

The Effect of Product Attributes and Price on Brand Switching with Consumer Dissatisfaction as an Intervening Variable

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Abstract— Indonesia, as the 4th country with the largest number of smartphone users in the world makes Indonesia a potential market share for smartphone manufacturers. However, in 2020 Samsung experienced a decline in sales in the Semarang area and nationally. The decline in sales experienced by Samsung was due to the brand-switching behavior of Samsung smartphone consumers. This study aims to determine the effect of product attributes and prices on brand switching as consumer dissatisfaction among Diponegoro University students. This type of research uses explanatory research with a total sample of 100 respondents who are UNDIP students using Samsung who have switched brands. The sampling technique uses non-probability sampling with the purposive sampling method in data analysis using SmartPLS SEM 3 software for windows. The results of this study indicate that product attributes have a significant effect on dissatisfaction, the price has a significant effect on dissatisfaction, product attributes have a significant effect on brand switching, and the price has a significant effect on brand switching. In this study, it was also found that product and price attributes had an indirect effect on dissatisfaction with brand switching among Samsung students who switched brands. This research suggests that Samsung needs to pay more attention to the product's affordability and add features such as NFC, night mode, fast charging up to 33W and camera resolution for entry-level and mid-range class smartphones. In future research, other variables can be added which are factors causing brand switching such as variety seeking.

Keywords— Brand switching, product attributes, price, dissatisfaction.

I. INTRODUCTION

The rapid flow of globalization brings various impacts on all aspects of human life. One form of technological advancement today is gadgets or what is often heard by the name of smartphones. Recently, smartphones have been used by the wider community, from children to older people. According to katadata.com in 2020, smartphone use in the country reached 61.7% or 170.4 million Indonesians. This makes Indonesia a potential market share for smartphone manufacturers such as Oppo, Vivo, Xiaomi, Realme, Samsung, Asus and Lenovo, where they offer a wide variety of products at varying prices tailored to the specifications of the products they offer. The wide variety of product choices offered by producers, where consumers have many alternative product choices results in gaps for consumers to consume these goods according to their preferences, so consumers are more prone to switching brands (Firdaus, Muhammad Irfan, Rahardjo, 2015).

Brand switching behavior is a purchasing pattern described by a displacement or changeover from one brand to another (Septiani & Purwanti, 2020). The first factor that influences brand switching is product attributes, where product attributes are one of the things that attract buyers (Arianto, 2011). The better the product attributes provided by competitors, the greater the buying interest in other brands in the minds of consumers (Fahrudin & Yulianto, 2015). The second factor is price. There is a relationship between the price of a product and brand switching; this can be interpreted that the more expensive the price of the product offered, the more vulnerable a consumer is to switching brands (Sulistyo & Maftukhah, 2016). In addition, consumer dissatisfaction is one of the key factors that result in brand switching. Consumer decisions to switch brands can occur due to post-purchase dissatisfaction. Kotler and Keller (2016) state that consumer dissatisfaction can occur when the performance of a product does not match consumer perceptions and expectations.

Samsung is the world's largest electronic device maker from Korea. According to the Top Brand Index survey, Samsung smartphones managed to get the first rank of the top brand index with a TBI score of 33%. This indicates that Samsung is the product of choice that is in demand by the public. However, it does not rule out the possibility that in its marketing Samsung experiences various obstacles, one of which is related to the level of satisfaction of its consumers. Customer satisfaction has an impact on loyalty and brand switching by its customers. A customer's decision to switch brands is based on dissatisfaction with the expectations and reality obtained by consumers.

TABLE 1. Sales Data of Samsung Smartphone Semarang

| No | Years | Sales Percentage |
|----|-------|------------------|
| 1 | 2019 | 71 |
| 2 | 2020 | 11,6 |
| 3 | 2021 | 17,3 |

Source: Processed primary data (2023)

Based on table 1. in 2019 Samsung successfully marketed its products to the people of Semarang with total sales reaching 71%. But entering 2020 Samsung can only sell its products by 11.6%. Then in 2021 Samsung's sales began to increase slightly where the percentage of sales reached 17.3%. However, the percentage of sales is still far compared to the number of sales in 2019 and the figures are still relatively

small. Nationally, Samsung experienced a decline in Q3 2020 where Samsung can only control less than 15% of the smartphone market share in Indonesia, defeated by its business competitors, namely Oppo which leads the smartphone market with a stable unit share, followed by Vivo in second place and Xiaomi in third place. The decline in market share experienced by Samsung may be due to brand switching behaviour of Samsung smartphone consumers.

