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# The Influence of Consumer Dissatisfaction, Product Quality, and Competitor Advertisement toward Brand Switching

Ronaldo Diego Irvianandra<sup>1</sup>, Okki Trinanda<sup>1\*</sup>

<sup>1</sup>Universitas Negeri Padang

e-mail: [ronaldiegoirviandra@gmail.com](mailto:ronaldiegoirviandra@gmail.com), [okki.trinanda@fe.unp.ac.id](mailto:okki.trinanda@fe.unp.ac.id)

\*corresponding author

## Abstract

The purpose of this research were to analyze: (1) The effect of Customer Dissatisfaction on Brand Switching for IPHONE users (2) The effect of Product Quality on Brand Switching for IPHONE users (3) The effect of Competitor Advertisement on Brand Switching for IPHONE users. The type of this research was causative research. The population on this research was college student who previously used IPHONE users and have switched to another brands. The total sample of this research was 150 person which was taken by using purposive sampling due to unknown the number of population. The result of research shows that (1)Consumer Dissatisfaction has significant effect on Brand Switching IPHONE smartphones (2)Product Quality has significant effect on Brand Switching IPHONE smartphones (3)Competitor Advertisement has significant effect on Brand Switching IPHONE smartphones. The conclusion is Consumer Dissatisfaction, Product Quality and Competitor Advertisement have significant effect on Brand Switching. Competitor Advertisement has higher influence on Brand Switching in this research. For the future research is better to explore more about variable that can influence Brand Switching.

**Keyword:** *Brand Switching, Consumer Dissatisfaction, Product Quality, Competitor Advertisement*

## Introduction

The development of technology today, mobile phones have become a symbol and necessity of daily life and almost everyone has and uses them. Mobile phones now equipped with various supporting features to meet the needs and desires of consumers. Now many mobile phones are popping up that concurrently have many functions such as multimedia functions, office functions, internet functions, social media, and so on, which are called smartphones or smart devices. With these advantages certainly attracts more consumer interest to make purchases, and also more consumer demand for newer generations of smartphones.

A wide selection of products both goods and services offered by producers, provides opportunities for consumers to consume with a variety of brand choices. The variety of product brands offered to consumers gives consumers the opportunity to switch from one brand to another, including smartphone products manufactured by APPLE. Inc. i.e. IPHONE.

As seen in Figure above, APPLE company itself ranked 1 in the world's smartphone vendors in the 4th quarter of 2017 with a market share of 19.2%, followed by another smartphone vendor, SAMSUNG with a market share of 18.4%, HUAWEI with a market share of 10, 2%, XIAOMI with a market share of 7.0%, and OPPO with a market share of 6.8%.

However, entering 2018, APPLE vendors themselves experienced a significant decrease in market share according to International Data Corporation (IDC) statistics.

Top Five Smartphone Company, Shipments, Market Share, and Year-Over-Year Growth, Q4 2017 Preliminary Data (shipments in millions)

Company	4Q17 Shipment Volumes	4Q17 Market Share	4Q16 Shipment Volumes	4Q16 Market Share	4Q17/4Q16 Change
1. Apple	77.3	19.2%	78.3	18.2%	-1.3%
2. Samsung	74.1	18.4%	77.5	18.0%	-4.4%
3. Huawei	41.0	10.2%	45.4	10.5%	-9.7%
4. Xiaomi	28.1	7.0%	14.3	3.3%	96.9%
5. OPPO	27.4	6.8%	31.6	7.3%	-13.2%
Others	151.3	38.6%	183.7	42.7%	-17.6%
<b>Total</b>	<b>403.5</b>	<b>100.0%</b>	<b>430.7</b>	<b>100.0%</b>	<b>-6.3%</b>

Source: IDC Worldwide Quarterly Mobile Phone Tracker, February 1, 2017

As of January 2019, SAMSUNG vendor companies are ranked 1 in the world, shifting the APPLE vendor which in the previous year ranked 1 in the world with a market share of 20.8%, followed by APPLE which was ranked 2 in the world with a market share of 14.9%, HUAWEI with a market share of 14.7%, XIAOMI with a market share of 8.7%, and OPPO with a market share of 8.1%.

