Customer Satisfaction on Yamaha Motorcycles: A Study of Product Differentiation and Brand Reputation

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Abstract−This study aims at analyzing the effect of product differentiation and brand reputation on customer satisfaction of Yamaha motorcycle products. To collect data, questionnaires were distributed to 100 respondents selected through accidental sampling method. Meanwhile, descriptive and verification testing methods were used to analyze the collected data. Besides, multiple linear regression was also used to construct the variables, namely product differentiation (X1), brand reputation (X2), and customer satisfaction (Y). As results, this study found that product differentiation and brand reputation have a significant effect on costumer satisfaction.

Keywords: Product Differentiation; Brand Reputation; Consumer Satisfaction.

1. INTRODUCTION

The entry of various new motorcycle brands from China, South Korea, and India leads to a more competitive national automotive market. Yet, despite of this issue, Indonesian customers continue to trust Japanese motorcycle brands as their viable option.

Basically, in Indonesia, there are four major automotive industries, namely PT. Astra Honda Motor (AHM), PT. Indomotor Indonesia (Yamaha), PT. Kawasaki Motor Indonesia (Kawasaki), and PT. Suzuki Indomobil (Suzuki). A strict competition among these automotive industries forces them to make various efforts and strategies to get customers' interest. Honda and Yamaha that are labelled as leaders in these automotive industries are always attempting to create various innovations in order to increase product sales. As results, Honda and Yamaha are able to keep leading the market with the increasing number of product sales year by year. The data of product sales of the four automotive industries in Indonesia from 2017 to 2019 are presented in table 1.

Table 1. Data on motorcycle sales in Indonesia from 2017 to 2019

Brands	Year		
	2017	2018	2019
Honda	4.385.888	4.759.202	4.910.688
Yamaha	1.348.211	1.455.088	1.434.217
Suzuki	72.191	89.508	71.861
Kawasaki	78.637	78.982	69.766
Total	5.886.103	6.383.111	6.487.430

Source: AISI (2020)

Referring to table 1, it can be seen that Honda leads the motorcycle sales in Indonesia with the percentage of 74% in each year. With this high percentage, it seems quite difficult for its competitors, including Yamaha, to take over the market.

However, as a developing automotive industry, Yamaha continues to do its best efforts to increase customer satisfaction. Through its distributors spreading all over Indonesia, Yamaha launches various motorcycles types, such as Yamaha Vega, Yamaha Mio, Yamaha Jupiter, Yamaha Prestige, Yamaha Bison, Yamaha Zion, and Yamaha Scorpio.

Basically, the strict competition among automotive industries cannot be separated from its aim to provide customer satisfaction. In this case, customer satisfaction can be defined as a customer's post-purchase evaluation of the chosen product, especially related to whether or not the product meets, or even exceeds, his expectation prior to purchase. Here, customer satisfaction can lead to a number of important outcomes, such as the increase of customer loyalty and market reputation as well as the decrease of price volatility and future negotiations. In the same sense, as stated by Fornell in Roshana (2014), there are a lot of benefits that can be gained by industries from achieving high levels of customer satisfaction, including the increased ability to prevent customer rotation, the reduced level of customer sensitivity to inflation, the reduced fee of sales deflation, the reduced operating costs caused by an increased number of customers, the increased promotions efficacy, and the increased company credibility. Hence, customer satisfaction becomes one of important considerations that cannot be neglected in sales activities.

Moreover, in this competitive market, every company needs to be able to develop an appropriate sales strategy in order to achieve high level of customer satisfaction. One of the strategies that can be done is applying product differentiation. Product differentiation, according to Kotler and Armstrong (2006), is a marketing strategy designed to distinguish an industry's product from competitors' products in an attempt to provide an added value to the

product. In the same vein, Simamora in Fauziah (2015) states product differentiation is an attempt to create differentiation from competitors' products in order to attract customers' interest. Simply put, product differentiation is a marketing strategy used to differentiate a company's product from other competitors' products within a market so that customers can select a product that best fits their needs. The differentiation itself can be in terms of color, quality, and price. Hence, it can be said that product differentiation is the key for companies to provide an added value to their products in order to be able to compete with other competitors' products in the market.

Further, in addition to product differentiation, there is brand reputation. Brand reputation, according to Aaker in Fathoni (2015), is a costumer's perception of a brand and how a particular brand is viewed by customers. In the same line, Herbig and Milewicz in Heryawan (2011) define brand reputation as a recognition received by a brand because of its advantages. Simply put, brand reputation can be defined as a customer's impression of and a preference to a brand. Brand reputation itself involves knowledge and belief about a brand's character (cognitive perspective), effects of using it, environment where it is used, as well as a brand's judgments, feelings, and sentiments (affective perspective).