The results of a pre-survey conducted on Diponegoro University students using Samsung smartphones show brand switching behaviour reflected in the respondents' answers, where almost 55% of students tend to want to change brands other than Samsung. The results of the pre-survey show that students tend to switch brands because the price offered by Samsung is relatively more expensive and the attributes provided are less satisfying than its competitors' products. The number of factors that influence brand switching this study uses two factors that influence brand switching: product attributes and price, where these factors always appear in consumer complaints.

II. THEORITICAL FRAMEWORK

Consumer behavior concerns what consumers need, seek, buy, and consume. Consumer behavior aims to understand the consumer decision-making process before using the product. According to Philip Kotler and Kevin Lane Keller (2016), consumer behavior is a science that studies how an individual, organization, or group chooses, buys, uses, and how a good, service, idea or experience satisfies their needs and desires. Meanwhile, according to (Sudharto P.Hadi, 2007), consumer behavior is defined as the activities of individuals directly involved in obtaining and using goods and services, including the decision-making process in preparing and determining these activities.

A. Product Attributes

According to Fandy Tjiptono (2008), product attributes are elements contained in a product that consumers consider important because they are used as the basis for decision-making. Meanwhile, according to Peter and Olson 2010 in (Irnanda et al., 2022), product attributes are the main stimuli influencing feelings, thoughts and behavior in purchasing decisions. The indicators used refer to the opinion of Kotler and Armstrong (2014): 1) Product Quality, 2) Product Features, 3) Product Design.

B. Price

Kotler and Armstrong (2008) define price as the amount of money charged for a product, both goods and services, to obtain the product's benefits. The definition of price according to Tjiptono (2006) in (Sulistyo & Maftukhah, 2016) is an amount of money (monetary units) or other aspects (non-monetary) that contain certain utilities or uses needed to obtain a service.

The indicators used refer to the opinion of Kotler (2009): 1) Price affordability; 2) Price compatibility with product quality; 3) Price competitiveness.

C. Brand Switching

According to Peter and Olson (2014), brand switching is defined as a pattern or purchasing attitude towards a brand that is characterized by a change or change from one brand to another according to the consumer's will. Brand switching or brand-switching behavior is a purchasing pattern characterized by changes or alternations from one brand to another (Septiani & Purwanti, 2020). The indicators used refer to the opinions of Junyun Liao, Muhua Li and Haiying Wei (2020): 1) A sense of regret, 2) The desire to buy other brands, 3) The desire to follow the ongoing trend.

D. Consumer Dissatisfaction

Consumer dissatisfaction is described as the opposite of consumer satisfaction. According to Kotler (2009: 138) satisfaction is a person's feeling of pleasure or disappointment that arises from comparing the product's perceived performance against their expectations. Peter and Olson 2010 in (Irnanda et al., 2022) define that product attributes are the main stimuli influencing feelings, thoughts and behavior in purchasing decisions. With these attributes, consumers will assess and measure the suitability between the benefits of the product and what they want. The indicators used refer to the opinions of Wulandari (2013) and Lu (2012), namely: 1) Complaints, 2) Discrepancy between expectations and reality, 3) Negative experience.

III. RESEARCH HYPOTHESIS

Product attributes are one of the factors taken into consideration when consumers will buy a product. With these attributes, consumers will assess and measure the suitability between the benefits of the product and what they want. Consumers tend to pay the most attention to product attributes that can provide benefits by their wishes and if a consumer finds that the product attributes they get do not match their expectations, it will cause dissatisfaction in the consumer, and after that consumers will evaluate by reducing their mismatch by switching to another brand (Septiani & Purwanti, 2020). Research conducted by Mar'ah Lestari (2020) explains that there is a relationship between product attributes and brand-switching behavior. From this description, a hypothesis can be formulated:

Direct Effect:

H1: It is suspected that there is an influence between product attributes on user dissatisfaction with Samsung products.

H3: It is suspected that there is an influence between product attributes on brand switching of Samsung product users.

Indirect effect:

H6: It is suspected that there is an influence between product attributes on brand switching through customer dissatisfaction of Samsung product users.