Top 5 Smartphone Companies, Worldwide Shipments, Market Share, and Year-Over-Year Growth, Calendar Year 2018 (shipments in millions of units)

Company	2018 Shipment Volumes	2018 Market Share	2017 Shipment Volumes	2017 Market Share	Year-Over-Year Change
1. Samsung	292.3	20.8%	317.7	21.70%	-8.0%
2. Apple	208.8	14.9%	215.8	14.70%	-3.2%
3. Huawei	206	14.7%	154.2	10.50%	33.6%
4. Xiaomi	122.6	8.7%	92.7	6.30%	32.2%
5. OPPO	113.1	8.1%	111.7	7.60%	1.3%
Others	462	32.9%	573.4	39.10%	-19.4%
<b>Total</b>	<b>1,404.9</b>	<b>100.0%</b>	<b>1,465.5</b>	<b>100.0%</b>	<b>-4.1%</b>

Source: IDC Quarterly Mobile Phone Tracker, January 30, 2019

This is also supported by the opinion of Al-kwif & McNaughton (2011) found that the design of a product that includes many features with high performance has more influence on consumers to switch brands (brand switching). Brand switching is an interesting and needs to be studied in depth by marketers who do not want to lose customers. Marketers look forward to retaining their customers in the long run, even if it is possible forever. This effort will bring great success in the long run. Therefore, the writer is interested in doing this research because he sees many consumers of previous IPHONE users then consumers switch brands to other smartphones.

### Brand Switching

Kumar and Charlas (2011) identify that brand switching is the process by which consumers move from using one product to another but from the same category. Mandey, L.Silvya. Montolalu. I.T, and Poluan. J.G. (2018), brand switching can measured through the following indicators (1) Belief structure (cognitive) (2) Attitude

structure (affective) (3) Intention structure (conative). Consumer Dissatisfaction Tjiptono (2014: 146) identify that consumer dissatisfaction is the consumer's response to the evaluation of the perceived discrepancy between previous expectations and the actual performance of the product felt after usage. Arianto (2013), consumer dissatisfaction can be measured through the following indicators (1) Overall satisfaction (2) Confirmation of expectation (3) Comparison of ideal. Relationship between Consumer Dissatisfaction and Brand Switching

Shellyana and Dharmmesta (2013) who found a positive influence between dissatisfaction will result in a decision to move the brand to consumers. The same thing can happen to cell phones, if a manufacturer makes a cell phone whose performance does not meet the expectations of its consumers, the decision to switch brands will be even greater. According to Suharseno (2013) that the factors that cause brand switching is when consumers feel dissatisfaction with the product brand used previously. According to research by Uturessantix, Warokka, and Gallato (2012) shows that dissatisfaction has a positive effect on the decision to move the brand.

### Product Quality

Mowen and Minor (2012) identify product quality is defined as a thorough evaluation of customers for the good performance of goods or services. Saleleng, *et al* (2016), product quality can be measured through the following indicators (1) Quality products (2) Strong product when used (3) The product has innovative (4) The products offered have a variety of color choices (5) Products sold are rarely problematic.

### Relationship between Product Quality and Brand Switching

Aditi Acharya and Gupta, O.P (2014) entitled Influence of Peer Pressure on Brand Switching Among Indian College Students took objects in four product categories, namely mobile networks, cinema, deodorant, and ice cream. The results of this study indicate that the average consumer in India is vulnerable to brand switching for a universal reason, namely quality. Other research was also conducted by Eko Putra (2018) entitled The Effect of Product Quality, Advertising and Customer Satisfaction on Smartphone Brand Switching. The results showed that Product Quality had a positive and significant effect on Brand Switching.

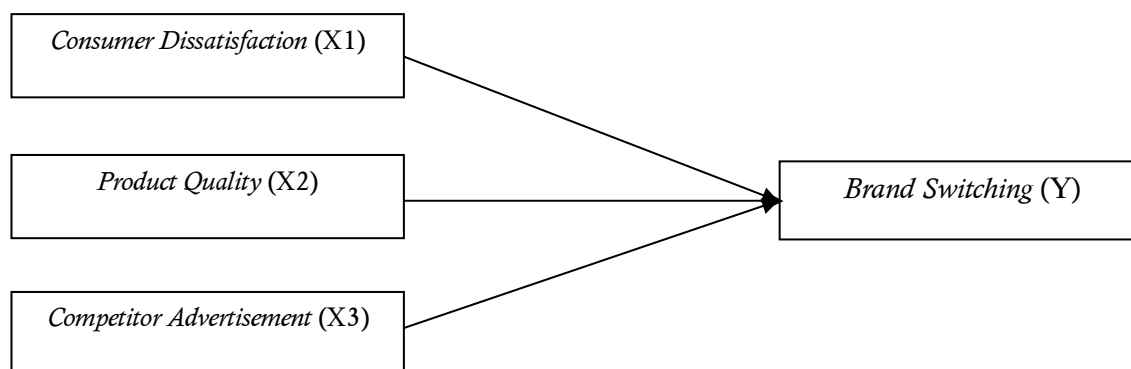
### Competitor Advertisement

Rosi, Farida dan Budiarmo (2011) identify competitor product advertisements are persuasive sales messages by competing companies directed at potential buyers of the most potential products or services. Ratnasari dan Aksa (2016:83), competitor advertisement can be measured through the following indicators (1) Attention (2) Interest (3) Desire (4) Action.