2. RESEARCH METHOD

2.1 The relationship between product differentiation and customer satisfaction

The strategy of product differentiation applied by industries will be able to capture customers' interest. Numerous studies have proved that product differentiation has a strong connection to customer satisfaction and may influence it. Product innovation that has special features and is able to meet customers' needs or expectations will be able to achieve high level of customer satisfaction (Porter in Rahmawati, 2015). Besides, the accumulated value of a product developed by an industry in fulfilling customers' standard will realize customer satisfaction.

2.2 The relationship between brand reputation and customer satisfaction

Brand reputation can be defined as a customer's impression of and a preference to a brand. A study conducted by Budi Hermawan revealed that brand reputation gives a significant impact on customer satisfaction. Besides, a study by Budi Siswanto also demonstrated that brand reputation has a favorable effect on customer satisfaction.

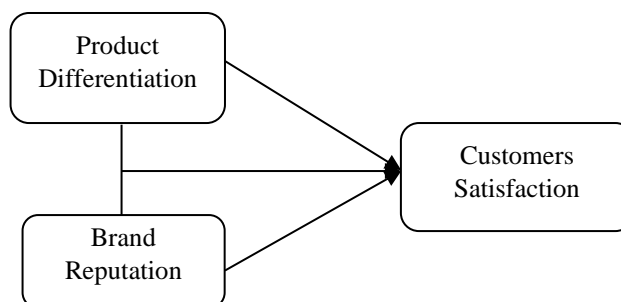### 2.3 Research Framework and Hypothesis

Figure 1. Research Framework

2.4 Hypothesis

1. Product differentiation and brand reputation have a significant effect on customer satisfaction
2. Product differentiation has a significant effect on customer satisfaction
3. Brand Reputation has a significant effect on customer satisfaction

2.5 Method

This study applied a survey research design. The population of this study is all Yamaha Motorcycle Communities in Kuningan District, West Java. When selecting samples from the population, it is necessary to make every effort to ensure that each person has the same chance of being a representative of the population. The sample selection process was then carried out by applying acccidental sampling which is a sample collection structure based on interests. As results, 100 samples were selected as respondents in this study. Moreover, this study consisted of two variables, namely:

1. Independent variable is a variable that gives influences or creates changes on dependent variable. In this study, product differentiation and brand reputation are the independent variables.
2. Dependent variable is the affected variable. In this study customer satisfaction is the dependent variable.

To collect data, a set of questionnaires was distributed to 100 selected respondents. Meanwhile, descriptive and verification testing methods with multiple linear regression using SPSS 20.0 were used to analyze the collected data. The equation of multiple linear regression is presented below:

Y   = dependent variable (customer satisfaction)

a   = constant

b_1 = parameter (overall measurement value) X_1

b_2 = parameter (overall measurement value) X_2

X_1 = independent variable (product differentiation)

X_2 = independent variable (brand reputation)

3. RESULTS AND DISCUSSION

3.1 Descriptive analysis

a. Descriptive analysis of product differentiation

Table 2. Descriptive analysis of product differentiation

	N	Range	Minimum	Maximum	Mean	Std. Deviaton
TOTAL_DP	100	11,00	28,00	39,00	35,5700	3,1792
Valid N (listwise)	100					

Source: results of data processing by *SPSS 20*

From the analysis, it was found that the minimum value of product differentiation was 28 and the highest value was 39, with average value of 35.5700, range of 11, and standard deviation of 3.17902 for all respondents. The lowest value of product differentiation indicator was design.

b. Descriptive analysis of brand reputation

Table 3. Descriptive analysis of brand reputation

	N	Range	Minimum	Maximum	Mean	Std. Deviaton
TOTAL_RM	100	15,00	22,00	37,00	30,9100	3,49052
Valid N (listwise)	100					

Source: Results of data processing by SPSS *20*

From the analysis, it can be seen that the lowest value of brand reputation was 22 and the highest value was 37, with average value of 30.9100, range of 15, and standard deviation of 3.49052. The lowest value of brand reputation indicator was uniqueness.

c. Descriptive analysis of customer satisfaction

Table 4. Descriptive analysis of customer satisfaction

	N	Range	Minimum	Maximum	Mean	Std. Deviaton
TOTAL_KK	100	13,00	22,00	35,00	38,6700	2,78181
Valid N (listwise)	100					

Source: Results of data processing by *SPSS 20*

Based on the analysis, it was found that the lowest value of customer satisfaction was 22 and the highest values was 35, with average value of 28.6700, range of 13, and standard deviation of 2.78181 for all respondents. 3.2 Multiple liniear regression analysis

Table 5. Result of multiple liniear regression analysis

Model	Unstandarize Coefficient		Standardize Coefficient
	B	Std. Eror	Beta
(Constant)	7,112	2,065	
TOTAL_DP	,197	0,82	,225
TOTAL_RM	,471	0,74	,689

Source : Results of data processing by *SPSS 20*

Referring to the result of the analysis, the multiple linear regression equation can be formulated as follows:

$$Y = 7112 + 0{,}197\,X_1 + 0{,}471\,X_2$$

The above equation is broken down to the followings:

1. B_0 (a) *Constant* = if the value of product differentiation and brand reputation is 0%, the value of customer satisfaction is 7112. The value of 7112 is derived from other variables which are not investigated in this study.