Price is always used as a measure of value when the price is related to the benefits obtained for a product. If the benefits obtained by consumers increase, consumer satisfaction will increase. Likewise, if the benefits obtained by consumers tend to be low, the level of consumer dissatisfaction will be high. This consumer dissatisfaction arises because consumer

expectations are not the same or higher than the performance they receive from marketers. When consumers feel dissatisfied, consumers will immediately end the use of a product and seek information on other product choices. However, the tendency to switch brands will decrease if the price set is in accordance with the benefits provided. The research results of Trias Hapsari Ayu Putri, Siti Saroh, and Ratna Nikin Hardati (2022) show a relationship between price and brand switching. From this description, a hypothesis can be formulated:

Direct Effect

H2: It is suspected that there is an influence between price and user dissatisfaction with Samsung products.

H4: It is suspected that there is an influence between product attributes on brand switching of Samsung product users.

Indirect Effect:

H7: It is suspected that there is an influence between price on brand switching through customer dissatisfaction of Samsung product users.

This consumer dissatisfaction arises because consumer expectations are not the same or higher than the performance they receive from marketers. When consumers feel dissatisfied, consumers will immediately end the use of a product and seek information on other product choices. However, if consumers are satisfied with a product, consumers will be loyal to that product. The results of research by Kusmanto and Putri Rahmawati (2021) show that dissatisfaction affects brand switching. From the results of this description, a hypothesis can be formulated:

H5: It is suspected that there is an influence between dissatisfaction and brand switching of Samsung product users.

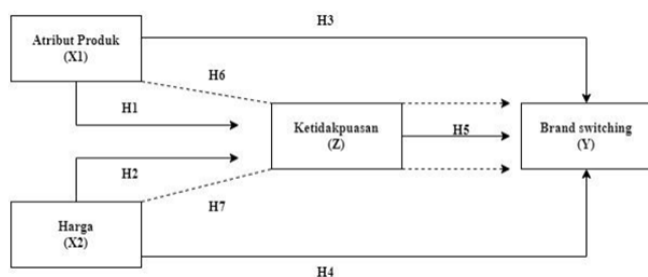


Figure 1. Hypothesis

IV. RESEARCH METHODS

The type of research used is explanatory research with a quantitative approach. The sample in this study amounted to 100 respondents who were UNDIP students who used Samsung who had switched brands. The sampling technique in this study was Nonprobability Sampling. The method used in this study is purposive sampling where the sample determination method is based on certain criteria, namely (1) Diponegoro University students (2) At least 17 years old (3) Have used a Samsung smartphone with a price range of Rp. 2,000,000- Rp. 5,000,000 and switched to another brand with a price range of Rp. 2,000,000- Rp. 5,000,000 (4) Willing to

fill out a questionnaire. In data analysis using SmartPLS SEM 3 For windows software.

V. RESULT AND DISCUSSION

A. Respondent Identity

The number of respondents used in this study amounted to 100 people with a minimum age of 17 years and are Diponegoro University students who have used Samsung smartphones. The grouping of respondents' identities is arranged based on gender, age, and type of Smartphone used. Based on the questionnaires that have been distributed, it can be concluded that most of the Samsung smartphone users who switch brands are female and 21 years old and the type of Smartphone used by Diponegoro University students who switch Samsung users who switch brands is the Galaxy J Series and most of them switch to Xiaomi and Vivo brands.

B. Convergent Validity

Based on the results of convergent validity testing, it is found that all outer loading values of each indicator are > 0.7 so that convergent validity has been fulfilled.

C. Discriminant Validity

TABLE 2. Table of AVE Values, Cronbach's Alpha and Composite Reliability

| | AVE | Cronbach's Alpha | Composite Reliability |
|--------------------|-------|------------------|-----------------------|
| Product Attributes | 0.633 | 0.885 | 0.912 |
| Price | 0.659 | 0.846 | 0.906 |
| Brand switching | 0.764 | 0.741 | 0.853 |
| Dissatisfaction | 0.778 | 0.858 | 0.913 |

Source: Processed primary data (2023)

Table 2 shows that each variable's AVE value is above 0.5 so that Discriminant validity has met the requirements and can be declared valid.