### Relationship between Competitor Advertisement and Brand Switching

Khan and Loui (quoted by Ishandi, 2012) conducted a study of the effect of changes in brand selection from before the advertisement to after the advertisement, where the advertisement was carried out could influence the selection of the old brands that had been chosen by consumers in exchange for the brands they had advertised. Behavior of brand switching can be influenced by advertisements of competitors' products where when consumers are confronted by the incessant advertising of competitors, consumers can be attracted to competitors' products and tend to switch brands (Rosi, Farida and Budiarmo, 2011: 3).

### Research Model



## Method

The type of this research is causative research, namely research comparing a variable between different subjects and finding a causal relationship without giving special treatment to the subject, namely the influence of consumer dissatisfaction, product quality, and competitor advertisement toward brand switching IPHONE on college students in Padang city. This research was conducted in Padang, and the implementation was in January 2020.

In this research the population is college student who previously used IPHONE and have switching to another brands. Total sample of this research was 150 person which was taken by using purposive sampling due to unknown the number of population. The criteria for respondents chosen is a college students in Padang city who used IPHONE before and moved to other brands. Hypothesis testing is done to test whether separately the independent variable is able to explain the dependent variable well. If  $Sig < \alpha$ , then the decision is  $H_0$  is rejected and  $H_a$  is accepted so it can be concluded that the independent variable has a significant effect on the dependent variable. If  $Sig > \alpha$ , then  $H_0$ 's decision is accepted and  $H_a$  is rejected so it can be concluded that the independent variable has no significant effect on the dependent variable. Where the test level = 0.05 (95%).

## Results & Discussion

### Summary of Hypothesis Testing Results

Variabel Terikat	Variabel Bebas	Regression coefficient	Significance
	Constant (a)	1.906	,029
	Consumer Dissatisfaction( $X_1$ )	,349	,000
Brand Switching (Y)	Product Quality ( $X_2$ )	,301	,000
	Competitor Advertisement ( $X_3$ )	1.491	,000
	F	521.764	0,000 <sup>a</sup>
	R Square	,915	

Data, 2020

From the results of data analysis to determine the effect of Consumer Dissatisfaction ( $X_1$ ), Product Quality ( $X_2$ ) and Competitor Advertisement ( $X_3$ ) on Brand Switching (Y) obtained simple linear regression coefficient values as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = 1.906 + 0,349X_1 + 0,301X_2 + 1.491X_3$$

The multiple linear regression equation above can be interpreted as follows:

1. From the multiple linear regression equation above it can be seen the constant value of 1,906, which means that with the influence of the Consumer Dissatisfaction, Product Quality, and Competitor Advertisement variables, the Brand Switching of IPHONE smartphones increased by 1,906.
2. R-square value of 0.915 means as much as 91.5% of the variable Consumer Dissatisfaction, Product Quality and Competitor Advertisement affect Brand Switching and the remaining 8.5% is influenced by other variables.
3. Consumer Dissatisfaction regression coefficient ( $X_1$ ) of 0.349 with a significance value of 0.000. The significance value is smaller than alpha ( $\alpha = 0.05$ ). Thus, it can be interpreted that the Consumer

Dissatisfaction variable (X1) has a positive and significant effect on brand switching (Y). Therefore the first hypothesis (H1) is **accepted**.

4. The value of the Product Quality regression coefficient (X2) of 0.301 with a significance value of 0.000. The significance value is smaller than alpha ( $\alpha = 0.05$ ). Thus, it can be interpreted that the product quality variable (X2) has a positive and significant effect on brand switching (Y). Therefore the second hypothesis (H2) is **accepted**.
5. The value of the Competitor Advertisement regression coefficient (X3) of 1.491 with a significance value of 0.000. The significance value is smaller than alpha ( $\alpha = 0.05$ ). Thus, it can be interpreted that the competitor advertisement variable (X3) has a positive and significant effect on brand switching (Y). Therefore the second hypothesis (H3) is **accepted**.