2. B_1 = if the value of product differentiation rises by 1% and the value of brand reputation is 0%, the value of customer satisfaction rises by 0.197.
3. B_2 = if the value of brand reputation rises by 1% and the value of product differentiation is 0%, the value of customer satisfaction rises by 0.471.

3.3 Determination analysis

From the analysis, it can be identified that the R-squared value was 0.587 (58.7%). It means that 58.7% of customer satisfaction was influenced by product differentiation and brand reputation variables. Meanwhile, the remaining 41.3% was influenced by other variables that are not investigated in this study.

3.4 Hypothesis testing

a. Simultaneous hypothesis testing (f-test)

Table 6. Result of simultaneous hypothesis testing (f-test)

Model		F	Sig
1	Regression	68,328	0,000[b]
	Residual		
	Total		

Source: Results of data processing by *SPSS 20*

α = 5% and df = nk-1 or 100-2-1 = 97, then use F_{table} with value 3.24. Meanwhile, F_{table} was 3.09 and F_{count} was 68.326. Hence, as $F_{count} > F_{table}$ (68.328 > 3.09) and the significance value was 0.000<0.05, then Ho is rejected and Ha is accepted meaning that product differentiation and brand reputation have a significant effect on customer satisfaction.

Partial hypothesis testing (t-test)

Table 7. Result of partial hypothesis testing (t-test)

Model		T	Sig
1	(Constant)	3,445	,001
	TOTAL_DP	2,393	,019
	TOTAL_RM	6,256	,000

Source: Results of data processing by *SPSS 20*

The t-table value is 1.661 for α = 5% and df = nk-1 or 100-2-1 = 97. From the analysis, it was found that the t_{count} value of product differentiation was 2.393. It means that the value of t_{count} is higher than t_{table} (2.393 > 1.661) with significance level of 0.001<0,05. It means that H_0 is rejected and Ha is accepted, implying product differentiation has a significant effect on customer satisfaction.

The t-table value is 1.661 for α = 5% and df = nk-1 or 100-2-1 = 97. From the analysis, it was found that the t_{count} value of brand reputation was 2.393. It means that the value of t_{count} is higher than t_{table} (6.256 > 1.661) with significance level of 0.019<0,05. It means that H_0 is rejected and Ha is accepted, implying brand reputation has a significant effect on customer satisfaction.

These findings support the aforementioned theory mentioning that there is a strong correlation between product differentiation and customer satisfaction. Product differentiation will provide an added value for customers as well as will help the company to fulfill customers' needs and expectations. In this orter (1993: 120) claims that the industry uses a differentiation strategy to generate value for consumers by creating unique or different goods.

The findings of the brand reputation study support the previous hypothesis, as well as the concept mentioned at the outset of this study that there is a clear correlation. link between Brand reputation and Customer satisfaction. A large relationship proves an abstract impact of brand credibility on customer satisfaction, according to Gianfranco Walsh et al (2006). Suryanto et al. (2002) conducted research that demonstrated the impact of credibility on customer satisfaction.

4. CONCLUSION

The following conclusions can be drawn based on research findings and reviews, consumer satisfaction in the Yamaha motorcycle community in Kuningan Regency is influenced by product differentiation and brand reputation. In the Yamaha motorcycle community in Kuningan Regency, product differentiation has a favorable and significant Customer satisfaction is affected. Yamaha Motorcycle Community in Kuningan Regency, brand reputation has an important and positive influence on consumer contentedness. Researchers have shared recommendations that are expected to be useful, based on research on the effect of the commodity differentiation in addition brand reputation in consumer contentment of Yamaha motorcycle products. These suggestions include companies must create a more appealing concept in order to achieve optimal customer satisfaction when producing product differentiation to increase customer satisfaction. Companies must improve more appealing characteristics in order to achieve more optimal customer satisfaction when developing a brand reputation to increase customer satisfaction. To obtain better results

in future research, it may be necessary to increase other aspects of the independent variable, such as brand perceptions, price, and product quality. We also intend to use samples from other business categories.

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