D. Composite Reliability

Based on table 2. Composite reliability in this study has a value of more than 0.7 so it can be said that the instrument in this study has met the standard reliability value

E. R-Square

TABLE 3. R-Square Value

| Variable | R Square Value | R Square Adjusted |
|-----------------|----------------|-------------------|
| Brand switching | 0.612 | 0.599 |
| Dissatisfaction | 0.246 | 0.231 |

Source: Processed primary data (2023)

It can be explained that product attributes, price and dissatisfaction together affect brand switching by 55.9% and the rest is explained by variables outside this study. The effect of product attributes, price and dissatisfaction with brand switching is moderate.

The dissatisfaction variable's r square value is 0.246 with an adjusted R-value of 0.231. It can be explained that product attributes and price together affect dissatisfaction by 23.1% and other variables outside this study explain the rest. Because the adjusted R Square value is less than 0.33, the effect of product attributes and prices on brand switching is weak.

VI. DISCUSSION

TABLE 4. Hypothesis Testing

| Direct Effect | Path Coefficient | T-statistiks | P-Value |
|---------------------------------------------------------------------|------------------|--------------|---------|
| Product attributes (X1) → Dissatisfaction(Z) | -0.251 | 2.624 | 0.009 |
| Price (X2) → Dissatisfaction (Z) | -0.334 | 3.231 | 0.001 |
| Product attributes (X1) → Brand switching (Y) | -0.229 | 3.255 | 0.001 |
| Price (X2) → Brand switching (Y) | -0.389 | 3.865 | 0.000 |
| Dissatisfaction (Z) → Brand switching(Y) | 0.371 | 3.176 | 0.002 |
| Indirect Effect | Path Coefficient | T-statistiks | P-Value |
| Product Attributes (X1) → Dissatisfaction (Z) → Brand switching (Y) | -0.093 | 2.032 | 0.043 |
| Price (X2) → Dissatisfaction (Z) → Brand Switching (Y) | -0.124 | 1965 | 0.050 |

Source: Processed primary data (2023)

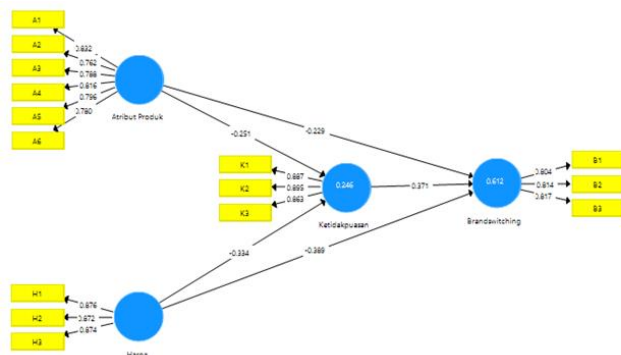


Figure 2. Hypothesis Model

This analysis shows that the path coefficient of product attributes on dissatisfaction has a negative effect with a score of -0.251, t-statistic score of 2.624 > t table 1.96, and P-value score of 0.009 < 5%. This study proves that product attributes negatively and significantly affect dissatisfaction. So it can be interpreted that the better the product attributes provided by Samsung, the lower the dissatisfaction consumers feel.

This analysis shows that the price path coefficient on dissatisfaction has a negative effect with a score of -0.334, t-statistic score of 3.231 > t table 1.96, and p-value score of 0.001 < 5%. This study proves that price has a negative and significant effect on dissatisfaction. so, it can be interpreted that if the price of a product is by consumer expectations, then dissatisfaction will decrease.

The results of the path coefficient test of product attributes on brand switching have a negative effect with a score of -0.229, t-statistic score of 3.255 > t table 1.96, and p-value score of 0.001 < 5%. The results of the Path Coefficient variable product attributes affect brand switching in a negative direction. So it can be interpreted that the better the attributes provided by Samsung smartphones, the lower the consumer's decision to switch brands. This is in line with the results research by Anandhitya Bagus Arianto (2011) with the title "The Effect of Product Attributes, Price, Needs to Seek

Variety and Consumer Dissatisfaction on Brand Switching Decisions from the Samsung Galaxy Series in Malang City" found that product attributes have a negative and significant effect on brand switching.

The test results in the table show that the price path coefficient on brand switching has a negative effect with a score of -0.389, t-statistic score of 3.865 > t table 1.96, and P-value score of 0.000 < 5%. The Path Coefficient results show that the price variable has a significant effect on brand switching with a negative direction, meaning that the dissatisfaction felt by Samsung users will increase if the price suitability of Samsung is low. This is in line with previous research conducted by Anandhitya Bagus Arianto (2011) which found that price has a negative and significant effect on brand-switching decisions.