### **Effect of Consumer Dissatisfaction on Brand Switching**

Based on the results of the study note that there is a positive and significant effect of Consumer Dissatisfaction on Brand Switching smartphone IPHONE on college students in the Padang city. This is proven by Consumer Dissatisfaction having a regression coefficient of 0.349 against Brand Switching. This means that Consumer Dissatisfaction has a positive and significant influence on Brand Switching after Competitor Advertisement that has a regression coefficient of 1,491. This is in line with previous research by Wardani (2010: 74) to find a positive influence between dissatisfaction and brand transfer among consumers. Shellyana and Dharmmesta (2013) also found a positive influence between dissatisfaction and the decision to move the brand to consumers. The same thing can happen to cell phones, if a manufacturer makes a cell phone whose performance does not meet the expectations of its consumers, the decision to switch brands will be even greater. So it can be concluded that there is a significant influence of Consumer Dissatisfaction on Brand Switching. Significant research results indicate the higher the influence of Consumer Dissatisfaction, the Brand Switching smartphone IPHONE on college students in Padang city will also be higher.

### **The Effect of Product Quality on Brand Switching**

Based on the results of the study note that Product Quality has a positive and significant effect on IPHONE smartphone brand switching on college students in the Padang city. This is proven by Product Quality having a regression coefficient of 0.301 against Brand Switching, where the coefficient value is smaller than the variables X1 and X3 namely Consumer Dissatisfaction and Competitor Advertisement with regression coefficients of 0.349 and 1.491. This means that Product Quality has the least influence on IPHONE smartphone Brand Switching for college students in the Padang city. This is in line with research conducted by Aditi Acharya and Gupta, O.P (2014) entitled Influence of Peer Pressure on Brand Switching Among Indian College Students taking objects in four product categories, namely mobile networks, cinemas, deodorants, and ice cream. The results of this study indicate that the average consumer in India is vulnerable to brand switching for a universal reason, namely quality. This is due to consumer demands for product quality improvement. A product that has quality that is not dynamic will further increase the risk of consumers going to brand switching, on the other hand products that have a dynamic quality level will reduce the risk of brand switching (Oktariko, 2011). So it can be concluded that there is a significant effect of Product Quality on Brand Switching. Significant research results indicate the higher the influence of Product Quality, the Brand Switching on IPHONE smartphones will be higher as well.

### **The Effect of Competitor Advertisement on Brand Switching**

Based on the results of the study note that Competitor Advertisement have a positive and significant effect on IPHONE smartphone brand switching on college students in the Padang city. This is evidenced by the regression value of 1,491 to Brand Switching, where the coefficient value is greater than the variables X1 and X2, namely Consumer Dissatisfaction and Product Quality with a regression coefficient of 0.349 and 0.301. This means that Competitor Advertisement have the greatest positive and significant influence on IPHONE smartphone brand switching on college students in the Padang city. This is in line with previous research by Khan and Loui (quoted by Ishandi, 2012) conducting research on the influence of changes in brand selection from before advertising to after advertising, where advertising is carried out can affect the selection of old brands that were previously chosen by consumers. with the brand that they have advertised. Other research also says that brand switching behavior can be influenced by competing product advertisements where when consumers are confronted by aggressive



advertisements by competitors, consumers can be attracted to competing products and are likely to switch brands (Rosi, Farida and Budiarmo, 2011: 3). So it can be concluded that there is a significant influence of Competitor Advertisement on Brand Switching. Significant research results indicate the higher the influence of Competitor Advertisement, the higher IPHONE smartphone Brand Switching will be.

## Conclusion

Based on the analysis and discussion of the results of testing the hypotheses that have been carried out, several important conclusions are proposed that are the core of this research, there are:

- 1) The Consumer Dissatisfaction (X1) variable significantly influences IPHONE smartphone Brand Switching on college students in Padang City. Consumer Dissatisfaction is eligible to be a supporting variable for Brand Switching. This means that the higher the Consumer Dissatisfaction on IPHONE smartphones, the higher the Padang City college students are in conducting Brand Switching to other brands.
- 2) Product Quality (X2) variable significantly influences IPHONE smartphone brand switching on college students in Padang City. Product Quality qualifies to be a supporting variable for Brand Switching. This means that the higher the Product Quality, the higher the possibility of Brand Switching on IPHONE smartphones by college students in the city of Padang.
- 3) Competitor Advertisement Variable (X3) significantly influences IPHONE smartphone Brand Switching on college students in Padang City. Competitor Advertisement qualify to be a supporting variable for Brand Switching. This means that the more Competitor Advertisement are, the more likely college students in Padang city to do Brand Switching on IPHONE smartphones.

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