in understanding the relationship between customer satisfaction, brand love, and brand loyalty in

¹⁴ Rizqon Jamil Farhas, "Analisis Keputusan Pembelian Smartphone Pada Gen-Z," *Journal of Engineering Science and Technology Management (JES-TM)* 1, no. 2 (2021): 12–18.

smartphone users, especially the Samsung brand. These findings deepen our understanding of the role of brand love as a mediating variable. They could serve as a reference for future research that addresses similar topics or the development of existing concepts.

2. Benefit for practitioners

This research provides practical insights for companies, especially Samsung, in formulating more effective marketing strategies. The findings show that customer satisfaction is not enough to build brand loyalty without brand love. Therefore, companies need to focus on improving the customer experience and building emotional connections to strengthen brand loyalty. These findings can help marketing practitioners improve customer retention and competitiveness in the market.