The test results in the table show that the path coefficient of dissatisfaction with brand switching has a negative effect with a score of -0.251, a t-statistic score of 3.176 > t table 1.96, and a P-value score of 0.007 < 5%. This study proves that product attributes negatively and significantly affect dissatisfaction. The dissatisfaction variable significantly affects brand switching with a positive direction. The Path Coefficient results show that if the mismatch felt by consumers increases, the desire to switch brands will also increase. This is in line with research conducted by Prilia Putri Pertiwi in (2018) where there is an influence between mismatches that influence brand switching

The relationship of product attributes to brand switching through dissatisfaction is partial mediation. This happens because with the presence or absence of intervening variables (dissatisfaction), the correlation between price and brand switching will still have an effect. The relationship between dissatisfaction has a partial mediation role in the relationship between price and brand switching because the direct and indirect effects have negative but significant results and after dissatisfaction as an intervening variable the results of the influence between the two become negative and significant.

The results of the analysis of the indirect effect between product attributes on brand switching with dissatisfaction as an intervening variable provide a more significant effect than the direct effect. The intervening relationship of product attributes on brand switching through dissatisfaction is partial mediation because in the presence or absence of dissatisfaction, product attributes will still affect brand switching; The results of the analysis of the indirect effect of the price variable on brand switching with dissatisfaction as an intervening variable show a negative and significant effect. The intervening relationship of price to brand switching through dissatisfaction is partial mediation. This means that whether or not the dissatisfaction variable is present, price will still affect brand switching

Based on the research that has been conducted, it is known that this research supports the theory of consumer behavior, where in decision making, consumers are involved in various processes, namely need recognition, information search, evaluation of various alternative product brands, choice of brand to buy and post-purchase evaluation. This brand-switching behavior arises after a post-purchase evaluation, a

product that is felt to be in accordance with consumer expectations will foster loyalty. But on the other hand, if a product does not match expectations, it triggers dissatisfaction. Consumer dissatisfaction with the brand will help consumers look for new products from the old to the new brand, thus forming brand switching behavior.

VII. CONCLUSIONS

The results of the direct effect analysis show that the effect of product attributes and prices on dissatisfaction is negative and significant, the effect of product attributes and prices on brand switching is negative and significant. While the effect between dissatisfaction and brand switching shows positive and significant results. The results of the indirect effect analysis show that the indirect effect between product attributes on brand switching with dissatisfaction as an intervening variable provides a significant effect with a negative relationship direction. The analysis of the indirect effect of price variables on brand switching with dissatisfaction as an intervening variable shows a negative and significant effect.

VIII. SUGGESTIONS

Based on the results of this study, researchers have suggestions that can be used as input for these problems: (1) Samsung is expected to be able to add features to its products such as adding NFC, night mode features, fast charging up to 33W and adding camera resolution for entry level and mid range smartphones. In addition, in the race kitchen, it can increase the capacity of ROM and RAM to support the multitasking activities of its consumers. Samsung should also pay more attention to the design of their products. Because in the current era consumers are more interested in smartphones that have elegant and thin designs that facilitate mobility and increase the confidence of its users. Samsung is expected to fulfill consumer desires by presenting smartphones with thin and elegant designs such as using premium glass or plastic body materials for entry level and mid range smartphones; (2) Samsung is expected to conduct market research so that consumers can reach the prices they offer in the smartphone market. In addition, Samsung is expected to make improvements to the quality and features of its products so that consumers can feel the match between the money they spend to buy Samsung and the benefits they get from the Smartphone; (3) High expectations from consumers usually arise when they see advertisements for these products; therefore Samsung is expected to be able to meet consumer expectations by improving the quality and quality of the

products they market, so that consumers do not feel the gap between expectations and the reality they get; (4) By looking at and weighing the answers of the respondents of Samsung smartphone users who switched brands, Samsung is expected to pay more attention to the factors that influence brand switching behavior such as product attributes, price and dissatisfaction. Because by making improvements and improving products, it will increase satisfaction in consumers so as to create loyalty so that brand-switching behavior will not occur; (5) The variables in this study can be used in further research in different objects. It can also add other variables that cause brand switching such as variety seeking.

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